

**Estimates of  
National Expenditure  
2013**

**Abridged version**

ISBN: 978-0-621-41454-7

RP: 343/2012

The *Estimates of National Expenditure 2013* is compiled with the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision.

Published by the National Treasury

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Printed by FormeSet Printers Cape (Pty) Ltd

# **Estimates of National Expenditure 2013**

**Abridged version**

**National Treasury  
Republic of South Africa**

27 February 2013





# Foreword

The 2013 Budget is set within the context of a prolonged and slow economic recovery globally and domestically; arising as an overhang from the global financial crisis of 2008, domestic structural constraints and recent supply side disruptions emanating from the mining sector. The fiscal stance underpinning this year's Budget balances support for the economy in the short term with the objective of rebuilding fiscal space in the medium to long term. This approach is informed by a growing belief that some of the slowdown in growth and revenue is in fact structural. Accordingly, strong measures have been instituted to contain government's consumption expenditure.

The 2012 medium term budget policy statement (MTBPS) presented an expenditure framework that kept the budget baselines for the first two years of the 2013 medium term expenditure framework (MTEF) unchanged since their publication in February 2012. Spending agencies had been advised to reprioritise spending within their baseline allocations to accommodate new priorities or the expansion of existing programmes. However, in response to the cumulative effects of the slowdown in growth and revenue, government has appropriately decided to reduce aggregate spending by R10.4 billion relative to the 2013 MTEF announced in the 2012 MTBPS. In addition, R52.1 billion has been shifted from within institutional baselines for reprioritisation to key government priority programmes. All of this has been done in a manner that does not compromise the attainment of the priorities set out in the MTBPS.

In guiding departments on how to approach the 2013 Budget, the Ministers' Committee on the Budget stated: 'In response to difficult global economic circumstances, we have expanded government's contribution to the economy. ... Financing this expansion at the same time as declining government income has meant a significant increase in borrowing. Since 2008/09, our stock of debt has more than doubled, and with it, the cost of servicing our debt has also accelerated. Higher borrowing and interest costs have meant that fiscal space is being eroded and our economy will have to finance a relatively larger government interest bill for many years. This means less money will be available for other purposes.' (2012 Medium Term Expenditure Framework Guidelines)

Indeed, departments and spending agencies do have to learn to do more with less. In the period ahead, improvements in outcomes have to come from qualitative improvements in the use of available budgets and other inputs. All institutions need to increase their efficiency and effectiveness in terms of service delivery, particularly in relation to infrastructure development. The National Development Plan 2030 sets out the planning framework for improving delivery in the public sector. The National Development Plan is the first long term plan for South Africa. Future budgets will therefore facilitate stronger alignment of institutional planning with the National Development Plan.

With our well established budgeting processes and practices, we have a good basis for the changes we need to make into the future in order to continue to ensure fiscal sustainability, while simultaneously increasing government performance in line with the expectations of South Africans. In the 2012 Open Budget Index Survey, conducted independently by the International Budget Partnership, South Africa was rated second out of the 100 countries participating in this assessment of budget transparency. South Africans can be proud of the comprehensiveness of the budget information that is available and should strive to make good use of the information in discussions with government regarding its policies and practices.

The expenditure estimates on the votes are the product of extensive consultative processes of policy review at the technical and executive level, designed to ensure the efficient allocation of public funds. These took place under difficult economic circumstances. I am grateful to our colleagues in national departments and agencies for their partnership, contributions and advice, during both the budget process and the finalisation of this publication. Special appreciation goes out to the team at National Treasury, who worked tirelessly to produce a document, the substance and quality of which are a source of great pride.



**Lungisa Fuzile**  
**Director-General: National Treasury**

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# Introduction

South African budget documents are acknowledged as being among the most detailed in the world, providing high levels of transparency in relation to the generation and allocation of public resources. We have constantly strived to improve our public finance management practices, with particular emphasis in the last decade on improvements in non-financial information. Our aim is to inform and satisfy citizens by enabling a clear understanding of what the plans are for the use of public funds. Our continued efforts have yielded excellent results and made us proud: In the 2012 Open Budget Index Survey, we are ranked second out of the 100 countries surveyed, with only New Zealand performing marginally better. And in the 2010 Open Budget Index Survey, South Africa was ranked first out of the 94 countries assessed.

In keeping government institutions and the executive accountable for service delivery commitments, the 2013 Estimates of National Expenditure (ENE) publications continue to provide comprehensive information on how institutions plan to spend the money proposed for allocation to them. This information is to be used by Parliament as well as civil society to assist them in performing effective oversight.

In the face of the fiscal challenges facing South Africa, emanating from the global and domestic economic environment, government remains committed to its stated principles of debt sustainability, inter-generational equity and a counter cyclical fiscal stance. Spending levels over the next three years will therefore remain stable and well contained, while supporting economic recovery, sustaining the social wage and boosting capital investment. In fact, the non-interest expenditure trajectory over the 2013 medium term expenditure framework (MTEF) period will be contained below the level that was announced in the 2012 medium term budget policy statement (MTBPS) pertaining to the 2013 MTEF period.

Nonetheless, ensuring greater progress within this constrained MTEF period requires that we translate our good budgeting practices into more effective and efficient service delivery. This is greatly facilitated by our Budgeting by Programme approach. Budget programmes are a collection of activities logically focused on a set of related outputs. As budget allocation decisions are made at the vote programme level with the appreciation that poor service delivery and wasteful expenditure are a major deterrent to economic growth and development, a central budgetary issue for South Africa is the effectiveness and quality of government programme spending.

The 2013 ENE publications continue to provide detailed information on planned spending for all national votes and their related agencies, by presenting vote detail down to the subprogramme level. Programme spending plans are aligned with vote mandates and performance plans, which are crucial for holding votes accountable for the service delivery commitments made.

The function approach to budgeting still remains in operation. It was first applied in preparation of the 2011 ENE publications and focuses on the outcome and purpose (function) for which funds will be utilised. It groups vote programmes of different government departments together accordingly.

## **Improvements in the ENE 2013 publications**

In pursuit of an ever-improving representation of information, many changes have been introduced in the 2013 ENE publications.

In terms of the non-financial information, it is noted in these publications how vote activities are envisaged to align with the National Development Plan 2030 over the long term, and how they are contributing to government's 12 outcomes and other key service delivery goals. The National Development Plan was adopted towards the end of 2012. As the core implementing agents of the Plan,

departments have broadly endorsed the Plan's proposals, assessed their own plans and activities and performance targets in light of the Plan, and in their vote chapter, have expressed the intent to prioritise certain programmes in line with the Plan's future trajectory. One new allocation has already been made in response to the National Development Plan. It is to the Department of Basic Education for payments to non-profit institutions to support pilot projects in the national initiative to improve learning outcomes.

Performance information has been further emphasised and in the 2013 ENE publications forms an integral part of the discussion of the financial information in the expenditure trends section of every programme within each of the votes. The personnel information has also been disaggregated and moved to the programme level. This allows for a more holistic discussion of budget plans at the programme level and gives greater effect to South Africa's Programme Budgeting by function approach.

Essentially, performance, personnel and finances are discussed together in respect of the impact they have on the programme plans. The analyses of the average growth of different categories of personnel and expenditure over time, as well as the magnitude this represents relative to the total, are now shown in the publication tables. This makes the narrative in the text less cluttered and more specifically focused on performance and related discussions. Expenditure information is in addition now shown for selected subprogrammes by economic classification, together with tables showing personnel numbers according to salary level for these subprogrammes.

The Estimates of National Expenditure e-publications for individual votes continue to present wider coverage pertaining to each vote than is shown in this 2013 abridged version of Estimates of National Expenditure. This includes more disaggregated expenditure information on goods and services as well as transfers and subsidies. Detailed information is also provided for all national public entities, including those that are merely listed in the abridged publication.

While the abridged version of the ENE contains one additional table showing expenditure on infrastructure, the ENE e-publications' additional tables contain summaries of: the budgeted expenditure and revised estimate for 2012/13 and the audited outcome for 2011/12 by programme and economic classification; expenditure on training; conditional grants to provinces and municipalities; departmental public private partnerships; donor funding; and infrastructure funding. Also included in selected cases is more detailed information at the level of service delivery, an example being expenditure by court type per province in the Department of Justice and Constitutional Development.

### **Retaining fiscal space**

At the time of the tabling of the MTBPS in 2012, a commitment was made to consolidate the budget deficit in 2015/16. The subsequent decrease in the revenue forecast for the 2013 MTEF period therefore necessitated a reduction in overall government spending. From the outset, it was imperative for the budget process in preparation of the 2013 Budget to be underpinned by the need to protect the fiscal space within the MTEF period. This entailed identifying areas where funds that had been allocated could be reduced to free resources to fund government's key priorities, particularly infrastructure spending. Over the MTEF period, the aggregate expenditure level will be kept below the budgetary ceiling that was tabled in the 2012 MTBPS for the 2013 MTEF. Resources amounting to R10.4 billion have therefore been taken from aggregate expenditure.

In addition Cabinet approved expenditure reductions in respect of government institutions' budget baselines, to enable the reprioritisation of expenditure across votes. In total this amounts to R52.1 billion, of which R10.1 billion is effected in 2013/14, R19.6 billion in 2014/15 and R22.4 billion in 2015/16. Expenditure reductions will in part be effected through government departments seeking efficiencies to deliver planned services at lower costs, reducing allocations to programmes performing

below expected levels, and of necessity also decreasing outputs in lower priority programmes; in order to fund the delivery of new or expanded services.

Funds available for allocation amount to R117.2 billion for the 2013 MTEF, of which R52.1 billion has been identified for reprioritisation through the expenditure reductions adopted by Cabinet, R37.2 billion has been made available to compensate mainly for inflationary effects, and R27.9 billion is the drawdown from the contingency reserve. The allocation of these resources is guided by government's 12 outcomes, preparations for implementing the National Development Plan, and other key priorities. Funds are allocated to key infrastructure projects, to finance the impact of public sector wage increases as well as to fund other government priorities.

### **Additions to allocations**

Of the R117.2 billion available for allocation over the MTEF period, funds allocated to key infrastructure projects amount to R16.6 billion. To cover the costs of the improved conditions of service for the public sector, R37.5 billion is provided, of which 70.9 per cent (R26.6 billion) is allocated to the provinces and 29.1 per cent (R10.9 billion) to national government. Funding the wage bill is putting pressure on institutional budgets but they still have adequate resources to achieve their core objectives. Other key priorities and programme carry through costs are funded by the remaining R63.1 billion.

### **Key investments in infrastructure and development**

Government's developmental goals are focused not only on addressing inequalities among citizens through spending on social development, basic services and education, but also on promoting inclusive economic growth through increased investment. Specifically, infrastructure investment contributes simultaneously to economic growth, job creation and enhancing the productivity of the South African economy. The 2013 MTEF budget process therefore allocates R16.6 billion to key infrastructure projects. Allocations are mainly proposed for the South African National Roads Agency Limited, the Passenger Rail Agency of South Africa and Eskom. Given the importance of local infrastructure investment, roughly one-third of these resources are given to the local government, housing and community amenities function. These allocations are for water supply and regional bulk infrastructure, as well as funding for various municipal infrastructure services. These allocations will be elaborated on in the sections to follow.

### **Economic competitiveness and support package**

In addressing the infrastructure investment and employment creation challenges, government introduced a 6-year economic competitiveness and support package in the 2012 Budget, specifically targeted towards enhancing manufacturing competitiveness, special investment incentives for economic zones, science and technology in support of jobs and industrial development, as well as agricultural support. The budget baseline for the economic competitiveness and support package is R13.4 billion for the 2013 MTEF and the Department of Trade and Industry receives R8.6 billion of this. An amount of R1.8 billion is allocated in additions for: the national youth services corps, the recapitalisation of the Small Enterprise Finance Agency, the Agricultural Research Council, the Green Fund, the Industry Innovation Partnership Fund and for South African National Parks (SANParks). The details of the large allocations are contained in the discussions on function area by vote.

### **Allocations to function areas by vote**

A summary of gross additions to allocations, including the additions to key infrastructure projects, is provided below by national vote. The following information is excluded from the summary: direct charges against the National Revenue Fund and the amounts provided for the local government and provincial equitable shares. As such, the relatively large gross additions to allocations are noted only

for national votes and their related entities. This funding is for extending existing programmes or implementing new ones. The amounts discussed per vote correspond with those in Table 2. The amounts discussed below represent the gross allocations before any consideration of baseline reprioritisations, as enabled by the Cabinet approved vote expenditure reductions. The total of these amounts may therefore be bigger or smaller than the overall net change in the budget of a specific vote. If the sum of the deductions exceeds the total of all additions, then the overall net change will be negative.

In the discussion below, these gross amounts will be referred to as the allocations received for the 2013 MTEF. If the amount stated does not refer to the three-year period ahead, the year to which the amount refers will be explicitly stated. The overall net baseline change per function is shown first, followed by the relatively large vote specific gross additions to allocations. The contribution of individual votes to the overall net baseline change is also highlighted.

#### Economic infrastructure

The economic infrastructure function baseline amounts to R180.1 billion – R53.8 billion in 2013/14, R60.3 billion in 2014/15 and R66 billion in 2015/16 – of which a significant portion is allocated to key infrastructure projects in the transport, communication and energy sectors. The function has a positive net change of R14.7 billion above its baseline. This is a result of the positive net baseline changes on the Transport and Energy votes. This function focuses on improving public services and economic growth through the delivery of sustainable infrastructure.

The **Department of Transport** receives R250 million in 2013/14, R1.4 billion in 2014/15 and R1.6 billion in 2015/16 for the Passenger Rail Agency of South Africa to invest in rolling stock and signalling infrastructure as part of a plan to rejuvenate railway services, with production starting in 2013. Funding amounting to R1.4 billion – R275 million in 2013/14 and R1.1 billion in 2015/16 – is also allocated to the South African National Roads Agency Limited for national road upgrades.

An amount of R140 million is allocated to the **Department of Communications** for the digital terrestrial television awareness campaign. Resources amounting to R277 million in 2013/14 are made available for payment to Sentech for the rollout of infrastructure for digital terrestrial television.

The clean energy programme in the **Department of Energy** receives R700 million in 2015/16 for payment to Eskom for the provision of solar water geysers under the national energy efficiency and demand side management grant. The department also receives R1.9 billion: R191 million in 2013/14, R195 million in 2014/15 and R1.5 billion in 2015/16 – as part of Eskom's integrated national electrification programme for upgrades to municipal electricity distribution, and R217 million goes to the South African National Energy Development Institute to fund research and development for carbon capture storage and hydraulic fracturing projects.

Allocations are made on the vote of the **National Treasury** for the Postbank and the Development Bank of Southern Africa. The Postbank receives R481 million to acquire a core banking system and to employ skilled staff to extend banking services to the unbanked. The recapitalisation of the Development Bank of Southern Africa in the amount of R7.9 billion will allow it to grow its assets and loan disbursements, in support of its refocused mandate on core infrastructure funding.

#### Economic services

The economic services function baseline amounts to R86.5 billion – R27.1 billion in 2013/14, R28.4 billion in 2014/15 and R31.1 billion in 2015/16. While overall, there is a negative net change of R135 million, there are positive net changes in respect of the following votes: Economic Development; Tourism; Agriculture, Forestry and Fisheries; and Rural Development and Land Reform. This function

focuses on stimulating industrial expansion, agricultural production and distribution, and stimulating socioeconomic development.

The **Department of Agriculture, Forestry and Fisheries** receives R492 million, allocated to the Onderstepoort Biological Products company for the building and modernisation of vaccine production facilities and equipment.

As part of the economic competitiveness and support package, the **Department of Economic Development** is allocated R450 million for the recapitalisation of the Small Enterprise Finance Agency.

The **Department of Tourism** receives R419 million for the tourism incentive programme for stimulating new investments in the domestic tourism sectors.

The **Department of Mineral Resources** is allocated R160 million for the rehabilitation of derelict and ownerless mines. The Council for Mineral Technology receives R93 million for infrastructure upgrades to its office building and for research and development to optimise mining operating practices.

The **Department of Rural Development and Land Reform** receives R600 million – R200 million in each year, for the national rural youth services corps for the training and recruitment of rural youth to work in community based projects, in sectors such as farming and construction.

#### Local government, housing and community amenities

The baseline of the local government, housing and community amenities function amounts to R105.7 billion in 2013/14, R115.2 billion in 2014/15 and to R127.8 billion in 2015/16, totalling R348.7 billion. As a result of the positive net changes on all the votes falling under this function, the overall net change to the baseline is positive and amounts to R11.3 billion, mainly for funding infrastructure priority projects. The function is comprised of all spending related to communities and households, with funding flowing mainly via conditional grants.

The Social Housing Regulatory Authority is allocated R685 million from the **Department of Human Settlements** to increase delivery on medium density rental housing – receiving R160 million in 2013/14, R90 million in 2014/15 and R435 million in 2015/16. For informal settlements upgrading in rapidly urbanising mining towns and cities, R110 million in 2014/15 and R830 million in 2015/16 is proposed – a total of R940 million.

The **Department of Water Affairs** receives R1.5 billion – R171 million in 2013/14, R335 million in 2014/15 and R974 million in 2015/16 is allocated to the De Hoop Dam's bulk distribution system for the completion of pipelines. An amount of R150 million is allocated for acid mine water drainage in 2013/14. A further R2.6 billion is allocated for regional bulk infrastructure to compensate for rising bulk provision costs and to provide for the refurbishment and maintenance of infrastructure – R82 million in 2013/14, R1.1 billion in 2014/15 and R1.4 billion in 2015/16. Additions to funding amounting to R1.9 billion are allocated to the municipal water infrastructure grant – R312 million in 2013/14, R113 million in 2014/15 and R1.5 billion in 2015/16. A further R200 million is allocated in 2013/14 for the Magalies Water project.

The **Department of Cooperative Governance and Traditional Affairs** receives R180 million to expand technical support to municipalities for infrastructure services provision through the Municipal Infrastructure Support Agency. Further, R410 million is allocated to the municipal infrastructure grant.

An amount of R340 million for the integrated cities development grant is allocated on the vote of the **National Treasury**.

## Health and social protection

The baseline of the health and social protection function grows from R151.4 billion in 2013/14 to R174.3 billion in 2015/16, totalling R489.1 billion. The function baseline receives a net increase of R1.2 billion, as all departments within this function receive an overall net increase. The function seeks to address issues of improving health and life expectancy, as well as reducing poverty by providing income support to the poor. A large amount of funding is provided through conditional grants.

A large portion of funding to the **Department of Health** goes to the provincial sphere of government. An amount of R800 million in 2015/16 is proposed for the comprehensive HIV and AIDS grant, to enable the provision of anti-retroviral drugs and condoms. A further R100 million in 2014/15 and R384 million in 2015/16 is allocated to this grant to compensate for the reduction in donor funding of HIV and AIDS programmes, to ensure the continuation of these key and effective programmes.

The **Department of Social Development** is allocated R1.9 billion in 2015/16 for social grants to cater for the expected increase in the number of grant beneficiaries – for the old age grant, child support grant, foster care grant, disability grant and care dependency grant. An amount of R120 million is allocated to implement the Food for All programme which provides food through large scale food distributors.

## Education, labour and related functions

Education, labour and related functions receives R68.3 billion in 2013/14, R74.8 billion in 2014/15 and R82.4 billion in 2015/16, totalling R225.6 billion. To this baseline, there is a positive net change of R9.1 billion. This is as a result of the positive net changes on the following votes: Arts and Culture, Sport and Recreation South Africa, Higher Education and Training, and Labour. This function seeks to improve the quality of education at all levels, while focusing on skills shortages in key areas of the labour market.

The **Department of Sport and Recreation** is allocated R120 million in 2013/14 for the African Nations Championship local government conditional grant, for payment to the South African cities that will host the African Nations Championship event in 2014.

The **Department of Basic Education** receives an allocation of R95 million for the national department to disburse as a co-payment for pilot projects that will provide additional support and development for schools, principals, teachers and learners in selected districts and provinces. Funds will be transferred to non-profit institutions to contribute to the national initiative to improve learning outcomes. A significant share of funding under this department is allocated to provincial programmes.

An amount of R500 million is allocated to the **Department of Higher Education and Training** for subsidies across all universities in South Africa, with the aim of increasing the number of students in 2015/16. An amount of R1.7 billion is proposed to build two new universities, in Mpumalanga and in the Northern Cape, to be allocated as R150 million in 2013/14, R500 million in 2014/15 and R1 billion in 2015/16.

## Science and technology

The science and technology function baseline amounts to R33 billion – R10.2 billion in 2013/14, R10.8 billion in 2014/15 and R12.1 billion in 2015/16. This function supports environmental protection and the development of a skilled and capable workforce. The Department of Environmental Affairs is largely included in this function, which receives an overall positive net change of R3.8 billion in its baseline.

The **Department of Science and Technology** receives funding of R300 million in 2013/14, R300 million in 2014/15 and R540 million in 2015/16 for undertaking the design and pre-construction

phase of the Square Kilometre Array project. R400 million is allocated in 2015/16 to provide subsidies for science and engineering postgraduate students. A further R605 million is allocated over the MTEF period to the National Research Foundation for the modernisation of laboratories and to purchase equipment. The Industry Innovation Partnership Fund receives R100 million in 2013/14, R200 million in 2014/15 and R200 million in 2015/16 to take advantage of co-funding opportunities with industry to enhance competitiveness.

The **Department of Environmental Affairs** receives R75 million for the South African National Parks (SANParks) entity for the ongoing initiative to combat rhinoceros poaching. A further R390 million is also allocated to SANParks for infrastructure upgrades of conservation equipment and facilities. The South African National Biodiversity Institute laboratories are allocated R150 million for the upgrading of old facilities and equipment. R344 million in 2015/16 is allocated to cover the increased costs of research and conservation within the *Oceans and Coasts* programme.

#### General public services

The baseline of the general public services function amounts to R1.2 trillion – R372.3 billion in 2013/14, R396.7 billion in 2014/15 and R421.7 billion in 2015/16. The function has a net increase of R29.8 billion. This is as a result of the positive net changes on the following votes: The Presidency, Parliament, National Treasury, International Relations and Cooperation, Public Service and Administration, and Home Affairs. This function intends to deliver an efficient and outcome oriented public service, through the improvement of general government administrative services.

The **Presidency** is allocated R71 million to fund its growing obligations in relation to its international mandate.

The **Department of Public Service and Administration** receives R71 million for the Public Service Commission, to improve its capacity for investigating corruption related cases in the public service.

#### Defence, public order and safety

The baseline of the defence, public order and safety function is R469.9 billion, increasing from R148 billion in 2013/14 to R156.7 billion in 2014/15 and R165.2 billion in 2015/16, in support of improved domestic and international public protection. Overall, the function baseline increases by R6.2 billion as there are net increases mainly for improved conditions of service for employees on the following votes: Defence and Military Veterans, Independent Police Investigative Directorate, Justice and Constitutional Development, and Police.

The **Department of Defence** receives R300 million in 2015/16 to establish the capacity of the South African National Defence Force to improve borderline control, in line with its border safeguarding strategy.

#### Employment and social security

The baseline of the employment and social security function amounts to R48 billion, distributed as R14.5 billion in 2013/14, R16.6 billion in 2014/15 and R17 billion in 2015/16. The function baseline shows a net decrease of R975 million.

Funding amounting to R300 million has been allocated on the vote of the **National Treasury** for the post-retirement medical subsidy to accommodate the change in age profile of public sector employees.

On the vote of the **Department of Labour**, R380 million is allocated to the Commission for Conciliation, Mediation and Arbitration to provide for amendments in the main labour legislation.

## **Overview of expenditure**

The main budget provides for total spending of R3.09 trillion over the 2013 MTEF period, excluding state debt costs but including the contingency reserve, distributed as follows: R955.3 billion in 2013/14, R1.03 trillion in 2014/15 and R1.11 trillion in 2015/16. This expenditure funds the policy priorities for the three spheres of government: R1.46 trillion is allocated to the national level, R1.33 trillion to provinces and R278 billion to local government. The total main budget grows at an average annual nominal rate of 8.2 per cent. Non-interest expenditure comprises on average 90.4 per cent of total main budget expenditure, including the contingency reserve, growing at an average annual rate of 8 per cent, compared to the average annual rate of 8.2 per cent over the 2012 MTEF period. A contingency reserve of R4 billion in 2013/14, R6.5 billion in 2014/15 and R10 billion in 2015/16 is retained within the MTEF estimates, to allow for unforeseen and unavoidable expenditure.

The details of the main budget are discussed in the pages of this publication, with a summary provided in the tables below.



## **Summary tables**

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Table 2: Key additions to national votes 2013/14 to 2015/16

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Table 8: Infrastructure expenditure per vote 2009/10 to 2015/16

Table 9: Personnel expenditure per vote 2009/10 to 2015/16

Table 10: Departmental receipts per vote 2009/10 to 2015/16

Table 1 Main budget framework: 2009/10 to 2015/16

R million	Audited outcome			Revised estimate	Medium-term estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
<b>Revenue (National Revenue Fund)</b>							
Tax revenue (gross)	598 705.4	674 183.1	742 651.1	810 150.3	898 003.9	991 829.7	1 098 955.4
Departmental and other receipts, and repayments	8 894.4	13 460.1	19 193.1	14 475.1	18 336.4	19 128.9	20 240.6
Less: Southern African Customs Union payments	-27 915.4	-14 991.3	-21 760.0	-35 048.6	-38 659.5	-43 036.0	-48 469.3
Other adjustment (SACU) <sup>1</sup>	-	-2 914.4	-	-7 102.6	-4 714.9	-	-
<b>Total revenue</b>	<b>579 684.5</b>	<b>669 737.5</b>	<b>740 084.2</b>	<b>782 474.1</b>	<b>872 965.9</b>	<b>967 922.5</b>	<b>1 070 726.6</b>
<i>Percentage of GDP</i>	23.6%	24.5%	24.9%	24.4%	24.8%	24.9%	25.1%
<b>Expenditure</b>							
State debt costs	57 129.2	66 226.8	76 460.0	88 325.1	99 741.4	108 718.4	118 162.5
<i>Percentage of GDP</i>	2.3%	2.4%	2.6%	2.8%	2.8%	2.8%	2.8%
Current payments <sup>2</sup>	116 923.2	131 252.6	145 240.3	161 201.0	171 899.3	182 448.4	191 747.8
Transfers and subsidies	530 527.2	575 048.2	653 613.5	702 944.4	762 240.5	819 471.8	885 275.4
Payments for capital assets <sup>2</sup>	9 453.9	11 407.6	12 043.0	13 045.1	14 258.4	17 590.1	17 517.1
Payments for financial assets	33 163.3	21 205.3	1 166.4	1 451.4	2 905.0	3 252.0	3 024.0
Unallocated	-	-	-	-	30.0	-	-
Contingency reserve	-	-	-	-	4 000.0	6 500.0	10 000.0
<b>Total expenditure</b>	<b>747 196.8</b>	<b>805 140.5</b>	<b>888 523.2</b>	<b>966 967.0</b>	<b>1 055 074.6</b>	<b>1 137 980.7</b>	<b>1 225 726.9</b>
<i>Percentage of GDP</i>	30.5%	29.4%	29.9%	30.1%	30.0%	29.3%	28.7%
<b>Budget deficit<sup>3</sup></b>	<b>-167 512.3</b>	<b>-135 403.0</b>	<b>-148 439.0</b>	<b>-184 492.9</b>	<b>-182 108.7</b>	<b>-170 058.2</b>	<b>-155 000.3</b>
<i>Percentage of GDP</i>	-6.8%	-5.0%	-5.0%	-5.7%	-5.2%	-4.4%	-3.6%
<b>GDP</b>	<b>2 452 538.0</b>	<b>2 735 274.0</b>	<b>2 973 286.0</b>	<b>3 209 141.9</b>	<b>3 520 268.2</b>	<b>3 880 405.7</b>	<b>4 270 848.3</b>

1. Payment to the Southern African Customs Union (SACU) partners in respect of a previous error in calculation of the 1969 agreement.

2. Excludes conditional grants to provinces and local government; these are included in transfers and subsidies.

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

**Table 2 Key additions to national votes: 2013/14 to 2015/16<sup>1</sup>**

R million	Medium-term expenditure estimates			Total
	2013/14	2014/15	2015/16	
1 The Presidency	28.3	28.5	42.6	99.4
2 Parliament	10.0	13.0	30.4	53.4
3 Cooperative Governance and Traditional Affairs	64.9	896.0	4 863.3	5 824.2
4 Home Affairs	64.8	74.5	122.2	261.5
5 International Relations and Cooperation	27.4	25.4	58.5	111.3
6 Performance Monitoring and Evaluation	1.3	1.6	3.3	6.2
7 Public Works	31.4	39.2	62.8	133.4
8 Women, Children and People with Disabilities	2.8	3.7	5.5	12.0
9 Government Communication and Information System	7.4	4.3	7.4	19.1
10 National Treasury	2 738.8	3 090.5	3 465.7	9 295.0
11 Public Enterprises	9.0	18.9	32.6	60.6
12 Public Service and Administration	7.8	10.0	14.7	32.5
13 Statistics South Africa	22.0	28.0	48.3	98.3
14 Arts and Culture	13.3	7.9	11.9	33.2
15 Basic Education	84.4	241.7	1 276.6	1 602.7
16 Health	43.1	159.7	1 521.4	1 724.3
17 Higher Education and Training	0.5	(306.6)	(235.2)	(541.3)
18 Labour	29.7	36.6	55.3	121.6
19 Social Development	35.6	47.2	1 962.6	2 045.5
20 Sport and Recreation South Africa	160.9	3.0	4.7	168.6
21 Correctional Services	222.0	278.4	483.6	983.9
22 Defence and Military Veterans	348.7	448.4	1 192.1	1 989.2
23 Independent Police Investigative Directorate	1.6	2.1	3.9	7.6
24 Justice and Constitutional Development	195.4	251.4	506.3	953.2
25 Police	1 295.8	1 466.6	2 196.8	4 959.2
26 Agriculture, Forestry and Fisheries	149.3	213.0	191.9	554.2
27 Communications	286.0	3.9	7.1	297.0
28 Economic Development	10.1	13.4	318.6	342.1
29 Energy	586.2	387.8	2 065.6	3 039.6
30 Environmental Affairs	152.4	169.7	863.2	1 185.3
31 Human Settlements	164.8	206.3	1 277.5	1 648.7
32 Mineral Resources	94.8	130.1	195.5	420.4
33 Rural Development and Land Reform	34.8	42.6	270.3	347.7
34 Science and Technology	430.5	374.4	1 649.2	2 454.1
35 Tourism	7.0	9.1	113.9	130.0
36 Trade and Industry	65.0	159.9	328.3	553.1
37 Transport	530.6	1 435.0	3 201.6	5 167.3
38 Water Affairs	934.6	1 605.0	3 903.3	6 442.8
<b>Total</b>	<b>8 893.1</b>	<b>11 620.4</b>	<b>32 123.3</b>	<b>52 636.8</b>

1. Excludes key additions to the provincial equitable share and other direct charges against the National Revenue Fund.

**Table 3 Expenditure by national vote: 2009/10 to 2015/16**

R million	Audited outcome			Adjusted appropriation
	2009/10	2010/11	2011/12	2012/13
1 The Presidency	817.5	958.7	979.1	1 061.9
2 Parliament	1 009.0	1 198.9	1 214.8	1 338.3
3 Cooperative Governance and Traditional Affairs	33 661.6	41 821.4	46 221.6	54 855.2
4 Home Affairs	5 288.2	6 619.8	5 752.5	5 353.1
5 International Relations and Cooperation	5 417.4	4 417.2	5 021.8	5 271.5
6 Performance Monitoring and Evaluation	13.4	47.3	95.6	174.2
7 Public Works	5 533.6	6 615.1	7 061.4	7 891.2
8 Women, Children and People with Disabilities	77.5	109.9	165.9	192.8
9 Government Communication and Information System	334.0	352.2	343.6	461.0
10 National Treasury	53 240.6	38 226.2	21 362.0	21 177.6
11 Public Enterprises	3 983.3	540.0	346.1	1 376.8
12 Public Service and Administration	670.8	628.2	645.5	726.9
13 Statistics South Africa	1 555.8	1 694.9	3 674.4	1 761.7
14 Arts and Culture	2 224.9	2 248.8	2 405.8	2 672.5
15 Basic Education	7 854.3	8 677.9	12 900.9	16 204.0
16 Health	19 168.6	22 520.3	25 712.8	28 057.2
17 Higher Education and Training	20 684.4	23 752.4	28 281.7	31 586.2
18 Labour	1 698.7	1 826.3	2 007.1	2 139.6
19 Social Development	85 318.2	94 031.0	103 139.2	112 143.6
20 Sport and Recreation South Africa	2 866.4	1 252.0	810.6	1 063.1
21 Correctional Services	13 687.3	14 698.8	16 276.8	17 700.3
22 Defence and Military Veterans	31 324.2	30 442.4	34 331.4	37 888.5
23 Independent Police Investigative Directorate	106.2	128.4	153.5	197.9
24 Justice and Constitutional Development	9 560.7	10 586.8	11 470.4	12 912.2
25 Police	47 662.5	53 529.7	57 933.1	63 388.7
26 Agriculture, Forestry and Fisheries	3 961.8	3 850.7	4 928.3	5 868.9
27 Communications	2 301.9	1 426.5	1 792.0	1 655.0
28 Economic Development	314.6	400.7	577.6	696.5
29 Energy	3 690.9	5 505.4	6 174.3	6 734.5
30 Environmental Affairs	2 749.3	3 279.5	4 108.5	5 175.3
31 Human Settlements	16 407.4	18 916.5	22 598.9	25 137.8
32 Mineral Resources	853.8	994.7	1 029.4	1 175.5
33 Rural Development and Land Reform	5 863.8	7 122.9	7 997.7	8 974.1
34 Science and Technology	4 183.9	4 051.9	4 403.5	4 999.6
35 Tourism	1 145.6	1 143.5	1 250.2	1 374.1
36 Trade and Industry	5 923.3	5 796.7	6 801.0	8 351.1
37 Transport	28 664.0	29 155.1	41 196.5	39 647.2
38 Water Affairs	6 563.7	7 023.7	8 164.9	8 993.2
<b>Total appropriation by vote</b>	<b>436 383.5</b>	<b>455 592.4</b>	<b>499 330.6</b>	<b>546 378.7</b>
Plus:				
<b>Direct charges against the National Revenue Fund</b>				
President and Deputy President salary (The Presidency)	3.8	4.0	4.0	2.7
Members' remuneration (Parliament)	398.8	346.0	357.6	430.1
State debt costs (National Treasury)	57 129.2	66 226.8	76 460.0	88 794.5
Provincial equitable share (National Treasury)	236 890.8	265 139.4	291 735.5	313 015.8
General fuel levy sharing with metropolitan municipalities (National Treasury)	6 800.1	7 542.4	8 573.1	9 039.7
Skills levy and sector education and training authorities (Higher Education and Training)	7 815.6	8 379.3	10 025.3	11 400.0
Judges' and magistrates' salaries (Justice and Constitutional Development)	1 774.9	1 910.2	2 037.1	2 401.9
<b>Total direct charges against the National Revenue Fund</b>	<b>310 813.2</b>	<b>349 548.1</b>	<b>389 192.6</b>	<b>425 084.6</b>
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 500.0
Local government repayment to the National Revenue Fund	-	-	-	-500.0
<b>Total</b>	<b>747 196.8</b>	<b>805 140.5</b>	<b>888 523.2</b>	<b>967 463.3</b>

Table 3 Expenditure by national vote: 2009/10 to 2015/16

Revised estimate	Medium-term expenditure estimates			R million
	2012/13	2013/14	2014/15	
1 061.9	1 092.9	1 152.1	1 213.4	1 The Presidency
1 338.3	1 419.4	1 508.2	1 594.3	2 Parliament
54 176.2	58 252.7	63 287.4	69 948.9	3 Cooperative Governance and Traditional Affairs
5 353.1	6 567.8	6 893.2	6 763.4	4 Home Affairs
5 271.5	5 548.4	5 864.8	6 166.5	5 International Relations and Cooperation
157.9	192.7	202.0	210.7	6 Performance Monitoring and Evaluation
7 729.2	6 170.0	6 579.7	6 979.9	7 Public Works
188.7	198.3	218.5	230.2	8 Women, Children and People with Disabilities
461.0	396.7	413.1	430.8	9 Government Communication and Information System
21 053.7	25 556.0	27 741.8	27 869.9	10 National Treasury
1 376.8	236.9	259.8	279.3	11 Public Enterprises
693.5	816.4	859.5	879.7	12 Public Service and Administration
1 761.7	1 737.7	1 964.1	2 052.7	13 Statistics South Africa
2 663.6	2 914.8	3 528.1	3 975.4	14 Arts and Culture
15 034.8	17 591.9	19 941.3	23 023.6	15 Basic Education
27 942.2	30 706.7	33 924.3	36 685.2	16 Health
31 571.2	34 322.4	36 815.3	39 541.8	17 Higher Education and Training
2 133.9	2 415.2	2 633.5	2 785.6	18 Labour
111 472.5	120 491.6	129 279.4	137 610.1	19 Social Development
1 047.3	1 073.5	968.0	1 012.7	20 Sport and Recreation South Africa
17 510.3	18 748.1	19 721.1	20 795.3	21 Correctional Services
37 888.5	40 243.3	42 695.5	45 121.5	22 Defence and Military Veterans
197.9	217.0	234.7	247.2	23 Independent Police Investigative Directorate
12 912.2	14 134.2	15 060.3	15 812.1	24 Justice and Constitutional Development
63 388.7	67 917.1	71 914.6	75 853.8	25 Police
5 727.3	6 178.0	6 558.9	6 799.6	26 Agriculture, Forestry and Fisheries
1 655.0	2 043.9	1 598.4	1 592.5	27 Communications
649.5	771.5	752.9	987.4	28 Economic Development
6 733.5	6 598.2	7 214.6	7 970.6	29 Energy
5 175.3	5 431.2	5 577.5	6 128.5	30 Environmental Affairs
24 882.8	28 110.5	30 206.2	32 746.6	31 Human Settlements
1 163.0	1 393.8	1 491.3	1 619.2	32 Mineral Resources
8 974.1	9 459.7	9 905.3	10 274.5	33 Rural Development and Land Reform
4 999.6	6 198.2	6 600.2	7 644.3	34 Science and Technology
1 374.1	1 500.6	1 694.1	1 911.2	35 Tourism
8 305.2	9 572.6	9 958.0	11 404.7	36 Trade and Industry
39 576.5	42 275.3	48 223.2	53 377.7	37 Transport
8 749.2	10 187.0	12 449.0	15 488.4	38 Water Affairs
<b>542 351.7</b>	<b>588 682.1</b>	<b>635 889.8</b>	<b>685 029.2</b>	<b>Total appropriation by vote</b>
				Plus:
				<b>Direct charges against the National Revenue Fund</b>
2.7	2.8	3.0	3.1	President and Deputy President salary (The Presidency)
430.1	453.8	481.0	503.1	Members' remuneration (Parliament)
88 325.1	99 741.4	108 718.4	118 162.5	State debt costs (National Treasury)
313 015.8	337 572.4	359 924.2	383 697.2	Provincial equitable share (National Treasury)
9 039.7	9 613.4	10 190.2	10 658.9	General fuel levy sharing with metropolitan municipalities (National Treasury)
11 400.0	12 403.0	13 544.0	14 817.0	Skills levy and sector education and training authorities (Higher Education and Training)
2 401.9	2 575.7	2 730.3	2 855.9	Judges' and magistrates' salaries (Justice and Constitutional Development)
<b>424 615.3</b>	<b>462 362.5</b>	<b>495 591.0</b>	<b>530 697.7</b>	<b>Total direct charges against the National Revenue Fund</b>
-	30.0	-	-	Unallocated
-	4 000.0	6 500.0	10 000.0	Contingency reserve
-	-	-	-	Projected underspending
-	-	-	-	Local government repayment to the National Revenue Fund
<b>966 967.0</b>	<b>1 055 074.6</b>	<b>1 137 980.7</b>	<b>1 225 726.9</b>	<b>Total</b>

**Table 4 Expenditure by economic classification: 2009/10 to 2015/16**

R million	Audited outcome			Adjusted appropriation
	2009/10	2010/11	2011/12	2012/13
<b>Current payments</b>				
<b>Compensation of employees</b>	<b>75 276.3</b>	<b>86 927.1</b>	<b>95 535.4</b>	<b>106 000.6</b>
Salaries and wages	62 547.9	72 505.2	79 552.9	87 108.4
Social contributions	12 728.4	14 421.9	15 982.5	18 892.3
<b>Goods and services</b>	<b>41 491.1</b>	<b>43 995.1</b>	<b>49 610.9</b>	<b>55 917.3</b>
<b>Interest and rent on land</b>	<b>57 285.0</b>	<b>66 557.2</b>	<b>76 554.1</b>	<b>88 876.6</b>
Interest (including interest on finance leases)	57 277.4	66 554.9	76 552.8	88 876.2
Rent on land	7.6	2.3	1.3	0.4
<b>Total current payments</b>	<b>174 052.4</b>	<b>197 479.4</b>	<b>221 700.3</b>	<b>250 794.5</b>
<b>Transfers and subsidies to:</b>				
<b>Provinces and municipalities</b>	<b>344 774.6</b>	<b>383 780.0</b>	<b>430 799.1</b>	<b>466 477.1</b>
<b>Provinces</b>	<b>293 187.5</b>	<b>322 846.1</b>	<b>362 488.2</b>	<b>388 914.2</b>
Provincial revenue funds	293 163.8	322 821.8	362 488.2	388 914.2
Provincial agencies and funds	23.7	24.2	0.1	0.1
<b>Municipalities</b>	<b>51 587.1</b>	<b>60 934.0</b>	<b>68 310.8</b>	<b>77 562.8</b>
Municipal bank accounts	51 587.1	60 934.0	68 310.8	77 562.8
Municipal agencies and funds	0.0	0.0	0.0	0.0
<b>Departmental agencies and accounts</b>	<b>57 396.4</b>	<b>55 541.5</b>	<b>73 107.7</b>	<b>73 558.2</b>
Social security funds	9.7	11.5	38.9	17.0
Departmental agencies (non-business entities)	57 386.7	55 530.0	73 068.8	73 541.2
<b>Higher education institutions</b>	<b>15 443.5</b>	<b>17 721.2</b>	<b>19 551.6</b>	<b>20 955.7</b>
<b>Foreign governments and international organisations</b>	<b>1 366.4</b>	<b>1 247.5</b>	<b>1 546.1</b>	<b>1 732.4</b>
<b>Public corporations and private enterprises</b>	<b>20 235.4</b>	<b>20 143.1</b>	<b>22 444.5</b>	<b>24 792.6</b>
<b>Public corporations</b>	<b>17 853.2</b>	<b>18 254.6</b>	<b>19 601.6</b>	<b>20 851.2</b>
Subsidies on products or production	6 460.2	8 229.4	8 515.4	9 573.6
Other transfers to public corporations	11 393.0	10 025.3	11 086.2	11 277.6
<b>Private enterprises</b>	<b>2 382.2</b>	<b>1 888.4</b>	<b>2 842.9</b>	<b>3 941.5</b>
Subsidies on products or production	2 009.5	1 383.9	2 295.8	3 287.8
Other transfers to private enterprises	372.7	504.5	547.1	653.6
<b>Non-profit institutions</b>	<b>1 151.4</b>	<b>1 033.7</b>	<b>1 103.5</b>	<b>1 768.5</b>
<b>Households</b>	<b>90 159.4</b>	<b>95 581.1</b>	<b>105 061.1</b>	<b>115 498.2</b>
Social benefits	84 809.1	90 734.7	99 825.2	108 951.7
Other transfers to households	5 350.4	4 846.4	5 235.8	6 546.5
<b>Total transfers and subsidies</b>	<b>530 527.2</b>	<b>575 048.2</b>	<b>653 613.5</b>	<b>704 782.8</b>
<b>Payments for capital assets</b>				
<b>Buildings and other fixed structures</b>	<b>5 843.6</b>	<b>5 943.1</b>	<b>7 034.0</b>	<b>10 102.8</b>
Buildings	4 730.3	4 490.5	4 483.1	6 211.2
Other fixed structures	1 113.4	1 452.5	2 550.9	3 891.6
<b>Machinery and equipment</b>	<b>3 152.5</b>	<b>4 265.8</b>	<b>4 326.1</b>	<b>3 985.5</b>
Transport equipment	1 416.8	1 999.8	2 016.6	2 060.0
Other machinery and equipment	1 735.6	2 266.0	2 309.5	1 925.5
<b>Heritage assets</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>0.5</b>
<b>Specialised military assets</b>	<b>-</b>	<b>7.6</b>	<b>-</b>	<b>49.5</b>
<b>Biological assets</b>	<b>2.1</b>	<b>2.1</b>	<b>3.4</b>	<b>0.6</b>
<b>Land and subsoil assets</b>	<b>83.9</b>	<b>772.4</b>	<b>132.0</b>	<b>-</b>
<b>Software and other intangible assets</b>	<b>371.6</b>	<b>416.6</b>	<b>547.3</b>	<b>295.8</b>
<b>Total payments for capital assets</b>	<b>9 453.9</b>	<b>11 407.6</b>	<b>12 043.0</b>	<b>14 434.8</b>
<b>Payments for financial assets</b>	<b>33 163.3</b>	<b>21 205.3</b>	<b>1 166.4</b>	<b>1 451.2</b>
<b>Total</b>	<b>747 196.8</b>	<b>805 140.5</b>	<b>888 523.2</b>	<b>971 463.3</b>
Unallocated	-	-	-	-
Contingency reserve	-	-	-	-
Projected underspending	-	-	-	-3 500.0
Local government repayment to the National Revenue Fund	-	-	-	-500.0
<b>Total</b>	<b>747 196.8</b>	<b>805 140.5</b>	<b>888 523.2</b>	<b>967 463.3</b>

Table 4 Expenditure by economic classification: 2009/10 to 2015/16

Revised estimate	Medium-term expenditure estimates			R million
	2012/13	2013/14	2014/15	
<b>105 803.7</b>	<b>114 846.6</b>	<b>121 369.0</b>	<b>128 620.8</b>	<b>Current payments</b>
86 918.3	96 445.1	101 995.4	108 383.2	<b>Compensation of employees</b>
18 885.4	18 401.5	19 373.6	20 237.5	Salaries and wages
<b>55 314.7</b>	<b>56 964.3</b>	<b>60 986.2</b>	<b>63 032.9</b>	Social contributions
<b>88 407.7</b>	<b>99 829.8</b>	<b>108 811.5</b>	<b>118 256.7</b>	<b>Goods and services</b>
88 407.3	99 828.6	108 810.4	118 255.5	<b>Interest and rent on land</b>
0.4	1.2	1.1	1.2	Interest (including interest on finance leases)
				Rent on land
<b>249 526.1</b>	<b>271 640.7</b>	<b>291 166.8</b>	<b>309 910.3</b>	<b>Total current payments</b>
<b>465 578.7</b>	<b>498 840.1</b>	<b>533 345.6</b>	<b>575 899.8</b>	<b>Transfers and subsidies to:</b>
<b>388 515.9</b>	<b>414 152.0</b>	<b>441 726.9</b>	<b>474 389.5</b>	<b>Provinces and municipalities</b>
388 515.8	414 152.0	441 726.9	474 389.5	<b>Provinces</b>
0.1	–	–	–	Provincial revenue funds
<b>77 062.9</b>	<b>84 688.1</b>	<b>91 618.7</b>	<b>101 510.3</b>	Provincial agencies and funds
77 062.8	84 688.0	91 618.7	101 510.3	<b>Municipalities</b>
0.0	0.0	0.0	0.0	Municipal bank accounts
<b>73 435.7</b>	<b>82 406.2</b>	<b>89 059.1</b>	<b>95 884.3</b>	Municipal agencies and funds
17.0	18.7	20.5	21.4	<b>Departmental agencies and accounts</b>
73 418.7	82 387.5	89 038.6	95 862.9	Social security funds
<b>20 955.7</b>	<b>22 447.0</b>	<b>24 220.1</b>	<b>26 306.4</b>	Departmental agencies (non-business entities)
<b>1 732.9</b>	<b>1 854.0</b>	<b>1 975.8</b>	<b>2 050.3</b>	<b>Higher education institutions</b>
<b>24 669.9</b>	<b>27 654.7</b>	<b>31 965.9</b>	<b>37 213.7</b>	<b>Foreign governments and international organisations</b>
<b>20 847.7</b>	<b>22 540.4</b>	<b>26 305.8</b>	<b>30 502.9</b>	<b>Public corporations and private enterprises</b>
9 570.1	9 110.8	10 142.8	10 910.2	<b>Public corporations</b>
11 277.6	13 429.6	16 163.0	19 592.7	Subsidies on products or production
<b>3 822.2</b>	<b>5 114.3</b>	<b>5 660.2</b>	<b>6 710.8</b>	Other transfers to public corporations
3 148.6	4 483.2	4 995.9	6 014.6	<b>Private enterprises</b>
673.6	631.1	664.2	696.3	Subsidies on products or production
<b>1 768.5</b>	<b>5 064.5</b>	<b>5 418.4</b>	<b>5 671.3</b>	Other transfers to private enterprises
<b>114 802.9</b>	<b>123 973.9</b>	<b>133 486.9</b>	<b>142 249.6</b>	<b>Non-profit institutions</b>
108 250.8	117 105.7	125 824.8	134 106.6	<b>Households</b>
6 552.1	6 868.1	7 662.1	8 143.0	Social benefits
				Other transfers to households
<b>702 944.4</b>	<b>762 240.5</b>	<b>819 471.8</b>	<b>885 275.4</b>	<b>Total transfers and subsidies</b>
<b>8 821.2</b>	<b>10 387.7</b>	<b>13 722.2</b>	<b>13 822.8</b>	<b>Payments for capital assets</b>
5 261.0	6 868.3	9 116.5	9 107.6	<b>Buildings and other fixed structures</b>
3 560.2	3 519.4	4 605.7	4 715.2	Buildings
<b>3 869.7</b>	<b>3 581.3</b>	<b>3 610.4</b>	<b>3 418.6</b>	Other fixed structures
2 059.3	1 865.8	1 940.3	1 685.8	<b>Machinery and equipment</b>
1 810.4	1 715.6	1 670.1	1 732.8	Transport equipment
<b>0.5</b>	–	–	–	Other machinery and equipment
<b>49.5</b>	<b>40.5</b>	<b>45.3</b>	<b>60.5</b>	<b>Heritage assets</b>
<b>0.6</b>	<b>2.3</b>	<b>2.5</b>	<b>2.8</b>	<b>Specialised military assets</b>
–	–	–	–	<b>Biological assets</b>
<b>303.6</b>	<b>246.6</b>	<b>209.7</b>	<b>212.4</b>	<b>Land and subsoil assets</b>
				<b>Software and other intangible assets</b>
<b>13 045.1</b>	<b>14 258.4</b>	<b>17 590.1</b>	<b>17 517.1</b>	<b>Total payments for capital assets</b>
<b>1 451.4</b>	<b>2 905.0</b>	<b>3 252.0</b>	<b>3 024.0</b>	<b>Payments for financial assets</b>
<b>966 967.0</b>	<b>1 051 044.6</b>	<b>1 131 480.7</b>	<b>1 215 726.9</b>	<b>Total</b>
–	30.0	–	–	Unallocated
–	4 000.0	6 500.0	10 000.0	Contingency reserve
–	–	–	–	Projected underspending
–	–	–	–	Local government repayment to the National Revenue Fund
<b>966 967.0</b>	<b>1 055 074.6</b>	<b>1 137 980.7</b>	<b>1 225 726.9</b>	<b>Total</b>

**Table 5 Amounts to be appropriated from the National Revenue Fund for 2013/14**

R million	Appropriated (including direct charges)	Current payments	Transfers and subsides	Payments for capital assets	Payments for financial assets	To be appropriated	Increase/ Decrease <sup>1</sup>	
	2012/13	2013/14						
1	The Presidency	1 020.7	534.7	553.1	7.8	–	1 095.7	75.0
2	Parliament	1 763.4	1 540.4	328.8	4.0	–	1 873.1	109.7
3	Cooperative Governance and Traditional Affairs	54 715.6	2 419.9	55 820.6	12.2	–	58 252.7	3 537.1
4	Home Affairs	5 405.4	4 756.9	1 800.0	10.8	–	6 567.8	1 162.3
5	International Relations and Cooperation	5 116.6	4 300.3	875.4	372.7	–	5 548.4	431.8
6	Performance Monitoring and Evaluation	174.2	183.8	–	8.9	–	192.7	18.6
7	Public Works	7 993.8	2 849.4	2 542.3	778.4	–	6 170.0	-1 823.8
8	Women, Children and People with Disabilities	172.2	131.6	63.1	3.6	–	198.3	26.1
9	Government Communication and Information System	429.1	374.3	20.8	1.6	–	396.7	-32.4
10	National Treasury	429 036.3	101 208.8	368 181.5	187.9	2 905.0	472 483.2	43 446.9
11	Public Enterprises	1 249.1	234.5	0.1	2.3	–	236.9	-1 012.2
12	Public Service and Administration	731.5	456.0	357.4	3.0	–	816.4	84.9
13	Statistics South Africa	1 721.6	1 697.1	14.7	25.9	–	1 737.7	16.1
14	Arts and Culture	2 685.7	666.1	2 241.7	7.0	–	2 914.8	229.1
15	Basic Education	16 343.6	2 269.7	13 372.1	1 950.1	–	17 591.9	1 248.3
16	Health	27 557.0	1 638.8	28 242.1	825.8	–	30 706.7	3 149.7
17	Higher Education and Training	41 106.5	581.2	46 140.1	4.0	–	46 725.4	5 618.9
18	Labour	2 119.7	1 562.2	818.7	34.3	–	2 415.2	295.5
19	Social Development	112 216.8	638.4	119 846.8	6.4	–	120 491.6	8 274.8
20	Sport and Recreation South Africa	848.4	258.4	812.9	2.2	–	1 073.5	225.1
21	Correctional Services	17 732.2	17 554.0	77.6	1 116.5	–	18 748.1	1 015.9
22	Defence and Military Veterans	37 493.0	32 207.9	7 355.0	680.5	–	40 243.3	2 750.4
23	Independent Police Investigative Directorate	197.0	214.2	0.1	2.7	–	217.0	20.0
24	Justice and Constitutional Development	15 372.3	13 400.0	2 131.0	1 178.9	–	16 709.9	1 337.6
25	Police	62 485.4	64 296.8	552.6	3 067.7	–	67 917.1	5 431.8
26	Agriculture, Forestry and Fisheries	5 798.8	2 421.4	3 658.1	98.5	–	6 178.0	379.2
27	Communications	1 712.3	484.8	1 554.0	5.2	–	2 043.9	331.6
28	Economic Development	672.7	151.0	612.6	7.9	–	771.5	98.7
29	Energy	6 805.9	468.8	6 124.2	5.2	–	6 598.2	-207.7
30	Environmental Affairs	4 512.2	1 624.3	3 606.9	200.0	–	5 431.2	919.0
31	Human Settlements	25 263.2	796.8	27 309.8	3.9	–	28 110.5	2 847.3
32	Mineral Resources	1 169.1	747.9	630.1	15.9	–	1 393.8	224.8
33	Rural Development and Land Reform	8 877.6	3 052.1	6 391.4	16.3	–	9 459.7	582.2
34	Science and Technology	4 955.9	454.1	5 741.9	2.2	–	6 198.2	1 242.2
35	Tourism	1 367.3	359.2	1 133.8	7.5	–	1 500.6	133.3
36	Trade and Industry	9 092.1	1 493.3	8 059.3	20.0	–	9 572.6	480.5
37	Transport	38 829.0	917.0	41 353.8	4.6	–	42 275.3	3 446.4
38	Water Affairs	8 812.7	2 694.4	3 916.4	3 576.2	–	10 187.0	1 374.3
<b>Total</b>	<b>963 555.5</b>	<b>271 640.7</b>	<b>762 240.5</b>	<b>14 258.4</b>	<b>2 905.0</b>	<b>1 051 044.6</b>	<b>87 489.2</b>	

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



**Table 6a Conditional grants to provinces: 2009/10 to 2015/16<sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2009/10	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
3 Cooperative Governance and Traditional Affairs	–	214.4	15.1	180.0	180.0	188.1	197.4	204.3
7 Public Works	1 466.0	2 104.3	2 229.0	2 428.8	2 428.8	613.5	643.9	667.1
10 National Treasury	4 200.0	–	1 089.7	–	–	–	–	–
14 Arts and Culture	440.6	462.4	569.9	564.6	564.6	597.8	1 016.2	1 340.6
15 Basic Education	6 460.1	7 078.6	10 357.7	11 246.6	10 989.9	12 343.3	13 188.3	16 349.9
16 Health	17 523.8	21 042.0	24 034.8	26 072.6	26 072.6	27 516.7	29 610.2	32 083.5
17 Higher Education and Training	3 155.3	3 804.0	4 375.3	4 844.6	4 844.6	2 442.7	2 600.3	2 758.8
20 Sport and Recreation South Africa	402.3	426.4	452.0	469.6	469.6	497.6	525.6	549.8
26 Agriculture, Forestry and Fisheries	973.7	1 125.7	1 651.7	2 066.5	1 924.8	2 147.5	2 193.6	2 294.5
31 Human Settlements	10 819.3	13 032.1	15 121.5	15 726.0	15 726.0	16 983.9	17 918.3	19 667.2
37 Transport	10 832.1	8 392.5	10 855.9	12 299.1	12 299.1	13 248.7	13 908.9	14 776.6
<b>Total</b>	<b>56 273.0</b>	<b>57 682.4</b>	<b>70 752.7</b>	<b>75 898.4</b>	<b>75 500.0</b>	<b>76 579.6</b>	<b>81 802.7</b>	<b>90 692.3</b>

1. Detail provided in the Division of Revenue Act (2013).

**Table 6b Conditional grants to municipalities: 2009/10 to 2015/16<sup>1</sup>**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2009/10	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
3 Cooperative Governance and Traditional Affairs	8 988.3	9 916.3	11 695.8	14 441.7	14 441.7	14 938.9	15 299.6	16 085.6
7 Public Works	100.5	279.6	363.9	662.1	662.1	610.7	632.3	661.0
10 National Treasury	808.1	1 196.4	1 162.0	1 056.3	1 056.3	1 161.3	1 344.7	1 399.0
20 Sport and Recreation South Africa	2 168.7	512.6	–	123.1	123.1	120.0	–	–
29 Energy	1 074.6	1 253.4	1 376.6	1 351.4	1 351.4	1 815.5	1 720.1	2 258.1
31 Human Settlements	4 418.2	4 968.0	6 267.0	7 392.2	7 392.2	9 183.6	10 447.8	10 818.1
37 Transport	2 431.0	3 709.9	4 647.1	5 025.4	5 025.4	5 602.2	5 946.1	6 238.7
38 Water Affairs	902.4	984.6	992.3	562.4	562.4	1 023.9	1 508.5	3 142.2
<b>Total</b>	<b>20 891.8</b>	<b>22 820.8</b>	<b>26 504.8</b>	<b>30 614.8</b>	<b>30 614.8</b>	<b>34 456.1</b>	<b>36 899.1</b>	<b>40 602.6</b>

1. Detail provided in the Division of Revenue Act (2013).

Table 7 Training expenditure per vote: 2009/10 to 2015/16

R million	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates			
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	
1 The Presidency	1.9	2.1	1.1	1.6	3.9	3.5	3.5	
2 Parliament	10.1	6.7	4.5	9.6	9.3	11.4	12.0	
3 Cooperative Governance and Traditional Affairs	1.8	1.4	1.4	2.9	3.0	3.1	3.3	
4 Home Affairs	26.4	40.1	62.2	16.3	20.4	21.7	22.6	
5 International Relations and Cooperation	12.4	12.5	11.6	28.5	30.0	31.4	32.9	
6 Performance Monitoring and Evaluation	–	–	0.7	1.8	2.4	2.6	2.7	
7 Public Works	22.0	10.2	13.5	13.3	14.7	15.8	16.8	
8 Women, Children and People with Disabilities	–	–	–	0.9	0.8	0.8	0.9	
9 Government Communication and Information System	4.4	5.3	4.7	4.7	5.0	5.0	5.5	
10 National Treasury	10.0	8.4	8.9	12.3	10.5	10.2	10.6	
11 Public Enterprises	2.2	2.6	3.0	3.2	3.3	3.5	3.7	
12 Public Service and Administration	2.6	3.4	3.7	4.9	4.0	4.4	4.1	
13 Statistics South Africa	21.2	9.9	7.9	15.2	9.5	12.2	12.9	
14 Arts and Culture	3.3	2.8	3.5	1.8	2.0	2.1	2.2	
15 Basic Education	1.7	1.2	0.8	1.2	1.2	1.3	1.4	
16 Health	4.5	5.2	5.7	4.9	5.3	5.5	5.7	
17 Higher Education and Training	1.9	0.9	1.6	1.0	1.9	2.0	2.1	
18 Labour	10.3	6.5	7.6	11.4	14.3	15.0	14.9	
19 Social Development	5.4	4.4	4.0	7.0	8.4	8.8	9.2	
20 Sport and Recreation South Africa	1.2	0.6	0.9	1.6	1.1	1.3	1.4	
21 Correctional Services	89.5	78.9	126.0	115.5	128.2	180.4	170.6	
22 Defence and Military Veterans	110.7	119.0	154.8	225.8	191.9	202.3	211.9	
23 Independent Police Investigative Directorate	0.7	0.8	1.8	2.0	2.2	2.3	2.5	
24 Justice and Constitutional Development	12.7	18.8	6.6	84.4	92.3	98.1	104.2	
25 Police	1 253.4	1 421.4	1 507.9	1 682.5	1 733.0	1 785.0	1 838.5	
26 Agriculture, Forestry and Fisheries	16.4	37.7	29.1	41.6	36.9	39.3	42.3	
27 Communications	9.0	5.1	10.8	6.5	7.9	10.3	10.0	
28 Economic Development	–	–	–	0.9	1.0	1.0	1.1	
29 Energy	2.1	2.1	2.5	1.2	0.3	0.4	0.6	
30 Environmental Affairs	2.3	6.4	16.0	6.1	6.5	7.0	7.5	
31 Human Settlements	2.3	3.0	3.2	5.4	5.2	5.5	5.7	
32 Mineral Resources	9.1	7.8	3.1	7.0	8.3	9.1	9.5	
33 Rural Development and Land Reform	16.9	28.9	25.4	33.7	12.4	13.2	14.3	
34 Science and Technology	3.2	2.8	4.2	6.7	5.2	5.5	5.8	
35 Tourism	1.0	1.1	2.1	3.0	3.1	3.3	3.4	
36 Trade and Industry	9.3	9.4	–	14.7	14.0	15.2	17.2	
37 Transport	3.9	5.4	4.4	3.2	4.1	4.4	4.6	
38 Water Affairs	50.6	56.7	31.2	31.8	30.3	31.8	33.8	
<b>Total</b>	<b>1 736.2</b>	<b>1 929.5</b>	<b>2 076.4</b>	<b>2 415.8</b>	<b>2 433.9</b>	<b>2 575.8</b>	<b>2 651.7</b>	

**Table 8 Infrastructure expenditure per vote: 2009/10 to 2015/16<sup>1</sup>**

	Audited outcome			Adjusted appropriation	Medium-term expenditure estimates		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
R million							
3 Cooperative Governance and Traditional Affairs	8 727.5	12 528.9	11 443.5	13 881.6	14 060.7	13 803.5	14 406.8
4 Home Affairs	56.1	67.2	78.9	27.6	205.3	243.3	3.8
5 International Relations and Cooperation	165.3	267.9	205.2	207.0	202.9	214.0	223.8
7 Public Works	1 253.6	1 255.9	1 011.4	999.3	676.2	839.4	1 066.0
10 National Treasury	755.6	1 051.5	887.9	829.2	817.7	810.6	824.9
14 Arts and Culture	449.7	447.8	364.3	483.0	509.5	540.1	565.0
15 Basic Education	3 884.7	3 242.8	5 597.7	8 096.8	8 807.5	10 563.7	13 215.9
16 Health	3 347.0	4 257.1	5 683.4	5 384.5	5 847.0	6 337.2	6 526.6
17 Higher Education and Training	1 462.0	1 585.0	1 625.3	1 800.0	2 150.0	2 700.0	3 300.0
18 Labour	26.9	16.9	7.1	17.4	16.4	14.8	9.4
20 Sport and Recreation South Africa	2 168.7	512.6	–	–	–	–	–
21 Correctional Services	833.6	950.9	592.4	755.8	800.2	813.0	819.9
22 Defence and Military Veterans	862.0	699.9	530.7	1 187.8	932.3	948.2	980.2
24 Justice and Constitutional Development	590.1	624.1	700.4	1 005.8	1 161.7	1 241.4	1 202.6
25 Police	1 070.1	1 182.1	671.1	794.6	1 036.9	1 099.9	1 149.5
26 Agriculture, Forestry and Fisheries	120.0	121.3	262.2	807.4	693.9	810.1	822.8
27 Communications	820.0	191.0	533.9	165.8	655.3	131.8	64.9
29 Energy	2 515.9	4 253.2	4 334.4	4 530.8	3 775.8	4 052.7	5 736.1
30 Environmental Affairs	447.5	601.7	642.8	278.1	418.4	559.9	622.4
31 Human Settlements	15 237.4	18 108.7	187.4	23 458.8	26 167.5	28 366.1	30 485.3
33 Rural Development and Land Reform	2.8	6.9	20.8	69.0	2.2	–	–
34 Science and Technology	699.3	236.9	417.7	483.7	878.1	905.5	965.8
36 Trade and Industry	1 407.3	1 224.3	834.4	854.9	644.0	216.7	226.7
37 Transport	16 955.1	18 916.0	22 346.1	26 273.6	27 240.5	32 478.5	36 767.9
38 Water Affairs	1 976.0	2 604.2	3 454.0	5 048.3	6 263.3	8 189.2	10 193.5
<b>Total</b>	<b>65 834.3</b>	<b>74 954.8</b>	<b>62 433.0</b>	<b>97 440.5</b>	<b>103 963.4</b>	<b>115 879.3</b>	<b>130 179.9</b>

1. Amounts include: mega infrastructure projects and programmes costing over R400 million per year for a minimum of three years, or at least R1 billion in total project cost over the MTEF period; large projects and programmes costing between R90 and R400 million per year, totalling at least R250 million but less than R1 billion over the MTEF period; small projects and programmes costing less than R90 million per year and not more than R250 million over the MTEF period. 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: 2009/10 to 2015/16**

R million	Audited outcome			Adjusted appropriation	Revised estimate	Medium-term expenditure estimates		
	2009/10	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
1 The Presidency	179.2	210.2	235.6	267.0	267.0	296.9	309.0	324.5
2 Parliament	784.6	795.5	857.9	1 032.4	1 032.4	1 109.7	1 156.1	1 226.1
3 Cooperative Governance and Traditional Affairs	165.7	174.3	235.0	290.4	287.3	277.7	294.1	315.0
4 Home Affairs	1 637.1	2 051.9	1 944.9	2 393.3	2 393.3	2 538.2	2 700.0	2 863.1
5 International Relations and Cooperation	1 833.3	1 791.4	1 934.2	2 079.3	2 079.3	2 238.8	2 306.9	2 365.8
6 Performance Monitoring and Evaluation	6.2	26.1	54.4	89.0	84.9	108.5	114.9	118.1
7 Public Works	976.1	1 089.7	1 269.6	1 330.0	1 330.0	1 468.2	1 584.9	1 679.0
8 Women, Children and People with Disabilities	9.8	22.7	47.8	70.0	65.9	80.3	84.6	89.3
9 Government Communication and Information System	138.7	147.2	160.3	178.3	178.3	188.4	200.1	212.2
10 National Treasury	402.1	476.2	537.1	616.1	600.2	710.5	755.6	800.2
11 Public Enterprises	75.2	83.1	96.2	111.5	111.5	130.7	144.5	155.5
12 Public Service and Administration	156.8	175.4	181.9	226.7	206.4	259.3	275.8	296.4
13 Statistics South Africa	879.2	976.3	1 232.8	1 107.1	1 105.6	1 159.5	1 232.6	1 308.3
14 Arts and Culture	146.3	152.8	163.7	183.0	183.0	196.4	209.1	221.7
15 Basic Education	225.2	252.9	295.4	356.7	356.7	389.4	414.7	438.0
16 Health	333.0	353.7	409.7	486.6	486.6	538.4	567.9	596.9
17 Higher Education and Training	201.8	258.2	305.6	374.1	364.1	402.7	426.5	448.4
18 Labour	576.5	681.5	757.9	847.5	823.6	982.9	1 074.4	1 140.2
19 Social Development	220.1	247.0	273.6	310.8	307.0	340.7	358.8	383.7
20 Sport and Recreation South Africa	61.3	70.6	73.1	88.6	74.7	97.9	103.0	106.9
21 Correctional Services	9 065.5	9 506.7	10 851.8	11 550.3	11 495.3	12 452.1	13 315.6	14 113.3
22 Defence and Military Veterans	12 705.6	16 597.1	17 569.0	19 346.1	19 346.1	20 863.8	21 763.3	23 225.3
23 Independent Police Investigative Directorate	65.1	71.8	78.1	103.4	103.4	132.4	143.6	153.7
24 Justice and Constitutional Development	6 028.1	6 944.9	7 559.2	8 443.0	8 443.0	9 229.4	9 809.2	10 415.2
25 Police	33 771.5	38 415.3	42 427.7	46 833.2	46 833.2	50 416.7	53 274.9	56 371.5
26 Agriculture, Forestry and Fisheries	1 082.2	1 189.9	1 320.7	1 473.8	1 473.8	1 656.0	1 748.2	1 839.5
27 Communications	129.6	145.1	151.6	184.5	184.5	195.0	207.6	220.2
28 Economic Development	7.9	25.2	48.3	63.9	51.2	98.0	104.4	110.7
29 Energy	133.3	142.8	184.8	207.4	206.2	247.6	271.9	285.4
30 Environmental Affairs	333.7	400.1	469.1	614.8	553.8	654.5	697.6	747.3
31 Human Settlements	166.9	216.5	242.7	320.0	320.0	366.0	390.0	417.8
32 Mineral Resources	275.1	326.5	364.6	402.3	398.5	435.0	462.8	490.8
33 Rural Development and Land Reform	760.9	946.7	1 094.3	1 483.9	1 483.9	1 676.9	1 761.0	1 866.7
34 Science and Technology	167.5	190.6	207.2	247.6	247.6	260.7	283.8	301.0
35 Tourism	89.6	100.3	135.3	174.7	174.7	205.8	222.3	227.7
36 Trade and Industry	437.7	514.5	567.0	736.0	779.0	854.2	897.9	955.0
37 Transport	228.1	250.8	274.5	319.3	313.7	360.1	383.4	406.5
38 Water Affairs	820.0	906.0	922.8	1 058.3	1 058.3	1 227.2	1 317.7	1 383.7
<b>Total</b>	<b>75 276.3</b>	<b>86 927.1</b>	<b>95 535.4</b>	<b>106 000.6</b>	<b>105 803.7</b>	<b>114 846.6</b>	<b>121 369.0</b>	<b>128 620.8</b>

**Table 10 Departmental receipts per vote: 2009/10 to 2015/16<sup>1</sup>**

R million	Audited outcome			Adjusted estimate	Revised estimate	Medium-term receipts estimates		
	2009/10	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16
1 The Presidency	0.6	0.6	2.4	8.6	8.9	0.3	0.3	0.4
2 Parliament	38.5	32.7	34.2	21.5	21.5	14.5	11.5	11.9
3 Cooperative Governance and Traditional Affairs	0.5	0.2	1.1	0.6	0.9	0.9	0.9	1.0
4 Home Affairs	442.2	644.8	911.0	506.7	36.8	7.4	7.4	7.4
5 International Relations and Cooperation	23.2	38.8	82.9	24.1	24.1	25.3	26.6	27.9
6 Performance Monitoring and Evaluation	–	–	0.1	0.1	0.1	0.0	0.0	0.0
7 Public Works	39.6	40.0	75.2	36.4	36.4	38.0	39.9	41.9
8 Women, Children and People with Disabilities	–	0.0	0.0	0.0	0.0	0.0	0.0	0.0
9 Government Communication and Information System	2.9	1.6	0.9	3.9	3.9	0.7	0.8	0.9
10 National Treasury	2 543.6	3 340.6	3 409.1	3 400.5	3 564.5	3 709.6	3 531.6	3 475.1
11 Public Enterprises	1.2	0.3	0.1	0.6	0.6	0.1	0.1	0.1
12 Public Service and Administration	2.2	2.1	0.5	0.8	0.8	0.8	0.8	0.9
13 Statistics South Africa	8.5	2.6	3.0	2.5	2.5	2.4	2.6	2.9
14 Arts and Culture	1.1	2.1	1.0	2.2	2.3	2.4	2.6	2.7
15 Basic Education	0.7	1.7	12.7	10.8	8.8	10.8	6.5	1.9
16 Health	45.2	27.2	55.3	33.1	33.1	39.4	32.8	32.8
17 Higher Education and Training	6.7	8.9	10.1	10.6	10.6	9.3	9.4	9.6
18 Labour	12.9	9.0	7.6	8.1	11.6	12.3	12.9	13.4
19 Social Development	30.6	10.5	103.2	27.2	34.5	16.0	18.0	19.8
20 Sport and Recreation South Africa	6.1	0.3	0.3	0.4	0.1	0.3	0.3	0.4
21 Correctional Services	108.5	115.4	146.9	126.4	126.4	131.1	135.7	150.0
22 Defence and Military Veterans	699.9	689.7	4 269.0	929.4	929.4	798.9	814.9	818.2
23 Independent Police Investigative Directorate	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2
24 Justice and Constitutional Development	382.9	414.2	387.3	394.4	328.9	408.7	472.7	498.7
25 Police	347.6	287.7	288.8	307.3	307.3	273.5	274.4	307.2
26 Agriculture, Forestry and Fisheries	250.5	157.0	177.4	145.1	145.1	152.3	159.9	167.9
27 Communications	1 344.8	1 528.3	2 321.1	2 181.6	2 730.2	2 929.3	2 994.1	3 042.8
28 Economic Development	456.0	547.2	592.9	580.4	580.4	786.7	826.8	867.3
29 Energy	4.4	3.9	3.4	4.1	4.1	2.5	2.6	2.8
30 Environmental Affairs	2.1	8.5	18.0	16.6	16.6	6.1	6.4	6.6
31 Human Settlements	0.7	2.8	0.6	1.3	0.9	0.6	0.6	0.7
32 Mineral Resources	212.7	30.3	93.2	99.0	48.8	51.1	54.7	57.2
33 Rural Development and Land Reform	44.0	48.8	46.2	59.7	45.4	40.9	42.1	40.2
34 Science and Technology	1.6	0.5	1.4	1.0	1.2	0.1	0.1	0.1
35 Tourism	0.7	1.5	1.9	2.0	1.5	1.6	1.7	1.8
36 Trade and Industry	52.6	35.6	78.7	92.4	92.4	89.2	96.6	102.8
37 Transport	106.1	408.8	312.5	237.7	307.7	253.2	268.8	280.8
38 Water Affairs	76.3	33.1	85.6	27.3	27.9	29.4	30.9	32.4
<b>Total departmental receipts as per Estimates of National Expenditure</b>	<b>7 297.8</b>	<b>8 477.8</b>	<b>13 535.7</b>	<b>9 304.6</b>	<b>9 496.5</b>	<b>9 845.9</b>	<b>9 888.4</b>	<b>10 028.4</b>
Less: Parliament (retained departmental receipts)	38.5	32.7	34.2	21.5	21.5	14.5	11.5	11.9
Plus: Direct receipts into the National Revenue Fund <sup>2</sup>	1 000.0	600.0	–	–	–	2 605.0	2 752.0	3 024.0
Plus: South African Revenue Service departmental receipts collection	635.1	4 415.0	5 691.6	5 900.0	5 000.0	5 900.0	6 500.0	7 200.0
<b>Total departmental receipts as per Budget Review</b>	<b>8 894.4</b>	<b>13 460.1</b>	<b>19 193.1</b>	<b>15 183.1</b>	<b>14 475.1</b>	<b>18 336.4</b>	<b>19 128.9</b>	<b>20 240.6</b>

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, as well as proceeds from the sale of state assets.



# Information contained in Estimates of National Expenditure chapters

The Estimates of National Expenditure publications describe 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 abridged Estimates of National Expenditure publication is tabled in Parliament by the Minister of Finance on the day the main budget is tabled. Through an accompanying Appropriation Bill, the executive seeks Parliament's approval and adoption of its spending plans for the new financial year. Amounts allocated for the first year of the new MTEF period are then appropriated from the National Revenue Fund in terms of an Appropriation Act, once approved by the president. The main budget also provides for a contingency reserve for expenditure related to unexpected circumstances.

The Estimates of National Expenditure e-publications for individual votes provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on training, a revised spending estimate for the current financial year, as well as expenditure information at the level of service delivery, where appropriate. These publications are available at [www.treasury.gov.za](http://www.treasury.gov.za).

Information in the Appropriation Bill is divided according to votes. Generally, a vote specifies the total amount appropriated per department. In some cases a vote may contain more than one department. Each chapter in the abridged Estimates of National Expenditure publication relates to a vote. A separate e-publication is also available for each vote.

**In respect of votes, the Estimates of National Expenditure publications follow the layout shown below:**

## Budget summary

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

R million	2013/14					2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
<b>MTEF allocation</b>							
Programme name							
Programme name							
Programme name							
<b>Subtotal</b>							
<b>Direct charge against the National Revenue Fund</b>							
Item							
Item							
<b>Total expenditure estimates</b>							
Executive authority	Minister						
Accounting officer	Director General / Chief Operating Officer						
Website address							

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

The **2013/14 total to be appropriated** shows the expenditure allocation per programme and the aggregated amount for 2013/14, and corresponds with the information in the 2013 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 such 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, 2014/15 and 2015/16, are also shown. These estimates are not included in the 2013 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 of the planning of the 2014 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 a department's mandate, strategic objectives or administrative functions, and corresponds with the aim stated in the Appropriation Bill.*

## Mandate

The department's mandate as contained in the relevant act(s) that govern(s) the department's establishment and operations.

## Strategic goals

Departmental strategic goals identify areas of institutional performance that are critical to the achievement of the department's legislative mandate and responsibilities. These goals are generally aligned with departmental strategic plans.

## Programme purposes

Each vote is comprised of several programmes. The functions and activities performed by an institution 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).

### Selected performance indicators

This table highlights performance in terms of key indicators for the vote for the past three years, the current year and the three-year MTEF period.

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16

Managing, monitoring and measuring performance are integral to improving service delivery. 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 government’s performance management system, departmental annual performance plans and ministerial delivery agreements.

An **indicator** is a 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.

The **outcome to which it contributes** column links the indicator to one or more of the 12 government outcomes.

The **past** column shows what level of performance the department actually achieved in the 2009/10, 2010/11 and 2011/12 financial years.

The **current** column shows what the department projects it will achieve for the 2012/13 financial year.

The **projections** column shows what the department expects to achieve in the 2013/14, 2014/15 and 2015/16 financial years.

### The national development plan

Information is presented of how the department’s programmes and plans may link with the national development plan, including how the department expects to engage with this plan going forward.

**In the selected performance indicators table a dash (–) means information is not available. However, in all expenditure and revenue tables a dash (–) indicates that information is either unavailable or zero.**

## 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	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10-2012/13	2013/14			2014/15
R million													
Programme name													
Subtotal													
Direct charge against the National Revenue Fund													
Item													
Total													
Change to 2012 Budget estimate													
<b>Economic classification</b>													
Current payments													
Economic classification item													
Transfers and subsidies													
Economic classification item													
Payments for capital assets													
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 2012 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 2012 Adjusted Estimates of National Expenditure publication.

The **revised estimate** for 2012/13 represents expenditure outcomes in terms of National Treasury's current estimate, arrived at in consultation with the department. This does not imply a change in the amounts voted to departments in the 2012/13 adjusted appropriation; it is merely a more recent estimate of what the department is likely to spend in this financial year.

The **average growth rate** for the stated period is shown as a percentage.

The **expenditure/total: average** column shows on average what proportion an expenditure item comprises of total vote expenditure for the stated period as a percentage.

The **medium-term expenditure estimates** are shown for 2013/14, 2014/15 and 2015/16. The spending figures for 2013/14 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 2014/15 and 2015/16 are indicative allocations, and will form the basis of planning for the 2014 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. The average growth rates are also shown for the totals for the stated periods.

## Personnel information

This table provides details of the total department personnel numbers according to salary level<sup>1</sup>.

Vote name	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16			
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost		
Salary Level																
1 – 6																
7 – 10																
11 – 12																
13 – 16																

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

2. Rand million.

3. As at 30 September 2012.

**Number of funded posts** refers to the number of departmental employment positions for which provision is made on the budget as measured on 30 September 2012.

**Number of posts additional to the establishment** refers to additional employment positions that have been allocated on an ad hoc basis and that do not form part of the department's approved establishment as measured on 30 September 2012.

Information is provided on the **number and cost of personnel posts filled/planned for on funded establishment** in the department by salary level, as at 30 September 2012. **Unit cost** is calculated by dividing the per salary level by the number of posts.

The **average growth rate** for the stated period is shown as a percentage.

The **salary level/ total: average** column shows on average what proportion the salary level comprises of the total vote personnel expenditure for the stated period.

Personnel information by salary level over a five-year period is provided, and discussed in relation to compensation of employees. An explanation of changes to the size of the establishment is given in relation to the department's strategic plan and service delivery goals.

## Expenditure trends

The main expenditure trends and vote programme structure changes from 2009/10 to 2015/16 are described. Trends are generally represented over the MTEF period between 2012/13 and 2015/16, or over the entire period between 2009/10 and 2015/16.

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 any significant increases or decreases in expenditure are explained in terms of the underlying performance information, policies, personnel profile and other factors that inform the trends. A summary of the key additions to the vote baseline budget is given. Any Cabinet approved budget reductions are also stated. Spending on consultants that support critical skills and provide technical expertise is also shown, where relevant.

The average annual growth rates in tables are reflected in nominal, not real, terms. Where inflationary growth has been excluded in the calculation and real growth estimates are discussed, the consumer price index has been used to deflate the growth rate.

### Infrastructure spending

Expenditure on existing and new infrastructure is discussed, together with any progress made on the implementation of key existing and new infrastructure.

## Departmental receipts

This table provides details of the revenue collected on the vote.

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15			2015/16
Departmental receipts													
Economic classification Item													
Lower level classification item													
<b>Total</b>													

## Information on each programme

### Objectives

Objectives are indicated for each programme. Objectives should include an explanation of strategic intent as well as specific interventions and progress measures. These are broadly aligned with strategic objectives captured in the strategic and annual performance plans. (Programme 1 (*Administration*) is generally exempt from providing objectives).

For example: Improve the provision of specified services and products to eligible citizens and residents (strategic intention/objective) by reducing the time taken to issue passports and travel documents (specific intervention) from 8 days in 2012/13 to 4 days in 2015/16 (progress measure).

### Subprogrammes (per programme)

The key activities carried out by each subprogramme are described. 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. Where applicable, explanatory notes on transfers to public entities or partner organisations, and on subsidies, incentives or financial assistance programmes are also provided.

## 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 2012/13	Average growth rate (%) 2009/10-2012/13	Expenditure/total: Average (%) 2009/10-2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13-2015/16	Expenditure/total: Average (%) 2012/13-2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Subprogramme name											
<b>Total</b>											
Change to 2012 Budget estimate											
<b>Economic classification</b>											
<b>Current payments</b>											
Economic classification item											
<b>Transfers and subsidies</b>											
Economic classification item											
<b>Payments for capital assets</b>											
Economic classification item											
<b>Payments for financial assets</b>											
<b>Total</b>											
<b>Proportion of total programme expenditure to vote expenditure</b>											

## Personnel information (per programme)

This table provides details of the total programme personnel numbers according to salary level<sup>1</sup>.

Programme name	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary Level																			
1 - 6																			
7 - 10																			
11 - 12																			
13 - 16																			

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends (per programme)

The spending focus of the programme is explained. The largest spending items and personnel numbers are highlighted and explained together with the underlying performance information, policies and factors that inform these quantum. Significant spending trends and year on year fluctuations are explained. Savings and other measures implemented by the programme over the medium term to effect cost reductions and reprioritisations are also explained. Personnel trends, including the use of consultants in relation to programme personnel, are discussed where appropriate.

## Selected subprogrammes (per subprogramme)

Economic classification data and accompanying explanations are provided for selected subprogrammes as follows.

## Expenditure estimates (per subprogramme)

This table sets out expenditure by economic classification.

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Current payments</b>											
Economic classification item											
<b>Transfers and subsidies</b>											
Economic classification item											
<b>Payments for capital assets</b>											
Economic classification item											
<b>Payments for financial assets</b>											
<b>Total</b>											
<b>Proportion of total subprogramme expenditure to programme expenditure</b>											

## Personnel information (per subprogramme)

This table provides details of the total subprogramme personnel numbers according to salary level<sup>1</sup>.

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)
			2011/12	Unit Cost	Unit Cost	2012/13	Unit Cost	Unit Cost	2013/14	2014/15	2015/16					
<b>Subprogramme name</b>			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>Salary Level</b>																
1 - 6																
7 - 10																
11 - 12																
13 - 16																

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends (per subprogramme)

The largest economic classification spending items and personnel numbers are highlighted and the underlying performance information, policies and factors are provided. Significant spending trends and year on year fluctuations are explained, where appropriate. Savings and other measures implemented by the subprogramme over the medium term to effect cost reductions and reprioritisations are also explained.

## 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.

However, it is important to note that the basis of accounting used by entities is different from that used by departments. As such, the statements of financial performance and financial position of entities are shown in this section of the publications.

Public entity accounts are prepared using an accrual basis of accounting, whereas departmental accounts are prepared using a modified cash basis of accounting.

In the accrual basis of accounting a transaction is recorded whenever there is an economic event regardless of when cash transactions occur. This basis of accounting also includes items that do not involve any flow of cash, such as adjustments made to account for depreciation.

In the cash basis of accounting a transaction is recorded only if cash has been exchanged and at the time that this exchange takes place.

Information on each of the public entities generally consists of the following:

- the entity's key legal mandate and goals
- selected performance indicators relating to the entity's mandate and goals
- planned deliverables for the next MTEF period
- key achievements in the previous reporting periods
- reprioritisation and baseline reduction measures implemented
- 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
- personnel information by salary level.

## Additional tables

### 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 life and value of the infrastructure asset. This item does not include day to day maintenance.

The Estimates of National Expenditure e-publications for individual votes also include the following tables:

### Summary of expenditure trends and estimates per programme and economic classification

This table shows the budgeted expenditure and the revised estimate for 2012/13 as well as the audited outcome for 2011/12.

### Summary of expenditure on training

Information is provided on the funds spent on training as a proportion of compensation of employees, and on 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 while 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 and technical 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 donated funds.



# Vote 1

## The Presidency

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	462.1	454.7	–	7.4	489.8	534.2
National Planning	77.7	77.2	0.0	0.5	83.4	77.7
National Youth Development Agency	392.7	–	392.7	–	411.2	425.8
International Marketing and Communication	160.4	–	160.4	–	167.7	175.7
<b>Subtotal</b>	<b>1 092.9</b>	<b>531.9</b>	<b>553.1</b>	<b>7.8</b>	<b>1 152.1</b>	<b>1 213.4</b>
<b>Direct charge against the National Revenue Fund</b>						
Salary of the President	2.8	2.8	–	–	3.0	3.1
<b>Total expenditure estimates</b>	<b>1 095.7</b>	<b>534.7</b>	<b>553.1</b>	<b>7.8</b>	<b>1 155.0</b>	<b>1 216.5</b>
Executive authority	Minister in the Presidency: Performance Monitoring and Evaluation as well as Administration					
Accounting officer	Chief Operations Officer in the Presidency					
Website address	<a href="http://www.thepresidency.gov.za">www.thepresidency.gov.za</a>					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Facilitate a common programme towards the achievement of the electoral mandate and the enhanced integrity of the State through considered planning, coordination, oversight, mobilisation and support.*

### Mandate

The mandate of the Presidency is to support the president, the deputy president and other political principals within the presidency to execute their responsibilities, as outlined in the Constitution and the programme of government, in order to achieve excellence in governance and to provide leadership to the state and society.

### Strategic goals

The Presidency's strategic objectives over the medium term are to:

- lead in integrated planning and in the performance monitoring and oversight of government policies and programmes
- support the president and the deputy president in exercising their constitutional responsibilities to promote national unity and social cohesion
- assist the president and the deputy president in advancing the interests of South Africa in the international arena.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide effective leadership, strategic management and administrative support services to the principals and the branches of the Presidency in fulfilment of the Presidency's mission and mandate.

### Programme 2: National Planning

**Purpose:** Develop the country's long term vision and national strategic plan and contribute towards better outcomes in government through better planning, better long term plans, more policy coherence and clear articulation of long term goals and aspirations.

### Programme 3: National Youth Development Agency

**Purpose:** Facilitate the transfer of funds to the National Youth Development Agency to allow the agency to initiate, implement, facilitate and monitor youth development interventions aimed at reducing youth unemployment and promoting social cohesion.

### Programme 4: International Marketing and Communication

**Purpose:** Facilitate the transfer of funds to Brand South Africa to develop and implement an international marketing and communication strategy for South Africa to contribute to job creation and poverty reduction, and attract inward investment, trade and tourism.

## Selected performance indicators

Table 1.1 The Presidency

Indicator	Programme	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Implementation of Vision 2030 and national development plan <sup>1</sup>	National Planning	- <sup>1</sup>	- <sup>1</sup>	Diagnostic review initiated and conducted to inform the development of draft Vision 2030 and the national development plan	Draft Vision 2030 and national development plan released for public and stakeholder consultation. Vision 2030 and national development plan refined and approved by Cabinet	Broad consultations held for the propagation of the national development plan across national and provincial departments, various sectors, business and non-governmental organisations to facilitate ideas and determine the role of all stakeholders	-	-
Number of sector research reports, and reports on major and cross cutting macro-social implications finalised per year <sup>1</sup>	National Planning	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	3	2	2	2
Number of households surveyed on income, consumption and expenditure in the national income dynamics study <sup>2</sup>	National Planning	- <sup>2</sup>	9 600	- <sup>2</sup>	10 500	- <sup>2</sup>	12 500	- <sup>2</sup>

1. New indicators introduced in 2011/12 and 2012/13, reporting began in these 2 financial years.

2. The national income dynamics survey is conducted every 2 years.

## The national development plan

The National Planning Commission will carry out sectoral research in key areas of the national development plan, such as employment, child poverty, and food, energy and water security. In addition, the commission will

advise government and other stakeholders on the implementation of the plan and put mechanisms in place to track progress on the plan's implementation outside the public sector. It will support pilot projects in certain policy areas to test proposals, as well as facilitate collaboration between different stakeholders to examine the best way to take implementation forward. The commission will provide support to the three spheres of government and other non-state sector partners on the implementation of the plan, and will play an important role in raising awareness of the plan among stakeholders.

## Expenditure estimates

Table 1.2 The Presidency

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million												
Administration	286.9	340.1	394.7	430.7	430.7	14.5%	37.9%	462.1	489.8	534.2	7.4%	42.3%
National Planning	40.3	49.4	69.6	90.6	90.6	31.0%	6.5%	77.7	83.4	77.7	-5.0%	7.3%
National Youth Development Agency	328.9	399.0	374.7	385.9	385.9	5.5%	38.8%	392.7	411.2	425.8	3.3%	35.6%
International Marketing and Communication	161.4	170.1	140.1	154.8	154.8	-1.4%	16.3%	160.4	167.7	175.7	4.3%	14.5%
<b>Subtotal</b>	<b>817.5</b>	<b>958.7</b>	<b>979.1</b>	<b>1 061.9</b>	<b>1 061.9</b>	<b>9.1%</b>	<b>99.6%</b>	<b>1 092.9</b>	<b>1 152.1</b>	<b>1 213.4</b>	<b>4.5%</b>	<b>99.7%</b>
<b>Direct charge against the National Revenue Fund</b>	<b>3.8</b>	<b>4.0</b>	<b>4.0</b>	<b>2.7</b>	<b>2.7</b>	<b>-11.5%</b>	<b>0.4%</b>	<b>2.8</b>	<b>3.0</b>	<b>3.1</b>	<b>5.4%</b>	<b>0.3%</b>
Salary of the President	2.1	2.1	2.9	2.7	2.7	8.2%	0.3%	2.8	3.0	3.1	5.4%	0.3%
Salary of the Deputy President	1.7	1.8	1.1	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Total</b>	<b>821.4</b>	<b>962.6</b>	<b>983.1</b>	<b>1 064.6</b>	<b>1 064.6</b>	<b>9.0%</b>	<b>100.0%</b>	<b>1 095.7</b>	<b>1 155.0</b>	<b>1 216.5</b>	<b>4.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				43.9	43.9			24.4	20.1	29.4		
<b>Economic classification</b>												
<b>Current payments</b>	<b>318.6</b>	<b>381.2</b>	<b>462.4</b>	<b>513.4</b>	<b>513.4</b>	<b>17.2%</b>	<b>43.7%</b>	<b>534.7</b>	<b>567.1</b>	<b>607.4</b>	<b>5.8%</b>	<b>49.0%</b>
Compensation of employees	179.2	210.2	235.6	267.0	267.0	14.2%	23.3%	296.9	309.0	324.5	6.7%	26.4%
Goods and services	139.4	171.0	226.8	246.4	246.4	20.9%	20.5%	237.8	258.1	282.8	4.7%	22.6%
<i>of which:</i>												
Communication	13.4	19.1	19.5	15.4	15.4	4.7%	1.8%	19.1	21.1	23.0	14.3%	1.7%
Consultants and professional services: Business and advisory services	20.4	31.1	62.1	58.3	58.3	41.9%	4.5%	34.4	35.6	33.5	-16.8%	3.6%
Agency and support / outsourced services	12.2	14.9	15.8	13.8	13.8	4.2%	1.5%	11.8	11.9	15.4	3.6%	1.2%
Travel and subsistence	49.1	59.6	78.8	67.3	67.3	11.0%	6.6%	107.4	122.2	141.5	28.1%	9.7%
<b>Transfers and subsidies</b>	<b>493.3</b>	<b>569.5</b>	<b>515.5</b>	<b>540.9</b>	<b>540.9</b>	<b>3.1%</b>	<b>55.3%</b>	<b>553.1</b>	<b>578.9</b>	<b>601.5</b>	<b>3.6%</b>	<b>50.2%</b>
Provinces and municipalities	0.0	0.0	0.0	0.0	0.0	32.6%	0.0%	0.0	0.0	0.0	-10.6%	0.0%
Departmental agencies and accounts	490.3	569.1	514.8	540.6	540.6	3.3%	55.2%	553.1	578.9	601.5	3.6%	50.2%
Non-profit institutions	-	-	-	0.1	0.1		0.0%	-	-	-	-100.0%	0.0%
Households	3.0	0.4	0.6	0.2	0.2	-61.4%	0.1%	-	-	-	-100.0%	0.0%
<b>Payments for capital assets</b>	<b>9.4</b>	<b>11.9</b>	<b>4.6</b>	<b>10.3</b>	<b>10.3</b>	<b>2.9%</b>	<b>0.9%</b>	<b>7.8</b>	<b>9.0</b>	<b>7.6</b>	<b>-9.4%</b>	<b>0.8%</b>
Machinery and equipment	9.4	11.9	4.6	10.3	10.3	2.9%	0.9%	7.8	9.0	7.6	-9.4%	0.8%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>-</b>	<b>0.6</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>821.4</b>	<b>962.6</b>	<b>983.1</b>	<b>1 064.6</b>	<b>1 064.6</b>	<b>9.0%</b>	<b>100.0%</b>	<b>1 095.7</b>	<b>1 155.0</b>	<b>1 216.5</b>	<b>4.5%</b>	<b>100.0%</b>

## Personnel information

**Table 1.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
The Presidency																			
Salary level	658	64	620	231.6	0.4	722	264.3	0.4	722	294.1	0.4	722	306.0	0.4	722	321.4	0.4	-	100.0%
1 – 6	253	41	247	41.8	0.2	294	44.2	0.2	294	51.0	0.2	294	54.0	0.2	294	56.5	0.2	-	40.7%
7 – 10	208	8	192	55.9	0.3	216	63.3	0.3	216	73.7	0.3	216	78.0	0.4	216	81.6	0.4	-	29.9%
11 – 12	109	2	90	47.8	0.5	111	59.4	0.5	110	68.1	0.6	110	72.1	0.7	110	75.4	0.7	-0.3%	15.3%
13 – 16	88	13	91	86.0	0.9	101	97.5	1.0	102	101.4	1.0	102	101.9	1.0	102	107.9	1.1	0.3%	14.1%

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

<sup>2</sup> Rand million.

<sup>3</sup> As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on: providing support services to the president, deputy president, ministers and deputy minister in the execution of their duties; and making transfers to the National Youth Development Agency to initiate, implement, facilitate and monitor youth development interventions to reduce youth unemployment and promote social cohesion, and to Brand South Africa to develop and implement a proactive marketing and communication strategy for South Africa in order to promote the country.

Spending increased significantly in the *National Planning* and *Administration* programmes between 2009/10 and 2012/13 due to the change of structure in 2010/11, which resulted in the creation of the National Planning Commission and the appointment of commissioners. In addition, capacity has been increased in the *Administration* programme to provide support to the president relating to mediation and participation in international forums, such as the G20, the African Union, the Brazil-Russia-India-China-South Africa (BRICS) group of countries, the United Nations General Assembly and the World Economic Forum. The decrease in expenditure on transfers to departmental agencies and accounts in 2011/12 is due to a once-off allocation to Brand South Africa for the 2010 FIFA World Cup in 2010/11.

Spending in the *Administration* programme over the medium term is expected to increase, mainly due to additional funding of R25.8 million in 2013/14, R28.5 million in 2014/15 and R42.5 million in 2015/16 for improved conditions of service and to provide for the president's growing international mediation and participation role. The decrease in expenditure in the *National Planning* programme over the medium term is due to the completion of the wave 3 of the national income dynamics survey in 2012/13.

A spending reduction of R25.5 million over the medium term is being effected in transfers to the National Youth Development Agency as part of Cabinet approved reductions.

At the end of September 2012, the department had 44 vacancies, due to staff turnover. The vacancies will be filled over the medium term. The ratio of support staff to line function staff is 1:3. Consultants provide business and advisory services to the National Planning Commission to pay commissioners and for the national income dynamic study project.

## Departmental receipts

Table 1.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R thousand						2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Departmental receipts</b>	<b>625</b>	<b>586</b>	<b>2 413</b>	<b>8 568</b>	<b>8 864</b>	<b>142.1%</b>	<b>100.0%</b>	<b>325</b>	<b>344</b>	<b>359</b>	<b>-65.7%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>126</b>	<b>252</b>	<b>192</b>	<b>253</b>	<b>253</b>	<b>26.2%</b>	<b>6.6%</b>	<b>205</b>	<b>217</b>	<b>226</b>	<b>-3.7%</b>	<b>9.1%</b>
Sales by market establishments	–	–	115	148	148	–	2.1%	95	101	105	-10.8%	4.5%
<i>of which:</i>												
Rental dwellings	–	–	115	76	76	–	1.5%	46	50	52	-11.9%	2.3%
Rental parking: Covered and open	–	–	–	72	72	–	0.6%	49	51	53	-9.7%	2.3%
Administration fees	–	–	1	–	–	–	–	–	–	–	–	–
<i>of which:</i>												
Rental dwellings	–	–	1	–	–	–	–	–	–	–	–	–
Other sales	126	252	76	105	105	-5.9%	4.5%	110	116	121	4.8%	4.6%
<i>of which:</i>												
Services rendered: Commission - Insurance and garnishee	126	252	76	105	105	-5.9%	4.5%	110	116	121	4.8%	4.6%
<b>Interest, dividends and rent on land</b>	<b>14</b>	<b>16</b>	<b>3</b>	<b>9</b>	<b>9</b>	<b>-13.7%</b>	<b>0.3%</b>	<b>10</b>	<b>11</b>	<b>12</b>	<b>10.1%</b>	<b>0.4%</b>
Interest	14	16	3	9	9	-13.7%	0.3%	10	11	12	10.1%	0.4%
<b>Sales of capital assets</b>	<b>308</b>	<b>140</b>	<b>24</b>	<b>–</b>	<b>215</b>	<b>-11.3%</b>	<b>5.5%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>2.2%</b>
Transactions in financial assets and liabilities	177	178	2 194	8 306	8 387	261.9%	87.6%	110	116	121	-75.7%	88.3%
<b>Total</b>	<b>625</b>	<b>586</b>	<b>2 413</b>	<b>8 568</b>	<b>8 864</b>	<b>142.1%</b>	<b>100.0%</b>	<b>325</b>	<b>344</b>	<b>359</b>	<b>-65.7%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 1.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
R million						2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Ministry	18.6	33.7	35.7	32.8	20.8%	8.3%	33.1	35.2	40.5	7.3%	7.4%	
Management	198.4	215.6	219.0	289.6	13.4%	63.5%	304.6	321.8	347.7	6.3%	65.9%	
Support Services to President	25.9	35.7	50.1	43.5	18.9%	10.7%	53.5	57.4	64.0	13.7%	11.4%	
Support Services to Deputy President	24.2	27.0	33.9	40.7	19.0%	8.7%	46.7	49.5	55.2	10.7%	10.0%	
Cabinet Services	19.9	17.8	18.1	21.6	2.7%	5.3%	24.2	25.8	26.9	7.5%	5.1%	
Commission on State Owned Enterprises	–	10.3	38.1	2.6	–	3.5%	–	–	–	-100.0%	0.1%	
<b>Total</b>	<b>286.9</b>	<b>340.1</b>	<b>394.7</b>	<b>430.7</b>	<b>14.5%</b>	<b>100.0%</b>	<b>462.1</b>	<b>489.8</b>	<b>534.2</b>	<b>7.4%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				33.1			36.7	38.7	62.5			

#### Economic classification

<b>Current payments</b>	<b>275.4</b>	<b>328.6</b>	<b>388.9</b>	<b>420.4</b>	<b>15.1%</b>	<b>97.3%</b>	<b>454.7</b>	<b>482.4</b>	<b>526.6</b>	<b>7.8%</b>	<b>98.3%</b>
Compensation of employees	160.9	187.5	213.7	239.5	14.2%	55.2%	272.1	283.6	298.0	7.6%	57.0%
Goods and services	114.5	141.0	175.2	180.9	16.5%	42.1%	182.6	198.7	228.6	8.1%	41.3%
<i>of which:</i>											
Communication	13.0	18.3	19.0	14.3	3.4%	4.4%	17.9	19.5	21.0	13.6%	3.8%
Consultants and professional services: Business and advisory services	1.8	11.5	28.8	8.2	66.4%	3.5%	7.9	8.3	8.7	1.9%	1.7%
Agency and support / outsourced services	12.1	14.1	15.1	12.1	–	3.7%	11.4	11.9	12.5	1.2%	2.5%
Travel and subsistence	46.0	52.3	68.2	59.2	8.8%	15.5%	89.5	102.0	124.9	28.3%	19.6%

Table 1.5 Administration (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
Transfers and subsidies	2.8	0.4	0.7	0.2	-60.1%	0.3%	-	-	-	-100.0%	-
Households	2.8	0.4	0.6	0.2	-60.4%	0.3%	-	-	-	-100.0%	-
Payments for capital assets	8.7	11.2	4.5	10.2	5.5%	2.4%	7.4	7.4	7.6	-9.2%	1.7%
Machinery and equipment	8.7	11.2	4.5	10.2	5.5%	2.4%	7.4	7.4	7.6	-9.2%	1.7%
Payments for financial assets	0.1	-	0.6	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>286.9</b>	<b>340.1</b>	<b>394.7</b>	<b>430.7</b>	<b>14.5%</b>	<b>100.0%</b>	<b>462.1</b>	<b>489.8</b>	<b>534.2</b>	<b>7.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	35.1%	35.5%	40.3%	40.6%			42.3%	42.5%	44.0%		

## Details of selected transfers and subsidies

Households											
Social benefits											
Current	2.8	0.4	0.6	0.2	-60.4%	0.3%	-	-	-	-100.0%	-
Employee social benefits	2.8	0.4	0.6	0.2	-60.4%	0.3%	-	-	-	-100.0%	-

## Personnel information

Table 1.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16												
Administration		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
Salary level	635	59	593	212.2	0.4	694	243.6	0.4	694	272.1	0.4	694	283.6	0.4	694	298.0	0.4	-	100.0%
1-6	252	41	246	41.7	0.2	293	44.0	0.2	293	50.8	0.2	293	53.8	0.2	293	56.2	0.2	-	42.2%
7-10	201	8	185	53.7	0.3	209	60.8	0.3	209	70.9	0.3	209	75.1	0.4	209	78.5	0.4	-	30.1%
11-12	106	1	86	45.7	0.5	107	57.3	0.5	106	65.8	0.6	106	69.6	0.7	106	72.8	0.7	-0.3%	15.3%
13-16	76	9	76	71.0	0.9	85	81.4	1.0	86	84.7	1.0	86	85.1	1.0	86	90.4	1.1	0.4%	12.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing administrative support to the president, deputy president, ministers and deputy ministers, and supporting Cabinet and its structures to ensure the fulfilment of the Presidency's mandate and mission.

Between 2009/10 and 2012/13, expenditure on compensation of employees increased significantly due to the filling of vacancies to provide support to the president and deputy president. Expenditure on consultants and computer services also increased over the same period to achieve the same aim. These increases also explain the growth in spending on the *Support Services to President* and *Support Services to Deputy President* subprogrammes between 2009/10 and 2012/13. Consultants provide legal and business advisory services, which are specialised skills and not core to the work of the personnel in this programme. R26.1 million is allocated for spending on consultants over the medium term.

Spending on compensation of employees and the related goods and services is projected to increase over the medium term, as a result of the filling of vacant funded positions. The increase in expenditure over this period is also due to additional funding of R25.8 million in 2013/14, R28.5 million in 2014/15 and R42.5 million in 2015/16 for improved conditions of service.

There were 44 vacancies in the programme as at 30 September 2012 due to the reprioritisations from spending on compensation of employees to fund operations. The vacancies will be filled in 2013/14.

## Programme 2: National Planning

### Objectives

- Improve long term planning and development to ensure the achievement of Vision 2030 by:
  - setting out the key challenges that South Africa faces in achieving government's vision over the next 20 years and describing the key trade-offs that would have to be made on an ongoing basis
  - advising on the sequencing of policies over the next 20 years to achieve government's goals within its means.
- Advise government on the implementation of the national development plan and work together with the Department of Performance Monitoring and Evaluation to turn the plan into targets that are to be incorporated into performance and delivery agreements annually.
- Assess implementation of the national development plan, refine the plan periodically and report on it annually from 2014.
- Assist national and provincial departments, as well as other stakeholders, to ensure that their plans are aligned with the national development plan by assessing and making recommendations on how local and provincial government plans can be strengthened to more effectively advance the national development plan on an ongoing basis over the MTEF period.
- Manage risks to the national development plan by producing on a continual basis cross-cutting sectoral reports that are likely to impact on the nation's long term development path.

### Subprogrammes

- *Ministry* oversees the development of South Africa's long term vision and national development plan, and contributes to improving outcomes in government through improved planning and long term plans, greater policy coherence, and clearly articulated long term goals and aspirations on an ongoing basis. This subprogramme had a staff complement of 9 in 2012/13.
- *Research and Policy Services* manages and facilitates research and policy processes on long term developmental issues, and provides technical support to the National Planning Commission. This entails producing reports and discussion papers on identified cross-cutting issues that affect long term development; drawing on sector plans to inform South Africa's long term vision and national strategic plan; and providing advice to departments on areas where policies, operational plans and implementation strategies need to be improved. In 2012/13, 3 research reports are planned, while over the MTEF period 6 reports will be published. This subprogramme had a staff complement of 15 in 2012/13.
- *Communication and Public Participation* provides ongoing support services to the National Planning Commission and its secretariat. This entails providing financial management, human resources management and development, supply chain and logistical, ICT, legal, and contract management services. This subprogramme had a staff complement of 5 in 2012/13.

## Expenditure estimates

**Table 1.7 National Planning**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
R million												
Ministry	40.3	47.7	54.7	45.8	4.4%	75.4%	49.7	54.8	52.5	4.7%	61.6%	
Research and Policy Services	–	1.7	10.1	38.0	–	20.0%	20.1	20.5	16.6	-24.2%	28.9%	
Communication and Public Participation	–	0.1	4.8	6.8	–	4.7%	7.8	8.1	8.6	8.2%	9.5%	
<b>Total</b>	<b>40.3</b>	<b>49.4</b>	<b>69.6</b>	<b>90.6</b>	<b>31.0%</b>	<b>100.0%</b>	<b>77.7</b>	<b>83.4</b>	<b>77.7</b>	<b>-5.0%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(5.0)			(11.9)	(11.5)	(21.6)			
<b>Economic classification</b>												
<b>Current payments</b>	<b>39.3</b>	<b>48.7</b>	<b>69.6</b>	<b>90.3</b>	<b>32.0%</b>	<b>99.2%</b>	<b>77.2</b>	<b>81.8</b>	<b>77.6</b>	<b>-4.9%</b>	<b>99.3%</b>	
Compensation of employees	14.4	18.7	17.9	24.8	19.9%	30.3%	22.0	22.4	23.4	-2.0%	28.1%	
Goods and services	24.9	30.0	51.7	65.5	38.1%	68.8%	55.2	59.4	54.2	-6.1%	71.2%	
of which:												
Communication	0.5	0.8	0.5	1.1	32.4%	1.1%	1.1	1.7	2.1	23.9%	1.8%	
Consultants and professional services: Business and advisory services	18.6	19.7	33.3	50.1	39.1%	48.7%	26.5	27.3	24.9	-20.8%	39.1%	
Agency and support / outsourced services	0.2	0.8	0.6	1.8	115.3%	1.4%	0.4	–	2.9	17.1%	1.5%	
Travel and subsistence	3.2	7.4	10.5	8.1	36.9%	11.7%	17.9	20.2	16.5	26.6%	19.1%	
<b>Transfers and subsidies</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>-20.5%</b>	<b>0.1%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-64.6%</b>	<b>–</b>	
Non-profit institutions	–	–	–	0.1	–	–	–	–	–	-100.0%	–	
Households	0.2	0.0	0.0	–	-100.0%	0.1%	–	–	–	–	–	
<b>Payments for capital assets</b>	<b>0.8</b>	<b>0.7</b>	<b>0.0</b>	<b>0.1</b>	<b>-46.2%</b>	<b>0.7%</b>	<b>0.5</b>	<b>1.6</b>	<b>0.0</b>	<b>-45.0%</b>	<b>0.7%</b>	
Machinery and equipment	0.8	0.7	0.0	0.1	-46.2%	0.7%	0.5	1.6	0.0	-45.0%	0.7%	
<b>Total</b>	<b>40.3</b>	<b>49.4</b>	<b>69.6</b>	<b>90.6</b>	<b>31.0%</b>	<b>100.0%</b>	<b>77.7</b>	<b>83.4</b>	<b>77.7</b>	<b>-5.0%</b>	<b>100.0%</b>	
Proportion of total programme expenditure to vote expenditure	4.9%	5.2%	7.1%	8.5%			7.1%	7.2%	6.4%			

## Personnel information

**Table 1.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	Unit		2012/13	Unit		2013/14		Unit		2014/15				Unit		2015/16	Unit
<b>National Planning</b>		<b>27</b>	<b>19.4</b>	<b>0.7</b>	<b>28</b>	<b>20.8</b>	<b>0.7</b>	<b>28</b>	<b>22.0</b>	<b>0.8</b>	<b>28</b>	<b>22.4</b>	<b>0.8</b>	<b>28</b>	<b>23.4</b>	<b>0.8</b>	–	100.0%	
<b>Salary level</b>	<b>23</b>	<b>5</b>																	
1 – 6	1	–	1	0.1	0.1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	–	3.6%
7 – 10	7	–	7	2.2	0.3	7	2.5	0.4	7	2.8	0.4	7	3.0	0.4	7	3.1	0.4	–	25.0%
11 – 12	3	1	4	2.1	0.5	4	2.1	0.5	4	2.3	0.6	4	2.5	0.6	4	2.6	0.6	–	14.3%
13 – 16	12	4	15	15.0	1.0	16	16.0	1.0	16	16.7	1.0	16	16.7	1.0	16	17.5	1.1	–	57.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over medium term will be on advising all spheres of government and other stakeholders on the implementation of the national development plan. The specific activities will include: conducting sectorial research to fill gaps or deepen the level of planning in some sectors; providing technical assistance to different government spheres and sectors in the production of detailed programme plans; convening inclusive stakeholder



processes to facilitate implementation partnerships; and establishing systems to track the implementation progress of the national development plan.

The significant increase in spending in the *Research and Policy Services* subprogramme between 2009/10 and 2012/13 was mainly due to the allocation in 2012/13 for the national income dynamics study project, which is funded every two financial years. This accounts for the significant decrease in spending in this subprogramme over the medium term, as the national income dynamics study is allocated no funds over the medium term. In 2011/12, the commission released and handed over the draft national development plan and vision statement, which increased spending across all subprogrammes. The draft Vision 2030 and national development plan were released for public and stakeholder comment in 2012/13 and were refined and approved by Cabinet over the same period. Over the medium term, the commission plans to implement the framework of the national development plan and produce sector research reports, and reports on the major and cross-cutting macro-social implications of the plan.

There were no vacancies in this programme as at 30 September 2012. R78.6 million is allocated for consultants over the medium term for the commissioners.

## Programme 3: National Youth Development Agency

### Objectives

- Champion the development and implementation of the youth development policy and integrated strategic planning in government by:
  - monitoring and evaluating government youth development programmes in South Africa continuously
  - making transfers to the National Youth Development Agency annually.
- Oversee the work of the National Youth Development Agency by analysing its strategic and annual performance plans and quarterly reports on an ongoing basis.

### Subprogramme

- *National Youth Development Agency* transfers funds to the National Youth Development Agency, which initiates, implements, facilitates and monitors youth development interventions aimed at reducing youth unemployment and promoting social cohesion. This subprogramme's total budget is transferred in full to the agency. This subprogramme had no staff complement in 2012/13.

### Expenditure estimates

**Table 1.9 National Youth Development Agency**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
National Youth Development Agency	328.9	399.0	374.7	385.9	5.5%	100.0%	392.7	411.2	425.8	3.3%	100.0%
<b>Total</b>	<b>328.9</b>	<b>399.0</b>	<b>374.7</b>	<b>385.9</b>	<b>5.5%</b>	<b>100.0%</b>	<b>392.7</b>	<b>411.2</b>	<b>425.8</b>	<b>3.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				9.8			(4.0)	(8.4)	(13.2)		
<b>Economic classification</b>											
<b>Transfers and subsidies</b>	<b>328.9</b>	<b>399.0</b>	<b>374.7</b>	<b>385.9</b>	<b>5.5%</b>	<b>100.0%</b>	<b>392.7</b>	<b>411.2</b>	<b>425.8</b>	<b>3.3%</b>	<b>100.0%</b>
Departmental agencies and accounts	328.9	399.0	374.7	385.9	5.5%	100.0%	392.7	411.2	425.8	3.3%	100.0%
<b>Total</b>	<b>328.9</b>	<b>399.0</b>	<b>374.7</b>	<b>385.9</b>	<b>5.5%</b>	<b>100.0%</b>	<b>392.7</b>	<b>411.2</b>	<b>425.8</b>	<b>3.3%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	40.2%	41.6%	38.3%	36.3%			35.9%	35.7%	35.1%		

Table 1.9 National Youth Development Agency (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	328.9	399.0	374.7	385.9	5.5%	100.0%	392.7	411.2	425.8	3.3%	100.0%
National Youth Development Agency	328.9	399.0	374.7	385.9	5.5%	100.0%	392.7	411.2	425.8	3.3%	100.0%

## Expenditure trends

The spending focus over the medium term will be on making transfers to the National Youth Development Agency to allow it to initiate, implement, facilitate and monitor youth development interventions aimed at reducing youth unemployment and promoting social cohesion.

The programme's entire allocation is transferred to the agency and increases over the seven-year period mainly as a result of inflation related adjustments. Spending reductions of R25.5 million over the medium term have been effected in the allocation for the agency as part of Cabinet approved budget reductions.

## Programme 4: International Marketing and Communication

### Objectives

- Oversee the implementation of a proactive branding, marketing and communication strategy for South Africa by transferring funds to Brand South Africa for the development of a branding framework and programme over the medium term.
- Oversee the work of Brand South Africa by analysing its strategic and annual performance plans and quarterly reports on an ongoing basis.

### Subprogramme

- *Brand South Africa* facilitates the transfer of funds to Brand South Africa (previously known as the International Marketing Council of South Africa) for the agency to develop and implement a proactive marketing and communication strategy to promote South Africa and increase the country's global presence in order to attract targeted international trade, investment and tourism markets. This subprogramme's total budget is transferred in full to Brand South Africa. This subprogramme had no staff complement in 2012/13.

### Expenditure estimates

Table 1.10 International Marketing and Communication

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
R million											
Brand South Africa	161.4	170.1	140.1	154.8	-1.4%	100.0%	160.4	167.7	175.7	4.3%	100.0%
<b>Total</b>	<b>161.4</b>	<b>170.1</b>	<b>140.1</b>	<b>154.8</b>	<b>-1.4%</b>	<b>100.0%</b>	<b>160.4</b>	<b>167.7</b>	<b>175.7</b>	<b>4.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				6.0			3.5	1.3	1.7		
<b>Economic classification</b>											
Transfers and subsidies	161.4	170.1	140.1	154.8	-1.4%	100.0%	160.4	167.7	175.7	4.3%	100.0%
Departmental agencies and accounts	161.4	170.1	140.1	154.8	-1.4%	100.0%	160.4	167.7	175.7	4.3%	100.0%
<b>Total</b>	<b>161.4</b>	<b>170.1</b>	<b>140.1</b>	<b>154.8</b>	<b>-1.4%</b>	<b>100.0%</b>	<b>160.4</b>	<b>167.7</b>	<b>175.7</b>	<b>4.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>19.7%</b>	<b>17.7%</b>	<b>14.3%</b>	<b>14.6%</b>			<b>14.7%</b>	<b>14.6%</b>	<b>14.5%</b>		

Table 1.10 International Marketing and Communication (continued)

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
R million											
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	161.4	170.1	140.1	154.8	-1.4%	100.0%	160.4	167.7	175.7	4.3%	100.0%
Brand South Africa	161.4	170.1	140.1	154.8	-1.4%	100.0%	160.4	167.7	175.7	4.3%	100.0%

## Expenditure trends

The spending focus over the medium term will be on making transfers to Brand South Africa to develop and implement an international marketing and communication strategy for South Africa to contribute to job creation and poverty reduction, and attract investment, trade and tourism.

The programme's entire allocation is transferred to Brand South Africa. Transfer payments to the entity fluctuated between 2009/10 and 2012/13, but are expected to increase over the medium term. The increase over the latter period is mainly as a result of inflation related adjustments.

## Public entities and other agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- **Brand South Africa** develops and implements a proactive and coordinated international marketing and communication strategy for South Africa to contribute to job creation, poverty reduction, and attract inward investment, trade and tourism. The organisation's total budget for 2013/14 is R160.4 million.
- The **National Youth Development Agency** was established in 2009 through the merger of the National Youth Commission and the Umsobomvu Youth Fund. Its main role is to initiate, implement, facilitate and monitor youth development interventions aimed to reduce youth unemployment and promote social cohesion. The agency's total budget for 2013/14 is R392.7 million.



# Vote 2

## Parliament

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	414.6	411.4	–	3.2	442.0	465.7
Legislation and Oversight	339.7	338.9	–	0.8	361.2	387.3
Public and International Participation	125.1	125.1	–	–	132.6	142.7
Members' Facilities	211.2	211.2	–	–	223.9	234.2
Associated Services	328.8	–	328.8	–	348.5	364.5
<b>Subtotal</b>	<b>1 419.4</b>	<b>1 086.6</b>	<b>328.8</b>	<b>4.0</b>	<b>1 508.2</b>	<b>1 594.3</b>
<b>Direct charge against the National Revenue Fund</b>						
Members' remuneration	453.8	453.8	–	–	481.0	503.1
<b>Total expenditure estimates</b>	<b>1 873.1</b>	<b>1 540.4</b>	<b>328.8</b>	<b>4.0</b>	<b>1 989.2</b>	<b>2 097.5</b>

Executive authority Speaker of the National Assembly and Chairperson of the National Council of Provinces

Accounting officer Secretary to Parliament

Website address [www.parliament.gov.za](http://www.parliament.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Provide the support services required by Parliament to fulfil its constitutional functions, assist political parties represented in Parliament to secure administrative support and service constituents, and provide members of Parliament with the necessary facilities.*

### Mandate

The mandate of Parliament is based on the provisions of chapter 4 in the Constitution which establishes Parliament and sets out the functions it performs. Parliament is elected to represent the people, to ensure government by the people under the Constitution, and to represent all provinces in the national sphere of government.

### Strategic goals

Parliament's ongoing strategic goals are to:

- represent the people and ensure government by the people by strengthening its oversight function and passing legislation
- represent the people through public involvement and participation, and building a responsive people's Parliament
- ensure cooperative governance and intergovernmental relations
- increase representation in the international sphere by improving and widening the role of Parliament
- build an effective and efficient institution.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide strategic leadership, institutional policy, overall management, and administrative and corporate services to Parliament's executive, management and staff.

### Programme 2: Legislation and Oversight

**Purpose:** Provide procedural and administrative services for Parliament to carry out its core functions. Pass legislation and oversee executive action.

### Programme 3: Public and International Participation

**Purpose:** Carry out Parliament's role in public and international participation, and provide support for these activities.

### Programme 4: Members' Facilities

**Purpose:** Provide telephone, travel and other facilities for members of Parliament in the National Assembly and the National Council of Provinces.

### Programme 5: Associated Services

**Purpose:** Provide financial support to political parties represented in Parliament, and to their leaders and constituency offices.

## Selected performance indicators

Table 2.1 Parliament

Indicator	Programme	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of bills passed per year	Legislation and Oversight	23	26	18	14	23	20	22
Number of questions put to the executive per year	Legislation and Oversight	3 725	3 220	3 154	1 644	3 824	4 244	4 444
Number of annual reports tabled and scrutinised by committees	Legislation and Oversight	217	189	220	11	220	225	233
Number of oversight visits undertaken by committees per year	Legislation and Oversight	43	44	50	20	60	35	43
Number of debates held for the public consideration of issues per year	Public and International Participation	121	104	110	81	125	130	150
Number of visitors to Parliament per year	Public and International Participation	24 549	18 253	27 245	8 581	47 521	52 321	25 650
Number of international agreements adopted per year	Public and International Participation	32	25	21	2	42	40	25

## Expenditure estimates

Table 2.2 Parliament

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
	R million					2009/10 - 2012/13					2012/13 - 2015/16	
Administration	333.1	368.9	327.5	392.6	392.6	5.6%	22.6%	414.6	442.0	465.7	5.9%	22.2%
Legislation and Oversight	190.3	264.4	298.4	315.9	315.9	18.4%	17.0%	339.7	361.2	387.3	7.0%	18.2%
Public and International Participation	70.8	118.7	109.4	125.4	125.4	21.0%	6.7%	125.1	132.6	142.7	4.4%	6.8%
Members' Facilities	156.1	169.5	181.8	193.0	193.0	7.3%	11.1%	211.2	223.9	234.2	6.7%	11.2%
Associated Services	258.7	277.4	297.6	311.4	311.4	6.4%	18.2%	328.8	348.5	364.5	5.4%	17.5%
<b>Subtotal</b>	<b>1 009.0</b>	<b>1 198.9</b>	<b>1 214.8</b>	<b>1 338.3</b>	<b>1 338.3</b>	<b>9.9%</b>	<b>75.6%</b>	<b>1 419.4</b>	<b>1 508.2</b>	<b>1 594.3</b>	<b>6.0%</b>	<b>75.8%</b>
<b>Direct charge against the National Revenue Fund</b>	<b>398.8</b>	<b>346.0</b>	<b>357.6</b>	<b>430.1</b>	<b>430.1</b>	<b>2.5%</b>	<b>24.4%</b>	<b>453.8</b>	<b>481.0</b>	<b>503.1</b>	<b>5.4%</b>	<b>24.2%</b>
Members' remuneration	398.8	346.0	357.6	430.1	430.1	2.5%	24.4%	453.8	481.0	503.1	5.4%	24.2%
<b>Total</b>	<b>1 407.9</b>	<b>1 545.0</b>	<b>1 572.4</b>	<b>1 768.4</b>	<b>1 768.4</b>	<b>7.9%</b>	<b>100.0%</b>	<b>1 873.1</b>	<b>1 989.2</b>	<b>2 097.5</b>	<b>5.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				5.0	5.0			10.0	13.0	30.4		

Table 2.2 Parliament (continued)

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
	R million											
<b>Current payments</b>	<b>1 112.3</b>	<b>1 226.5</b>	<b>1 254.0</b>	<b>1 451.5</b>	<b>1 451.5</b>	<b>9.3%</b>	<b>80.1%</b>	<b>1 540.4</b>	<b>1 637.3</b>	<b>1 729.4</b>	<b>6.0%</b>	<b>82.3%</b>
Compensation of employees	784.6	795.5	857.9	1 032.4	1 032.4	9.6%	55.1%	1 109.7	1 156.1	1 226.1	5.9%	58.5%
Goods and services	327.7	431.0	396.1	419.0	419.0	8.5%	25.0%	430.7	481.2	503.3	6.3%	23.7%
<i>of which:</i>												
Communication	21.9	25.5	18.8	33.5	33.5	15.1%	1.6%	33.8	37.5	39.2	5.4%	1.9%
Agency and support / outsourced services	8.1	13.8	10.4	18.0	18.0	30.6%	0.8%	19.1	20.1	21.1	5.4%	1.0%
Travel and subsistence	156.9	184.9	256.8	214.4	214.4	11.0%	12.9%	226.3	255.8	267.6	7.7%	12.5%
Operating payments	31.2	41.9	23.2	34.3	34.3	3.2%	2.1%	36.4	48.5	50.7	13.9%	2.2%
<b>Transfers and subsidies</b>	<b>279.7</b>	<b>277.4</b>	<b>297.6</b>	<b>311.4</b>	<b>311.4</b>	<b>3.6%</b>	<b>18.5%</b>	<b>328.8</b>	<b>348.5</b>	<b>364.5</b>	<b>5.4%</b>	<b>17.5%</b>
Departmental agencies and accounts	18.2	-	-	-	-	-100.0%	0.3%	-	-	-		
Foreign governments and international organisations	2.8	-	-	-	-	-100.0%	0.0%	-	-	-		
Non-profit institutions	258.7	277.4	297.6	311.4	311.4	6.4%	18.2%	328.8	348.5	364.5	5.4%	17.5%
<b>Payments for capital assets</b>	<b>15.8</b>	<b>41.0</b>	<b>20.8</b>	<b>5.6</b>	<b>5.6</b>	<b>-29.4%</b>	<b>1.3%</b>	<b>4.0</b>	<b>3.4</b>	<b>3.6</b>	<b>-13.9%</b>	<b>0.2%</b>
Machinery and equipment	15.8	40.6	20.8	5.6	5.6	-29.4%	1.3%	4.0	3.4	3.6	-13.9%	0.2%
Software and other intangible assets	-	0.4	-	-	-		0.0%	-	-	-		
<b>Total</b>	<b>1 407.9</b>	<b>1 545.0</b>	<b>1 572.4</b>	<b>1 768.4</b>	<b>1 768.4</b>	<b>7.9%</b>	<b>100.0%</b>	<b>1 873.1</b>	<b>1 989.2</b>	<b>2 097.5</b>	<b>5.9%</b>	<b>100.0%</b>

## Personnel information

Table 2.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16			
		Unit	Cost	Unit	Cost	Unit	Cost	Unit	Cost	Unit	Cost				
<b>Parliament</b>		<b>1 536</b>	<b>1 273 463.4</b>	<b>0.4</b>	<b>1 505 642.7</b>	<b>0.4</b>	<b>1 536 718.2</b>	<b>0.5</b>	<b>1 536 775.7</b>	<b>0.5</b>	<b>1 536 837.8</b>	<b>0.5</b>	<b>0.7%</b>	<b>100.0%</b>	
Salary level															
1 – 6	6	-	29 4.5	0.2	-	-	-	-	-	-	-	-	-	-	
7 – 10	958	-	962 270.7	0.3	960 255.6	0.3	965 275.8	0.3	965 297.9	0.3	965 321.7	0.3	0.2%	63.1%	
11 – 12	329	-	119 55.6	0.5	334 164.7	0.5	327 178.8	0.5	327 193.1	0.6	327 208.5	0.6	-0.7%	21.5%	
13 – 16	243	-	163 132.6	0.8	211 222.5	1.1	244 263.6	1.1	244 284.7	1.2	244 307.5	1.3	5.0%	15.4%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on: improving oversight between the three spheres of government, increasing participation in international forums, increasing the level of services rendered to members, improving and upgrading the IT system, increasing activities aimed at improving public participation through the dissemination of educational information to increase public access to Parliament, improving Parliament's oversight role by increasing the number of site visits undertaken by committee members each year, and establishing the fifth Parliament. Performance targets over the medium term are linked to the spending focus, and include the number of oversight visits undertaken by committees per year and the number of visitors to Parliament per year.

Parliament's overall spending increase between 2009/10 and 2012/13 was mainly due to the initiatives undertaken to improve public participation. These involved the dissemination of educational information to increase public access to Parliament, as well capacity building for content advisors. Over the same period, the increase of 18.4 per cent in the *Legislation and Oversight* programme and the 21 per cent increase in the *Public and International Participation* programme was due to the upgrading of information systems, the establishing of a parliamentary budget office, the development of a tracking system for improved oversight changes, and the improvement of conditions of service. The spending increase over the medium term will be within the inflationary rate, with the bulk of spending in the *Administration* and *Legislation and Oversight* programmes.

Parliament makes transfer payments to political parties in terms of section 57(2)(c) of the Constitution to allow them to carry out their legislative mandate. The spending increase in the *Associated Services* programme between 2009/10 and 2012/13 and over the medium term are mainly to provide for inflation related adjustments.

The 2013 Budget sets out additional allocations of R10 million in 2013/14, R13 million in 2014/15 and R30.4 million in 2015/16 for improved conditions of service.

The number of people employed by Parliament as at 30 September 2012 was 1 536, with 29 vacant posts due to normal attrition. Parliament plans to fill all vacancies over the medium term. The entire establishment comprises support staff, who support the 454 members of Parliament.

## Revenue retained by Parliament

Table 2.4 Receipts

	Audited outcome			Current	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
R thousand											
<b>Opening balance of surplus account</b>	208 024	262 622	340 755	318 731	15.3%	102.6%	178 876	37 268	9 823	-68.6%	219.3%
<b>Parliamentary receipts</b>	29 902	31 752	37 976	21 489	-10.4%	11.0%	12 525	12 000	12 540	-16.4%	23.6%
Sales of goods and services produced	11 297	6 808	12 655	8 989	-7.3%	3.6%	9 025	10 000	10 450	5.1%	15.5%
Interest, dividends and rent on land	18 605	24 944	25 321	12 500	-12.4%	7.4%	3 500	2 000	2 090	-44.9%	8.1%
Sales of capital assets	-	-	-	-	-	-	-	-	-	-	-
<b>Adjustments to revenue account</b>	24 696	33 032	-	-	-100.0%	5.2%	-	-	-	-	-
Increase/(decrease) to direct charges appropriation	25 333	33 032	-	-	-100.0%	5.3%	-	-	-	-	-
Other adjustments	(637)	-	-	-	-100.0%	-0.1%	-	-	-	-	-
<b>Changes in retained revenue<sup>1</sup></b>	-	13 349	(60 000)	(161 344)	-	-18.9%	(154 133)	(39 445)	-	-100.0%	-142.9%
<b>Closing balance of surplus account</b>	262 622	340 755	318 731	178 876	-12.0%	100.0%	37 268	9 823	22 363	-50.0%	100.0%

1. Changes in retained revenue is the unspent portion of the appropriation.

Parliament is not required to return unspent funds to the National Revenue Fund, which means that all unspent funds from previous years are held as retained earnings. Other revenue, such as interest collected and catering sales, is reflected as part of retained earnings. Over the medium term, the surplus in the retained earnings account is expected to decrease as it is committed for various strategic projects.



## Programme 1: Administration

### Expenditure estimates

Table 2.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Office of the Speaker	25.9	30.5	39.6	37.9	13.5%	9.4%	40.7	43.5	45.5	6.3%	9.8%
Office of the Chairperson	16.8	12.0	20.2	21.3	8.2%	4.9%	22.3	23.9	25.0	5.4%	5.4%
Office of the Secretary	156.4	206.9	163.2	195.8	7.8%	50.8%	207.7	220.5	234.0	6.1%	50.0%
Corporate Services	40.5	42.2	40.3	53.8	9.9%	12.4%	55.1	59.0	61.7	4.6%	13.4%
Institutional Support	93.5	77.3	64.4	83.8	-3.6%	22.4%	88.9	95.1	99.5	5.9%	21.4%
<b>Total</b>	<b>333.1</b>	<b>368.9</b>	<b>327.5</b>	<b>392.6</b>	<b>5.6%</b>	<b>100.0%</b>	<b>414.6</b>	<b>442.0</b>	<b>465.7</b>	<b>5.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				-			-	2.5	465.7		

#### Economic classification

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
<b>Current payments</b>	<b>300.9</b>	<b>367.1</b>	<b>309.8</b>	<b>389.6</b>	<b>9.0%</b>	<b>96.2%</b>	<b>411.4</b>	<b>438.6</b>	<b>462.1</b>	<b>5.9%</b>	<b>99.2%</b>
Compensation of employees	188.2	210.1	232.3	284.8	14.8%	64.4%	299.8	317.3	335.3	5.6%	72.1%
Goods and services	112.7	157.1	77.6	104.8	-2.4%	31.8%	111.6	121.3	126.9	6.6%	27.1%
of which:											
Communication	8.9	9.1	6.8	12.0	10.4%	2.6%	11.2	13.4	14.0	5.4%	3.0%
Agency and support / outsourced services	4.0	7.3	4.4	10.7	39.4%	1.9%	14.0	12.0	12.6	5.4%	2.9%
Travel and subsistence	15.4	15.2	24.0	17.9	5.0%	5.1%	21.7	21.4	22.4	7.8%	4.9%
Operating payments	20.3	18.9	9.5	13.0	-13.8%	4.3%	14.5	19.4	20.3	15.9%	3.9%
<b>Transfers and subsidies</b>	<b>18.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>1.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Departmental agencies and accounts	18.2	-	-	-	-100.0%	1.3%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>14.0</b>	<b>1.7</b>	<b>17.7</b>	<b>3.0</b>	<b>-39.9%</b>	<b>2.6%</b>	<b>3.2</b>	<b>3.4</b>	<b>3.6</b>	<b>5.4%</b>	<b>0.8%</b>
Machinery and equipment	14.0	1.3	17.7	3.0	-39.9%	2.5%	3.2	3.4	3.6	5.4%	0.8%
Software and other intangible assets	-	0.4	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>333.1</b>	<b>368.9</b>	<b>327.5</b>	<b>392.6</b>	<b>5.6%</b>	<b>100.0%</b>	<b>414.6</b>	<b>442.0</b>	<b>465.7</b>	<b>5.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>33.0%</b>	<b>30.8%</b>	<b>27.0%</b>	<b>29.3%</b>			<b>29.2%</b>	<b>29.3%</b>	<b>29.2%</b>		

#### Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	18.2	-	-	-	-100.0%	1.3%	-	-	-	-	-
Upgrading of Office Space Programme	18.2	-	-	-	-100.0%	1.3%	-	-	-	-	-

## Personnel information

Table 2.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
<b>Administration</b>			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	783	-	664	231.2	0.3	783	341.2	0.4	783	368.5	0.5	783	398.0	0.5	783	429.9	0.5	-	100.0%
1 - 6	4	-	29	4.5	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 - 10	542	-	482	119.2	0.2	539	130.4	0.2	546	140.8	0.3	546	152.1	0.3	546	164.3	0.3	0.4%	69.5%
11 - 12	110	-	52	23.9	0.5	119	59.2	0.5	110	63.9	0.6	110	69.0	0.6	110	74.6	0.7	-2.6%	14.3%
13 - 16	127	-	101	83.7	0.8	125	151.6	1.2	127	163.8	1.3	127	176.9	1.4	127	191.0	1.5	0.5%	16.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the following strategic objectives and policy priorities: establishing the fifth Parliament, including the My Parliament application; developing and implementing integrated planning, budgeting, performance and reporting systems; and completing the third phase of the ICT infrastructure upgrade.

The increase in expenditure in the *Office of the Speaker* subprogramme between 2009/10 and 2012/13 was as result of the additional capacity required for the Speaker of the National Assembly to exercise his oversight role more effectively. This explains the increase in compensation of employees in this period. In 2010/11, expenditure in the *Office of the Secretary* subprogramme increased to R206.9 million because of inflationary increases, and the average growth of 6.1 per cent over the MTEF period is to provide for additional capacity in the subprogramme. Over the medium term, the programme receives additional allocations of R8.5 million for improved conditions of service. This additional allocation also explains the growth in compensation of employees over this period.

Between 2009/10 and 2012/13, the programme increased its staff establishment to 783 to provide capacity for back office functions. As at 30 September 2012, all posts in this programme were filled and this will remain constant over the medium term.

## Programme 2: Legislation and Oversight

### Objectives

- Strengthen Parliament's oversight function by:
  - developing a framework for assessing the performance of all state organs by 2015
  - developing guidelines for select and portfolio committees for joint planning and coordinating; and implementing rules, systems and capacity for this planning and coordination by the end of the fourth Parliament in 2015.
- Ensure the continuous cultivation and preservation of institutional knowledge and access by developing an institutional knowledge management strategy and policy and the requisite systems by 2015.

### Subprogrammes

- *National Assembly* provides procedural advice and guidance for the proceedings of the National Assembly. In 2012/13, support was provided to allow the National Assembly to have 50 sittings, which, in turn, allowed 27 bills to be passed by November 2012. In the same year, 7 joint sittings were supported. This subprogramme had a staff complement of 51 in 2012/13.
- *National Council of Provinces* provides procedural advice and guidance for the proceedings of the National Council of Provinces. In November 2012, the annual Taking Parliament to the People programme was rolled out in Northern Cape. Funds have been reprioritised from delayed projects to roll out the programme for the second time in other provinces over the medium term. This subprogramme had a staff complement of 51 in 2012/13.
- *Legislation and Oversight* provides procedural advice, language services, and research and administrative services to committee proceedings in 2013 to other provinces. This subprogramme had a staff complement of 536 in 2012/13.
- *Parliamentary Budget Office* will fund the parliamentary budget office from retained earnings for 2 years and will approach National Treasury for additional funding over the medium term.

## Expenditure estimates

**Table 2.7 Legislation and Oversight**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	
R million												
National Assembly	16.2	18.7	22.8	24.0	14.0%	7.6%	25.3	26.8	28.1	5.4%	7.4%	
National Council of Provinces	13.6	30.1	29.5	32.7	33.9%	9.9%	34.5	36.6	38.3	5.4%	10.1%	
Legislation and Oversight	160.5	215.6	246.1	259.2	17.3%	82.4%	279.8	297.8	320.9	7.4%	82.5%	
<b>Total</b>	<b>190.3</b>	<b>264.4</b>	<b>298.4</b>	<b>315.9</b>	<b>18.4%</b>	<b>100.0%</b>	<b>339.7</b>	<b>361.2</b>	<b>387.3</b>	<b>7.0%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				5.0			10.0	10.6	387.3			
<b>Economic classification</b>												
<b>Current payments</b>	<b>188.8</b>	<b>264.4</b>	<b>297.3</b>	<b>314.0</b>	<b>18.5%</b>	<b>99.6%</b>	<b>338.9</b>	<b>361.2</b>	<b>387.3</b>	<b>7.2%</b>	<b>99.8%</b>	
Compensation of employees	142.0	177.2	195.2	227.6	17.0%	69.4%	261.7	258.7	280.0	7.1%	73.2%	
Goods and services	46.8	87.2	102.1	86.4	22.7%	30.2%	77.2	102.6	107.3	7.5%	26.6%	
<i>of which:</i>												
Communication	2.6	3.3	2.8	3.6	11.4%	1.2%	3.9	4.0	4.2	5.4%	1.1%	
Agency and support / outsourced services	3.1	1.8	5.0	5.4	19.7%	1.4%	2.6	6.0	6.3	5.4%	1.4%	
Travel and subsistence	18.6	36.8	62.5	43.8	33.2%	15.1%	31.6	51.2	53.5	6.9%	12.8%	
Operating payments	5.6	17.4	5.3	8.1	13.4%	3.4%	7.3	12.1	12.6	15.8%	2.9%	
<b>Payments for capital assets</b>	<b>1.5</b>	<b>0.0</b>	<b>1.1</b>	<b>1.9</b>	<b>8.3%</b>	<b>0.4%</b>	<b>0.8</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	
Machinery and equipment	1.5	0.0	1.1	1.9	8.3%	0.4%	0.8	-	-	-100.0%	0.2%	
<b>Total</b>	<b>190.3</b>	<b>264.4</b>	<b>298.4</b>	<b>315.9</b>	<b>18.4%</b>	<b>100.0%</b>	<b>339.7</b>	<b>361.2</b>	<b>387.3</b>	<b>7.0%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>18.9%</b>	<b>22.1%</b>	<b>24.6%</b>	<b>23.6%</b>			<b>23.9%</b>	<b>24.0%</b>	<b>24.3%</b>			

## Personnel information

**Table 2.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate <sup>3</sup>			Medium-term expenditure estimate					Average growth rate (%)	Salary level/total: Average (%)						
		2011/12	2012/13	2012/13		2013/14		2014/15		2015/16	2012/13 - 2015/16								
		Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit					
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number					
<b>Legislation and Oversight</b>																			
<b>Salary level</b>	<b>638</b>	<b>-</b>	<b>527</b>	<b>196.6</b>	<b>0.4</b>	<b>609</b>	<b>250.3</b>	<b>0.4</b>	<b>638</b>	<b>293.6</b>	<b>0.5</b>	<b>638</b>	<b>317.1</b>	<b>0.5</b>	<b>638</b>	<b>342.5</b>	<b>0.5</b>	<b>1.6%</b>	<b>100.0%</b>
7 – 10	353	-	431	136.4	0.3	358	105.7	0.3	354	113.2	0.3	354	122.2	0.3	354	132.0	0.4	-0.4%	56.3%
11 – 12	188	-	49	22.4	0.5	182	87.9	0.5	186	95.8	0.5	186	103.5	0.6	186	111.8	0.6	0.7%	29.3%
13 – 16	97	-	47	37.8	0.8	69	56.7	0.8	98	84.6	0.9	98	91.4	0.9	98	98.7	1.0	12.4%	14.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the following strategic objectives and policy priorities: implementing the Money Bills Amendment Procedures and Related Matters Act (2009), including the setting up of the parliamentary budget office; and developing a coordinated oversight strategy, including the development of rules to implement the oversight model.

The 33.9 per cent increase in spending in the *National Council of Provinces* subprogramme between 2009/10 and 2012/13 is attributed to the hosting of Taking Parliament to the People events. The spending increase of 17.3 per cent in the *Legislative and Oversight* subprogramme over the same period was due to an increase in

content advisors and researchers to assist the committee. These increases are because of the 17 per cent increase in spending on compensation of employees and the 22.7 per cent increase in spending on goods and services. This spending trend is linked to the increase in the number of oversight visits undertaken by committees in this period.

The increase in expenditure in the *National Assembly* subprogramme between 2009/10 and 2012/13 was mainly because of costs incurred in increasing the number of committees from 40 to 55 when the fourth Parliament was established. Over the medium term, the programme receives additional allocations of R40.9 million in total for improved conditions of service. This allocation also explains the growth in expenditure on compensation of employees between 2012/13 and 2015/16.

Between 2009/10 and 2012/13, the programme increased its staff establishment by employing 65 people to provide capacity for the committees. As at 30 September 2012, the programme had an establishment of 638 funded posts and 29 vacancies due to normal attrition. These vacancies will be filled over the medium term.

## Programme 3: Public and International Participation

### Objectives

- Improve public participation and involvement in parliamentary processes by developing a public participation model and assisting the Pan African Parliament to develop a Strategic Plan over the MTEF period, including revamping and reformatting parliamentary radio programmes to include all official languages.
- Improve public education programmes by developing a module on Parliament for learning institutions from Grade R to tertiary level by 2013.
- Continue to increase public participation through an annual People's Assembly and biannual Taking Parliament to the People programmes.

### Subprogrammes

- *Public Affairs* provides education and information to the public about Parliament and its processes, public and media relations for Parliament, and parliamentary events management. By 30 September 2012, the number of visitors to Parliament decreased to 8 581 from 27 245 in 2011/12. This was due to the implementation of the virtual tour, which allows the public to view the parliamentary precinct and its operations on the internet. This subprogramme had a staff complement of 90 in 2012/13.
- *International Relations* provides protocol services, administration for bilateral and multilateral meetings, and services for official visits including adequate content, as well as procedural and logistical support for incoming and outgoing delegations. The number of international agreements approved by Parliament by 30 September 2012 decreased to 2, compared to 21 by 30 September 2011. This subprogramme had a staff complement of 23 in 2012/13.

### Expenditure estimates

**Table 2.9 Public and International Participation**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Public Affairs	49.5	49.8	66.2	78.8	16.8%	57.6%	71.6	75.9	81.4	1.1%	58.5%
International Relations	21.3	68.9	43.2	46.6	29.9%	42.4%	53.5	56.7	61.3	9.6%	41.5%
<b>Total</b>	<b>70.8</b>	<b>118.7</b>	<b>109.4</b>	<b>125.4</b>	<b>21.0%</b>	<b>100.0%</b>	<b>125.1</b>	<b>132.6</b>	<b>142.7</b>	<b>4.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				6.9			-	-	142.7		

Table 2.9 Public and International Participation (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Economic classification</b>											
<b>Current payments</b>	<b>67.7</b>	<b>79.4</b>	<b>108.8</b>	<b>124.7</b>	<b>22.6%</b>	<b>89.7%</b>	<b>125.1</b>	<b>132.6</b>	<b>142.7</b>	<b>4.6%</b>	<b>99.9%</b>
Compensation of employees	22.4	26.8	36.3	47.6	28.6%	31.4%	50.0	52.5	58.9	7.4%	39.8%
Goods and services	45.3	52.6	72.5	77.1	19.4%	58.3%	75.1	80.1	83.8	2.8%	60.1%
of which:											
Communication	2.8	3.3	0.7	4.7	18.5%	2.7%	4.9	5.3	5.5	5.4%	3.9%
Agency and support / outsourced services	1.0	0.8	1.0	1.9	23.9%	1.1%	2.5	2.1	2.2	5.4%	1.7%
Travel and subsistence	21.2	32.7	45.9	37.1	20.4%	32.3%	43.6	46.0	48.1	9.1%	33.2%
Operating payments	1.6	1.2	5.9	5.9	55.1%	3.4%	6.6	8.2	8.6	13.1%	5.6%
<b>Transfers and subsidies</b>	<b>2.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Foreign governments and international organisations	2.8	-	-	-	-100.0%	0.7%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.3</b>	<b>39.3</b>	<b>0.7</b>	<b>0.7</b>	<b>25.7%</b>	<b>9.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>
Machinery and equipment	0.3	39.3	0.7	0.7	25.7%	9.7%	-	-	-	-100.0%	0.1%
<b>Total</b>	<b>70.8</b>	<b>118.7</b>	<b>109.4</b>	<b>125.4</b>	<b>21.0%</b>	<b>100.0%</b>	<b>125.1</b>	<b>132.6</b>	<b>142.7</b>	<b>4.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>7.0%</b>	<b>9.9%</b>	<b>9.0%</b>	<b>9.4%</b>			<b>8.8%</b>	<b>8.8%</b>	<b>9.0%</b>		
<b>Details of transfers and subsidies</b>											
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>2.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
International associations	2.8	-	-	-	-100.0%	0.7%	-	-	-	-	-

## Personnel information

Table 2.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16												
Public and International Participation		Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit					
Salary level		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
	113	-	82	35.6	0.4	113	51.2	0.5	115	56.1	0.5	115	60.6	0.5	115	65.4	0.6	0.6%	100.0%
7 - 10	63	-	49	15.0	0.3	63	19.5	0.3	65	21.9	0.3	65	23.6	0.4	65	25.5	0.4	1.0%	56.3%
11 - 12	31	-	18	9.4	0.5	33	17.6	0.5	31	19.0	0.6	31	20.5	0.7	31	22.2	0.7	-2.1%	27.5%
13 - 16	19	-	15	11.2	0.7	17	14.1	0.8	19	15.2	0.8	19	16.4	0.9	19	17.8	0.9	3.8%	16.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the following strategic objectives and policy priorities: developing a public participation model and strategy; upgrading broadcasting infrastructure, including installing cameras in committee rooms; and hosting the 59<sup>th</sup> Commonwealth Parliamentary Conference in 2013. Spending in these areas is linked to the number of oversight visits undertaken by committees to enable Parliament to be more efficient and effective in improving domestic public and international participation. The overall spending increase of 9.6 per cent in the *International Relations* subprogramme over the MTEF period is due to increased spending on travel and subsistence. The significant increase in expenditure on compensation of employees between 2009/10 to 2012/13 was due to inflation related adjustments in the members medical aid scheme. The increase in the use of consultants between 2009/10 to 2012/13 was due to service providers having been contracted for events.

The increase in expenditure in the *Public Affairs* and *International Relations* subprogrammes between 2009/10 and 2012/13 was mainly because of additional costs incurred to increase public participation and to attend international forums. Over the medium term, the programme receives an additional allocation of R4 million in total for improved conditions of service. This allocation explains the growth in expenditure on compensation of employees between 2012/13 and 2015/16.

Between 2009/10 and 2012/13, the programme's staff establishment increased because of 16 people having been employed to accommodate increased public participation. Over the MTEF period, an additional 24 people will be employed to increase public participation and international forums. This programme's establishment of 113 comprises only support staff, whose posts are funded. As at 30 September 2012, there were no vacancies.

## Programme 4: Members' Facilities

### Objectives

- Support the operational activities of members of Parliament by continuously providing operational facilities, including housing and telephones to the 336 members of the National Assembly and the 54 members of the National Council of Provinces, as required.

### Subprogrammes

- *National Assembly Members' Facilities* provides support and facilities to members to enable them to carry out their legislative mandate efficiently and effectively. Members are supported in terms of travel claims and training, and tools of trade are provided. Travel and facility claims are processed and paid within 3 days. This subprogramme had no staff complement in 2012/13.
- *National Council of Provinces Members' Facilities* provides support and facilities to members to enable them to carry out their legislative mandate efficiently and effectively. Members are supported in terms of travel claims and training, and tools of trade are provided. Travel and facility claims are processed and paid within 3 days, and real time travel reservations are facilitated. This subprogramme had no staff complement in 2012/13.

### Expenditure estimates

Table 2.11 Members' Facilities

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
National Assembly Members' Facilities	147.3	161.4	167.4	172.4	5.4%	92.6%	182.0	193.0	201.8	5.4%	86.9%
National Council of Provinces Members' Facilities	8.8	8.1	14.4	20.6	32.8%	7.4%	29.2	30.9	32.3	16.2%	13.1%
<b>Total</b>	<b>156.1</b>	<b>169.5</b>	<b>181.8</b>	<b>193.0</b>	<b>7.3%</b>	<b>100.0%</b>	<b>211.2</b>	<b>223.9</b>	<b>234.2</b>	<b>6.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(7.0)			-	-	234.2		

### Economic classification

	2009/10	2010/11	2011/12	2012/13	Average growth rate (%)	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average growth rate (%)	Expenditure/total: Average (%)
<b>Current payments</b>	<b>156.1</b>	<b>169.5</b>	<b>180.5</b>	<b>193.0</b>	<b>7.3%</b>	<b>99.8%</b>	<b>211.2</b>	<b>223.9</b>	<b>234.2</b>	<b>6.7%</b>	<b>100.0%</b>	
Compensation of employees	33.1	35.4	36.5	42.3	8.5%	21.0%	44.4	46.6	48.8	4.9%	21.1%	
Goods and services	122.9	134.1	144.0	150.7	7.0%	78.8%	166.8	177.2	185.4	7.1%	78.9%	
<i>of which:</i>												
Communication	7.6	9.8	8.5	13.2	20.2%	5.6%	13.9	14.7	15.4	5.4%	6.6%	
Agency and support / outsourced services	-	3.9	-	-	-	0.6%	-	-	-	-	-	
Travel and subsistence	101.7	100.2	124.4	115.6	4.4%	63.1%	129.5	137.3	143.6	7.5%	61.0%	
Operating payments	3.8	4.5	2.5	7.2	24.5%	2.6%	7.9	8.8	9.2	8.4%	3.9%	

**Table 2.11 Members' Facilities (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16
R million											
Payments for capital assets	0.0	-	1.3	-	-100.0%	0.2%	-	-	-	-	-
Machinery and equipment	0.0	-	1.3	-	-100.0%	0.2%	-	-	-	-	-
<b>Total</b>	<b>156.1</b>	<b>169.5</b>	<b>181.8</b>	<b>193.0</b>	<b>7.3%</b>	<b>100.0%</b>	<b>211.2</b>	<b>223.9</b>	<b>234.2</b>	<b>6.7%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	15.5%	14.1%	15.0%	14.4%			14.9%	14.8%	14.7%		

## Expenditure trends

The spending focus over the medium term will be on providing telephone, travel and training services for members; as well as improving accounting systems.

The increase in expenditure in the *National Council of Provinces Members' Facilities* subprogramme over the medium term and the 7.1 per cent growth in spending on goods and services is as a result of inflation related adjustments to cover all expenses relating to travel, telephones and training for members of Parliament. This programme's functions are carried out by staff in the *Administration* programme, and consultants were used in 2010/11 mainly to provide legal services.

## Programme 5: Associated Services

### Subprogrammes

- *Political Party Support* provides financial support and facilities to political parties to allow them to carry out their legislative mandate efficiently and effectively.
- *Constituency Support* provides financial support to constituency offices to allow them to carry out their legislative mandate efficiently and effectively.
- *Party Leadership Support* provides financial support to political leadership structures to allow them to carry out their legislative mandate efficiently and effectively.

### Expenditure estimates

**Table 2.12 Associated Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16
R million											
Political Party Support	55.2	66.1	70.3	74.3	10.4%	23.2%	78.5	83.2	87.0	5.4%	23.9%
Constituency Support	198.3	205.3	220.8	230.3	5.1%	74.6%	243.2	257.8	269.7	5.4%	74.0%
Party Leadership Support	5.2	6.0	6.5	6.7	8.8%	2.1%	7.1	7.5	7.8	5.1%	2.2%
<b>Total</b>	<b>258.7</b>	<b>277.4</b>	<b>297.6</b>	<b>311.4</b>	<b>6.4%</b>	<b>100.0%</b>	<b>328.8</b>	<b>348.5</b>	<b>364.5</b>	<b>5.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				0.1			-	-	364.5		
<b>Economic classification</b>											
Transfers and subsidies	258.7	277.4	297.6	311.4	6.4%	100.0%	328.8	348.5	364.5	5.4%	100.0%
Non-profit institutions	258.7	277.4	297.6	311.4	6.4%	100.0%	328.8	348.5	364.5	5.4%	100.0%
<b>Total</b>	<b>258.7</b>	<b>277.4</b>	<b>297.6</b>	<b>311.4</b>	<b>6.4%</b>	<b>100.0%</b>	<b>328.8</b>	<b>348.5</b>	<b>364.5</b>	<b>5.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	25.6%	23.1%	24.5%	23.3%			23.2%	23.1%	22.9%		

**Table 2.12 Associated Services (continued)**

	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Details of transfers and subsidies</b>											
<b>Non-profit institutions</b>											
<b>Current</b>	<b>258.7</b>	<b>277.4</b>	<b>297.6</b>	<b>311.4</b>	<b>6.4%</b>	<b>100.0%</b>	<b>328.8</b>	<b>348.5</b>	<b>364.5</b>	<b>5.4%</b>	<b>100.0%</b>
Political party support	55.2	66.1	70.3	74.3	10.4%	23.2%	78.5	83.2	87.0	5.4%	23.9%
Constituency allowance	198.3	205.3	220.8	230.3	5.1%	74.6%	243.2	257.8	269.7	5.4%	74.0%
Party leadership support	5.2	6.0	6.5	6.7	8.8%	2.1%	7.1	7.5	7.8	5.1%	2.2%

### Expenditure trends

The spending focus over the medium term will be on providing financial support to the constituency offices of political parties represented in Parliament. This is reflected in the R770.7 million allocated for the constituency allowance over the medium term.

The increase in expenditure in this programme over the seven-year period is because of increases in transfers to the 13 parties represented in Parliament. These transfers are calculated based on formulas contained in the approved policy on political party allowances. This programme's functions are carried out by staff in the *Administration* programme.



# Vote 3

## Cooperative Governance and Traditional Affairs

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	219.0	215.7	0.1	3.1	227.1	233.5
Policy, Research and Knowledge Management	49.5	43.2	–	6.3	52.3	56.8
Governance and Intergovernmental Relations	40 706.7	45.7	40 661.1	0.0	44 620.8	50 343.3
Disaster Response Management	585.1	48.3	534.6	2.2	613.5	635.3
Provincial and Municipal Government Systems	272.1	31.7	240.3	0.1	286.2	296.8
Infrastructure and Economic Development	16 315.2	1 963.0	14 352.1	0.2	17 375.6	18 266.4
Traditional Affairs	105.2	72.3	32.5	0.4	111.9	116.9
<b>Total expenditure estimates</b>	<b>58 252.7</b>	<b>2 419.9</b>	<b>55 820.6</b>	<b>12.2</b>	<b>63 287.4</b>	<b>69 948.9</b>

Executive authority

Minister of Cooperative Governance and Traditional Affairs

Accounting officer

Director General of Cooperative Governance / Director General of Traditional Affairs

Website address

[www.cogta.gov.za](http://www.cogta.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Improve cooperative governance across the three spheres of government in partnership with institutions of traditional leadership to ensure that provinces and municipalities carry out their service delivery and development functions effectively.*

### Mandate

The Department of Cooperative Governance and Traditional Affairs is mandated to: develop, monitor and support the implementation of national policy and legislation, seeking to transform and strengthen key institutions and mechanisms of governance to fulfil their development role; develop, promote and monitor mechanisms, systems and structures to enable integrated service delivery and implementation within government; and promote sustainable development by providing support to and exercising oversight over provincial and local government. This mandate is derived from the following legislation:

- the Intergovernmental Relations Framework Act (2005)
- the Municipal Property Rates Act (2004)
- the Municipal Systems Act (2000)
- the Municipal Structures Act (1998).

## Strategic goals

The department's strategic goals over the medium term are to:

- strengthen accountability, governance and oversight of provincial and local government
- facilitate local economic development and improve access to basic services
- develop a policy platform for a differential approach to municipalities.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide management, leadership and administrative services to the department.

### Programme 2: Policy, Research and Knowledge Management

**Purpose:** Provide specialised support services to the department in the areas of research and knowledge management, policy formulation, monitoring and evaluation, and information, communication and business technologies.

### Programme 3: Governance and Intergovernmental Relations

**Purpose:** Improve vertical and horizontal coordination and alignment between the three spheres of government. Promote public participation in governance through regulatory mechanisms. Provide oversight, intervention and support programmes to provinces, municipalities and associated institutions.

### Programme 4: Disaster Response Management

**Purpose:** Promote an integrated and coordinated system of disaster risk management that places special emphasis on prevention, mitigation and preparedness on the part of national, provincial and municipal organs of state, statutory functionaries and other role players involved in disaster risk management and communities.

### Programme 5: Provincial and Municipal Government Systems

**Purpose:** Provide oversight, support programmes and evidence based regulatory mechanisms for provincial and municipal government and associated institutions, and facilitate effective development and service delivery.

### Programme 6: Infrastructure and Economic Development

**Purpose:** Support provincial and local government programmes and systems that promote economic and infrastructure development.

### Programme 7: Traditional Affairs

**Purpose:** Promote and coordinate research and information management and the development of policies and legislation on traditional affairs. Coordinate institutional development and capacity building programmes to enhance efficiency and effectiveness within the institution of traditional affairs.

## Selected performance indicators

**Table 3.1 Cooperative Governance and Traditional Affairs**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of critical master system planned interventions implemented per year <sup>1</sup>	Policy, Research and Knowledge Management	Outcome 9: A responsive, accountable, effective and efficient local government system	-1	-1	1	2	4	6	6
Total number of municipalities with established municipal public accounts committees <sup>1</sup>	Governance and Intergovernmental Relations		-1	-1	28	278	278	278	278
Total number of municipalities supported to implement a revised national framework on funding for ward committees <sup>1</sup>	Governance and Intergovernmental Relations		-1	-1	40	70	84	278	278

**Table 3.1 Cooperative Governance and Traditional Affairs (continued)**

Indicator	Programme	Outcome to which it contributes	Past		Current		Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total number of fully functional disaster management centres (of 62) across the three spheres of government	Disaster Response Management	Outcome 9: A responsive, accountable, effective and efficient local government system	12	30	40	50	62	62	62
Number of smaller municipalities (of 136) supported to implement revised integrated development planning framework <sup>2</sup>	Provincial and Municipal Government Systems		-2	-2	-2	70	136	136	136
Number of provinces supported in community development programmes per year <sup>1</sup>	Provincial and Municipal Government Systems		-1	-1	9	9	9	9	9
Number of provinces assessed on institutional capacity per year <sup>2</sup>	Provincial and Municipal Government Systems		-2	-2	-2	5	4	9	9
Value of municipalities' spending on municipal infrastructure grant per year	Infrastructure and Economic Development		R11.1bn	R11.3bn	R11.5bn	R13.9bn	R14.7bn	R15.8bn	R16.9bn
Number of work opportunities created through the community work programme per year	Infrastructure and Economic Development		70 844	89 689	105 218	171 500	171 500	250 000	255 000
Total number of municipalities (52 targeted municipalities) supported in implementing local economic development programmes <sup>1</sup>	Infrastructure and Economic Development		-1	-1	5	25	40	52	52
Total number of towns and cities implementing the Clean Cities and Towns programme (of 8) <sup>1</sup>	Infrastructure and Economic Development		-1	-1	8	8	8	8	8
Number of traditional leadership disputes and claims cases finalised per year <sup>1</sup>	Traditional Affairs		-1	-1	32	150	300	400	450

1. Department began measuring indicator in 2011/12.

2. Department began measuring indicator in 2012/13.

## The national development plan

The department's objectives are in alignment with one of the main objectives of the national development plan, which is to increase employment by 11 million jobs by 2030. The community work programme contributes towards the goal of broadening the expanded public works programme as outlined in the national development plan, as a significant driver of job creation. The national development plan focuses on the need to produce and develop technical and specialist related skills in government to overcome the shortage, particularly at the local government level. In line with this, the department has established a municipal infrastructure support agency to provide immediate support to municipalities that are struggling with infrastructure delivery by facilitating the deployment of engineers, scientists and technicians to municipalities and oversee them. The long term strategy is to create a pool of skilled professionals who can play a critical role in infrastructure delivery within local government.

## Expenditure estimates

**Table 3.2 Cooperative Governance and Traditional Affairs**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
Administration	179.3	169.5	206.1	197.5	196.2	3.0%	0.4%	219.0	227.1	233.5	6.0%	0.4%
Policy, Research and Knowledge Management	44.9	35.4	37.9	49.3	48.1	2.3%	0.1%	49.5	52.3	56.8	5.7%	0.1%
Governance and Intergovernmental Relations	23 936.8	30 663.7	33 270.8	38 111.9	37 609.3	16.3%	71.3%	40 706.7	44 620.8	50 343.3	10.2%	70.5%
Disaster Response Management	123.0	283.1	80.7	555.4	555.4	65.3%	0.6%	585.1	613.5	635.3	4.6%	1.0%
Provincial and Municipal Government Systems	209.6	244.5	252.4	285.2	282.1	10.4%	0.6%	272.1	286.2	296.8	1.7%	0.5%
Infrastructure and Economic Development	9 111.7	10 363.4	12 285.1	15 553.4	15 382.7	19.1%	26.8%	16 315.2	17 375.6	18 266.4	5.9%	27.4%
Traditional Affairs	56.2	61.8	88.6	102.5	102.5	22.1%	0.2%	105.2	111.9	116.9	4.5%	0.2%
<b>Total</b>	<b>33 661.6</b>	<b>41 821.4</b>	<b>46 221.6</b>	<b>54 855.2</b>	<b>54 176.2</b>	<b>17.2%</b>	<b>100.0%</b>	<b>58 252.7</b>	<b>63 287.4</b>	<b>69 948.9</b>	<b>8.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				139.6	(539.4)			(551.4)	(534.5)	3 191.2		

**Table 3.2 Cooperative Governance and Traditional Affairs (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13		2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
	R million											
<b>Current payments</b>	<b>443.3</b>	<b>588.5</b>	<b>661.1</b>	<b>2 104.4</b>	<b>1 925.5</b>	<b>63.2%</b>	<b>2.1%</b>	<b>2 419.9</b>	<b>3 169.1</b>	<b>3 314.9</b>	<b>19.9%</b>	<b>4.4%</b>
Compensation of employees	165.7	174.3	235.0	290.4	287.3	20.1%	0.5%	277.7	294.1	315.0	3.1%	0.5%
Goods and services	277.4	414.1	426.0	1 814.0	1 638.2	80.7%	1.6%	2 142.2	2 875.0	2 999.9	22.3%	3.9%
of which:												
Consultants and professional services: Business and advisory services	36.1	236.1	262.0	202.4	132.1	54.2%	0.4%	273.4	288.9	293.7	30.5%	0.4%
Contractors	2.9	4.5	5.2	1 023.6	1 023.6	606.9%	0.6%	1 167.0	1 823.6	1 903.6	23.0%	2.4%
Inventory: Materials and supplies	63.6	0.0	0.1	350.0	249.2	57.7%	0.2%	407.9	450.0	480.0	24.4%	0.6%
Travel and subsistence	56.1	37.4	47.0	53.2	48.4	-4.8%	0.1%	71.2	73.2	73.7	15.1%	0.1%
Interest and rent on land	0.2	0.1	0.1	-	-	-100.0%	0.0%	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>33 210.0</b>	<b>41 215.1</b>	<b>45 551.0</b>	<b>52 737.3</b>	<b>52 237.3</b>	<b>16.3%</b>	<b>97.9%</b>	<b>55 820.6</b>	<b>60 105.0</b>	<b>66 620.0</b>	<b>8.4%</b>	<b>95.6%</b>
Provinces and municipalities	32 848.2	40 671.3	44 884.2	52 495.2	51 995.2	16.5%	96.9%	55 708.9	59 987.2	66 497.7	8.5%	95.3%
Departmental agencies and accounts	78.1	110.7	86.3	101.3	101.3	9.1%	0.2%	100.7	106.1	110.2	2.9%	0.2%
Foreign governments and international organisations	-	0.1	0.2	-	-	-	0.0%	-	-	-	-	-
Public corporations and private enterprises	178.9	189.6	179.7	-	-	-100.0%	0.3%	-	-	-	-	-
Non-profit institutions	9.3	7.5	5.7	8.0	8.0	-4.8%	0.0%	11.1	11.7	12.1	14.6%	0.0%
Households	95.5	235.9	394.8	132.8	132.8	11.6%	0.5%	-	-	-	-100.0%	0.1%
<b>Payments for capital assets</b>	<b>8.1</b>	<b>17.6</b>	<b>8.3</b>	<b>13.3</b>	<b>13.3</b>	<b>18.2%</b>	<b>0.0%</b>	<b>12.2</b>	<b>13.4</b>	<b>14.0</b>	<b>1.7%</b>	<b>0.0%</b>
Machinery and equipment	8.1	17.6	8.3	13.3	13.3	18.2%	0.0%	11.4	12.4	14.0	1.7%	0.0%
Software and other intangible assets	-	-	-	-	-	-	-	0.8	1.0	-	-	-
<b>Payments for financial assets</b>	<b>0.3</b>	<b>0.3</b>	<b>1.2</b>	<b>0.1</b>	<b>0.1</b>	<b>-30.8%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>
<b>Total</b>	<b>33 661.6</b>	<b>41 821.4</b>	<b>46 221.6</b>	<b>54 855.2</b>	<b>54 176.2</b>	<b>17.2%</b>	<b>100.0%</b>	<b>58 252.7</b>	<b>63 287.4</b>	<b>69 948.9</b>	<b>8.9%</b>	<b>100.0%</b>

## Personnel information

**Table 3.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate <sup>3</sup>		Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
		2011/12		2012/13		2013/14		2014/15		2015/16				2012/13 - 2015/16					
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost								
<b>Cooperative Governance And Traditional Affairs</b>																			
<b>Salary level</b>	<b>579</b>	<b>8</b>	<b>490</b>	<b>236.3</b>	<b>0.5</b>	<b>479</b>	<b>226.6</b>	<b>0.5</b>	<b>541</b>	<b>253.8</b>	<b>0.5</b>	<b>543</b>	<b>269.1</b>	<b>0.5</b>	<b>534</b>	<b>288.3</b>	<b>0.5</b>	<b>3.7%</b>	<b>100.0%</b>
1-6	188	-	114	19.4	0.2	123	43.4	0.4	175	50.5	0.3	175	53.3	0.3	172	61.3	0.4	11.8%	30.8%
7-10	113	-	115	32.7	0.3	129	30.6	0.2	130	33.8	0.3	131	35.9	0.3	131	37.6	0.3	0.5%	24.8%
11-12	107	4	89	42.2	0.5	100	49.6	0.5	100	52.5	0.5	100	55.4	0.6	97	58.2	0.6	-1.0%	18.9%
13-16	171	4	172	142.0	0.8	127	103.0	0.8	136	117.0	0.9	137	124.6	0.9	134	131.2	1.0	1.8%	25.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on facilitating infrastructure delivery programmes and job creation, providing operational support to municipalities, strengthening technical and institutional capacity in local government, responding to disasters, and providing targeted and specialised support to traditional communities. This spending is reflected in the following: the municipal infrastructure grant and the community work programme within the *Infrastructure and Economic Development* programme, the local government equitable share in the *Governance and Intergovernmental Relations* programme, the municipal system improvement grant in the *Provincial and Municipal Government Systems* programme, and the disaster relief grant in the *Disaster Response Management* programme.

A significant increase in spending is evident between 2009/10 and 2012/13, mainly as a result of increased spending in the *Disaster Response Management* programme in the form of an additional allocation of R510 million to provide immediate relief to affected communities. In support of the establishment of a separate department of traditional affairs, the *Traditional Affairs* programme was allocated R18 million in the 2009

Budget. The significant increase in spending on goods and services in 2012/13, mainly on contractors, is attributable to payments to lead agents responsible for the implementation of the community work programme at the local level. The increase in expenditure on consultants in 2012/13 was because experts were employed to address failures in infrastructure delivery.

Spending on conditional and other fiscal transfers is expected to increase over the medium term because further allocations of R5.4 billion to the equitable share are to be transferred to municipalities to supplement municipal revenue. This will allow municipalities to provide free basic services to poor households, build in-house capacity on systems and eradicate backlogs in their infrastructure. In order to improve the state of basic services infrastructure at the 108 identified municipalities, an additional allocation of R180 million has been made to capacitate the municipal infrastructure support agency.

As part of Cabinet approved budget reductions of R1.1 billion, reductions over the medium term are to be effected mainly on the community works programme to bring allocations in line with the capacity to spend. Reductions were effected on spending on non-core goods and services items such as consultants, catering, venues and facilities, and are discussed in more detail in each programme.

R2.4 billion has been reallocated to the Department of Water Affairs to support local government water infrastructure through the municipal water infrastructure grant.

The department has a funded establishment of 579 posts and 8 posts are filled additional to the establishment. There were no vacancies as at 30 September 2012. Personnel numbers are expected to increase over the medium term to provide for security personnel. The ratio of support staff to line staff is 1:3.

### Infrastructure spending

Spending on infrastructure is done through the municipal infrastructure grant, which the department transfers to municipalities to allow them to deliver basic infrastructure services. In 2012/13, 2 million households were provided with access to water services, 1.2 million with basic sanitation, 1.7 million with roads, and 768 000 with community lighting.

## Department receipts

Table 3.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12	2012/13		2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand												
<b>Departmental receipts</b>	<b>509</b>	<b>241</b>	<b>1 092</b>	<b>641</b>	<b>930</b>	<b>22.3%</b>	<b>100.0%</b>	<b>874</b>	<b>918</b>	<b>950</b>	<b>0.7%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>138</b>	<b>143</b>	<b>309</b>	<b>155</b>	<b>155</b>	<b>3.9%</b>	<b>26.9%</b>	<b>159</b>	<b>161</b>	<b>163</b>	<b>1.7%</b>	<b>17.4%</b>
Sales by market establishments of which:	138	143	158	155	155	3.9%	21.4%	159	161	163	1.7%	17.4%
Rental parking: Covered and open	90	93	95	102	102	4.3%	13.7%	104	106	108	1.9%	11.4%
Commission: Insurance and garnishee	41	45	63	48	48	5.4%	7.1%	50	50	55	4.6%	5.5%
Sale of assets <R5000	2	1	-	1	1	-20.6%	0.1%	1	1	-	-100.0%	0.1%
Reimbursement of goods issued	1	1	-	1	1	-	0.1%	1	1	-	-100.0%	0.1%
Replacement of security cards	4	3	-	3	3	-9.1%	0.4%	3	3	-	-100.0%	0.2%
Other sales of which:	-	-	151	-	-	-	5.4%	-	-	-	-	-
Capital equipment	-	-	151	-	-	-	5.4%	-	-	-	-	-
<b>Sales of scrap, waste, arms and other used current goods of which:</b>	<b>9</b>	<b>6</b>	<b>2</b>	<b>22</b>	<b>22</b>	<b>34.7%</b>	<b>1.4%</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>-39.0%</b>	<b>1.0%</b>
Paper	9	6	2	22	22	34.7%	1.4%	5	5	5	-39.0%	1.0%
<b>Interest, dividends and rent on land</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>-7.2%</b>	<b>0.5%</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>-20.6%</b>	<b>0.3%</b>
Interest	5	3	2	4	4	-7.2%	0.5%	2	2	2	-20.6%	0.3%
<b>Sales of capital assets</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>3.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions in financial assets and liabilities</b>	<b>252</b>	<b>89</b>	<b>779</b>	<b>460</b>	<b>749</b>	<b>43.8%</b>	<b>67.4%</b>	<b>708</b>	<b>750</b>	<b>780</b>	<b>1.4%</b>	<b>81.3%</b>
<b>Total</b>	<b>509</b>	<b>241</b>	<b>1 092</b>	<b>641</b>	<b>930</b>	<b>22.3%</b>	<b>100.0%</b>	<b>874</b>	<b>918</b>	<b>950</b>	<b>0.7%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 3.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Ministry	43.0	35.1	26.9	24.9	-16.7%	17.3%	29.3	31.0	32.4	9.2%	13.4%
Management	15.2	7.9	12.3	17.7	5.2%	7.1%	14.3	16.0	16.8	-1.7%	7.4%
Chief Operating Officer	6.9	12.4	34.9	20.3	43.1%	9.9%	22.0	21.8	22.6	3.5%	9.9%
Corporate Services	46.9	28.7	50.2	38.0	-6.8%	21.8%	49.2	49.5	50.3	9.8%	21.3%
Financial Services	16.3	33.7	20.7	20.6	8.0%	12.1%	28.0	29.9	31.1	14.8%	12.5%
Communication and Liaison	10.8	10.2	12.1	22.7	28.1%	7.4%	20.3	19.8	18.7	-6.3%	9.3%
Legislation Review and Drafting	4.2	6.3	10.2	11.5	39.6%	4.3%	11.8	12.5	13.0	4.1%	5.5%
Internal Audit and Risk Management	6.2	3.6	9.6	11.5	22.4%	4.1%	12.1	12.6	13.1	4.5%	5.6%
Office Accommodation	29.7	31.6	29.1	30.4	0.9%	16.1%	32.1	34.0	35.6	5.4%	15.1%
<b>Total</b>	<b>179.3</b>	<b>169.5</b>	<b>206.1</b>	<b>197.5</b>	<b>3.3%</b>	<b>100.0%</b>	<b>219.0</b>	<b>227.1</b>	<b>233.5</b>	<b>5.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(3.9)			6.2	1.6	233.5		
<b>Economic classification</b>											
<b>Current payments</b>	<b>172.7</b>	<b>168.6</b>	<b>195.0</b>	<b>192.4</b>	<b>3.7%</b>	<b>96.8%</b>	<b>215.7</b>	<b>223.3</b>	<b>229.5</b>	<b>6.1%</b>	<b>98.2%</b>
Compensation of employees	66.6	73.0	99.0	81.6	7.0%	42.6%	102.5	108.3	115.4	12.2%	46.5%
Goods and services	105.9	95.5	95.9	110.7	1.5%	54.2%	113.3	115.0	114.0	1.0%	51.7%
of which:											
Consultants and professional services:	4.4	7.5	8.9	9.2	28.6%	4.0%	4.6	7.0	4.9	-19.1%	2.9%
Business and advisory services											
Contractors	2.1	1.4	0.8	1.9	-2.3%	0.8%	4.8	2.7	1.3	-11.5%	1.2%
Inventory: Materials and supplies	0.0	0.0	0.1	0.0	-5.5%	-	0.0	0.0	0.0	-2.5%	-
Travel and subsistence	31.2	14.6	13.9	15.5	-20.8%	10.0%	13.5	13.2	13.3	-5.0%	6.3%
Interest and rent on land	0.2	0.1	0.1	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2.8</b>	<b>0.1</b>	<b>7.2</b>	<b>0.3</b>	<b>-54.5%</b>	<b>1.4%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-27.3%</b>	<b>0.1%</b>
Provinces and municipalities	0.0	0.0	0.0	0.1	108.7%	-	0.1	0.1	0.1	-	-
Households	2.7	0.1	7.2	0.2	-61.2%	1.4%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>3.6</b>	<b>0.5</b>	<b>2.6</b>	<b>4.8</b>	<b>9.7%</b>	<b>1.5%</b>	<b>3.1</b>	<b>3.7</b>	<b>3.9</b>	<b>-6.5%</b>	<b>1.8%</b>
Machinery and equipment	3.6	0.5	2.6	4.8	9.7%	1.5%	3.1	3.7	3.9	-6.5%	1.8%
<b>Payments for financial assets</b>	<b>0.3</b>	<b>0.3</b>	<b>1.2</b>	<b>0.1</b>	<b>-30.8%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
<b>Total</b>	<b>179.3</b>	<b>169.5</b>	<b>206.1</b>	<b>197.5</b>	<b>3.3%</b>	<b>100.0%</b>	<b>219.0</b>	<b>227.1</b>	<b>233.5</b>	<b>5.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>			<b>0.4%</b>	<b>0.4%</b>	<b>0.3%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>2.7</b>	<b>0.1</b>	<b>7.2</b>	<b>0.2</b>	<b>-61.2%</b>	<b>1.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Employee social benefits	2.7	0.1	7.2	0.2	-61.2%	1.4%	-	-	-	-100.0%	-

## Personnel information

Table 3.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number						
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost				
<b>Administration</b>																			
Salary level	257	-	218	104.0	0.5	198	83.4	0.4	252	102.5	0.4	252	108.3	0.4	252	115.4	0.5	8.4%	100.0%
1 – 6	119	-	56	9.3	0.2	59	9.3	0.2	110	19.2	0.2	110	20.1	0.2	110	22.3	0.2	23.1%	40.8%
7 – 10	50	-	55	15.7	0.3	53	13.5	0.3	54	15.6	0.3	54	16.5	0.3	54	17.3	0.3	0.6%	22.5%
11 – 12	36	-	30	14.3	0.5	35	17.9	0.5	35	19.2	0.5	35	20.3	0.6	35	21.3	0.6	-	14.7%
13 – 16	52	-	77	64.7	0.8	51	42.8	0.8	53	48.5	0.9	53	51.5	1.0	53	54.5	1.0	1.3%	22.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on compensation of employees and goods and services. The bulk of spending on goods and services goes towards property and operating payments, advertising, consultants and professional services in terms of business and advisory services, including legal costs. The expected outcomes from this spending are improved governance processes, support to municipalities in the implementation of the local government turnaround strategy, and improved local government monitoring and reporting systems.

Spending in the *Ministry* subprogramme decreased from R43 million in 2009/10 to R24.9 million in 2012/13 as personnel contracts brought in by the previous minister ended. The spending fluctuation in the *Corporate Services* subprogramme between 2009/12 and 2012/13 was due to personnel being displaced by the organisational restructuring. Spending on compensation of employees increased in 2010/11 and 2011/, as the monitoring and evaluation function was shifted to this office from the *Policy, Research and Knowledge Management* programme. The delivery of flagship projects such as Operation Clean Audit 2014, the Clean Cities and Towns campaign and the Business Adopt-a-Municipality initiative were shifted to other programmes.

As part of the Cabinet approved budget reductions, the department has effected reductions in spending R20.9 million over the medium term. The reductions were mainly in spending on non-core goods and services items such as consultants, catering, and venues and facilities, as the department will hold a greater number of meetings in-house, without catering.

The programme has a funded establishment of 257 posts and there were no vacancies as at 30 September 2012. The department plans to maintain this establishment over the medium term. Expenditure on consultant services in this period is for drafting the communication strategy to support the implementation of the flagship projects.

## Programme 2: Policy, Research and Knowledge Management

### Objectives

- Improve accountability in municipalities by planning, developing and implementing a knowledge and information management strategy to ensure high quality information by March 2014.
- Enhance efficiency and effectiveness of ICT within the department through ongoing provision of ICT support and maintenance services.
- Improve the use and corporate governance of information communication technology in municipalities through the development of an ICT policy framework by March 2014.

## Subprogrammes

- *Management: Research and Policy* provides strategic leadership to the programme. This subprogramme had a staff complement of 5 in 2012/13.
- *Policy and Research Methods* provides technical policy and research support to the department aimed at improving the service delivery performance of municipalities, fosters compliance with legislation, conducts research on key challenges facing local government, and develops and updates profiles of municipalities in support of political visits to areas. In 2012/13, weekly research alerts were provided to the department, which highlighted events in the municipal and provincial environment regarding service delivery, local economic development and public participation matters. Over the medium term, the subprogramme will align policy development with the local government turnaround strategy by developing quarterly reports annually on governance, service delivery issues and financial management issues at municipalities. This subprogramme had a staff complement of 7 in 2012/13.
- *Knowledge and Information Management* provides knowledge and information management products and services in local government, and ensures the facilitation of appropriate knowledge and information management. This subprogramme had a staff complement of 14 in 2012/13.
- *Information, Communication and Business Technology* provides support and deploys ICT infrastructure in the department such as data warehouses, databases and data storing facilities; and improves the department's ICT infrastructure. This subprogramme had a staff complement of 21 in 2012/13.

## Expenditure estimates

**Table 3.7 Policy, Research and Knowledge Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Management: Research and Policy	2.9	1.9	2.8	3.2	2.9%	6.4%	4.5	4.3	5.1	17.0%	8.2%
Policy and Research Methods	13.5	1.8	6.6	8.6	-14.0%	18.1%	6.0	6.8	6.6	-8.4%	13.5%
Knowledge and Information Management	12.2	13.2	7.8	10.5	-4.7%	26.1%	9.2	10.0	12.6	6.2%	20.4%
Information, Communication and Business Technology	16.4	18.6	20.8	27.0	18.2%	49.4%	29.8	31.3	32.5	6.4%	58.0%
<b>Total</b>	<b>44.9</b>	<b>35.4</b>	<b>37.9</b>	<b>49.3</b>	<b>3.1%</b>	<b>100.0%</b>	<b>49.5</b>	<b>52.3</b>	<b>56.8</b>	<b>4.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				3.2			0.7	0.4	56.8		
<b>Economic classification</b>											
<b>Current payments</b>	<b>44.3</b>	<b>30.9</b>	<b>33.5</b>	<b>43.5</b>	<b>-0.6%</b>	<b>90.8%</b>	<b>43.2</b>	<b>45.6</b>	<b>49.8</b>	<b>4.6%</b>	<b>87.6%</b>
Compensation of employees	24.2	13.2	20.2	22.0	-3.1%	47.5%	18.9	20.1	25.3	4.8%	41.5%
Goods and services	20.2	17.7	13.3	21.5	2.1%	43.3%	24.3	25.6	24.5	4.5%	46.1%
of which:											
Consultants and professional services: Business and advisory services	3.8	1.6	1.8	2.3	-15.9%	5.7%	2.8	3.1	2.2	-1.5%	4.9%
Contractors	0.1	2.4	0.4	0.6	111.7%	2.0%	0.6	0.6	0.6	-0.2%	1.1%
Inventory: Materials and supplies	0.0	-	0.0	-	-100.0%	-	-	-	-	-	-
Travel and subsistence	3.9	1.2	1.1	4.0	0.8%	6.1%	3.7	3.5	3.5	-4.4%	7.1%
<b>Payments for capital assets</b>	<b>0.6</b>	<b>4.6</b>	<b>4.4</b>	<b>5.8</b>	<b>111.5%</b>	<b>9.2%</b>	<b>6.3</b>	<b>6.7</b>	<b>7.0</b>	<b>6.5%</b>	<b>12.4%</b>
Machinery and equipment	0.6	4.6	4.4	5.8	111.5%	9.2%	5.5	5.7	7.0	6.5%	11.6%
Software and other intangible assets	-	-	-	-	-	-	0.8	1.0	-	-	0.8%
<b>Total</b>	<b>44.9</b>	<b>35.4</b>	<b>37.9</b>	<b>49.3</b>	<b>3.1%</b>	<b>100.0%</b>	<b>49.5</b>	<b>52.3</b>	<b>56.8</b>	<b>4.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>			<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>		



## Personnel information

Table 3.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16
Policy, Research and Knowledge Management																			
Salary level	50	-	48	19.5	0.4	47	22.0	0.5	46	18.9	0.4	46	20.1	0.4	46	25.3	0.5	-0.7%	100.0%
1-6	17	-	14	2.2	0.2	15	7.2	0.5	15	4.4	0.3	15	4.9	0.3	15	9.3	0.6	-	32.4%
7-10	13	-	12	3.4	0.3	14	2.8	0.2	14	2.9	0.2	14	3.1	0.2	14	3.2	0.2	-	30.3%
11-12	10	-	11	5.1	0.5	9	4.4	0.5	9	4.6	0.5	9	4.9	0.5	9	5.1	0.6	-	19.5%
13-16	10	-	11	8.8	0.8	9	7.6	0.8	8	6.9	0.9	8	7.3	0.9	8	7.6	1.0	-3.9%	17.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on compensation of employees and goods and services. The bulk of this programme's spending is on goods and services, specifically on fixed and mobile phone allowances, computer services, machinery and equipment. The expected outcomes from spending on these items are a total of 16 policy and research papers on governance, which will contribute to improved service delivery and financial management. This will also add value to the success of the local government turnaround strategy.

Spending in the *Information, Communication and Business Technology* subprogramme increased significantly in 2012/13 as an IT communications and marketing plan was developed and implemented, as was a master systems plan, both requiring the use of additional staff. Spending on compensation of employees decreased in 2010/11 and 2011/12 due to the shifting of 3 monitoring and evaluation employees from this programme to the *Administration* programme to support the municipal monitoring and evaluation unit in the *Chief Operating Officer* subprogramme. The decrease in expenditure in the *Policy and Research Methods* subprogramme between 2009/10 and 2012/13 was due to the shift of library services personnel to the *Information, Communication and Business Technology* subprogramme.

Expenditure is expected to increase over the medium term as a planned IT system review is developed, being informed by the master systems plan; and existing software and hardware are renewed and upgraded. As part of the Cabinet approved budget reductions, the department will reduce spending by R3.1 million over the medium term. These reductions will be effected in spending on non-core goods and services items such as consultants, catering, and venues and facilities, as the department will hold more meetings in-house without catering.

The programme has a funded establishment of 50 posts and there were no vacancies as at 30 September 2012. The numbers are likely to stay fairly constant over the medium term. Expenditure on consultant services in this period is for the upgrade of the department's ICT integration and knowledge management system.

## Programme 3: Governance and Intergovernmental Relations

### Objectives

- Improve the regulatory environment for effective oversight and interventions practice of national government over provincial and local government through the introduction of the Intergovernmental Monitoring, Support and Interventions Bill by March 2014.
- Promote good governance and public participation by strengthening the functionality of ward committees through implementing the funding model for municipalities in grades 1 to 3 by March 2014.
- Strengthen intergovernmental fiscal relations by managing the municipal infrastructure, municipal systems improvement and local government equitable share grants in line with the Division of Revenue Act on a continuous basis.

## Subprogrammes

- *Management: Governance* provides strategic leadership and management to the programme. Key activities in 2012/13 included establishing municipal public accounts committees in all provinces and municipalities to strengthen financial management by improving oversight over financial affairs, and combating and fighting corruption through conducting ethics seminars and training at local government level. Over the medium term, the subprogramme will implement credit control and debt collection policies as a measure for improving financial management at 30 municipalities. This subprogramme had a staff complement of 10 in 2012/13.
- *Intergovernmental Relations Coordination* administers the Intergovernmental Relations Framework Act (2005). Key activities in 2012/2013 included conducting a monitoring survey to assess the functionality of forums for district intergovernmental relations frameworks, and producing a report with recommendations for strengthening the forums' functionality. Over the medium term, the Intergovernmental Relations Framework Act (2005) will be revised to strengthen the governance arrangements for policy on cooperative governance. This subprogramme had a staff complement of 7 in 2012/13.
- *Intergovernmental Fiscal Relations* strengthens intergovernmental fiscal relations through equitable share transfers, manages conditional grant transfers to municipalities, monitors the financial viability of municipalities and provinces, and manages the Municipal Property Rates Act (2004). Key outputs in 2012/13 included finalising the development of draft amendments to the Municipal Property Rates Act (2004), paying 3 456 non-returning councillors and supporting municipalities in implementing the municipal infrastructure grant. Key activities in 2013/14 will include providing assistance to municipalities in implementing the grant and supporting Parliament in processing the Municipal Property Rates Amendment Bill after Cabinet approves the bill's introduction into Parliament, when required. This subprogramme had a staff complement of 23 in 2012/13.
- *Governance and Public Participation* promotes an environment for good governance and public participation by supporting provinces and municipalities in strengthening their governance and coordinating capabilities. Key activities in 2012/13 included developing a refined legislative framework for ward committees and community participation, and supporting 6 provinces in developing provincial frameworks that will be implemented in all municipalities. Key activities over the medium term include developing and implementing ward level operational plans at 2 000 wards to ensure the functionality of ward committees. This subprogramme had a staff complement of 6 in 2012/13.
- *South African Local Government Association* transfers funds to the South African Local Government Association, the recognised local government body in terms of the Organised Local Government Act (1997). Transfers are used by the association to fund operational activities, including capacity building programmes for councillors, local government research, and knowledge sharing initiatives. This subprogramme's total budget is transferred in full to the association. This subprogramme has no staff complement.
- *Municipal Demarcation Board* transfers funds to the Municipal Demarcation Board, which is a constitutional body established in terms of the Municipal Demarcation Board Act (1998). The board uses the transfers to fund operational activities, including capacity assessments, ward delimitation and boundary redetermination. This subprogramme's total budget is transferred in full to the board. This subprogramme has no staff complement.
- *South African Cities Network* transfers funds to the South African Cities Network, which enables cooperation between South African cities and maximises benefits through exchanging information. This subprogramme's total budget is transferred in full to the network. This subprogramme has no staff complement.
- *United Cities and Local Government of Africa* transfers funds to United Cities and Local Government of Africa, an association of municipalities and national regional local government associations in Africa. The association aims to enhance cooperation and knowledge sharing among local governments in Africa to improve the delivery of services to communities across the continent. This subprogramme's total budget is transferred in full to the association. This subprogramme has no staff complement.
- *Local Government Equitable Share* is the share of nationally raised revenue, which is payable to the local government sphere in terms of section 214 of the Constitution. This transfer supplements municipal revenue

in providing free basic services to poor households, and for funding the institutional capacity and support for weaker municipalities in poorer areas. This subprogramme's total budget is transferred in full to municipalities. This subprogramme has no staff complement.

## Expenditure estimates

**Table 3.9 Governance and Intergovernmental Relations**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Management: Governance	–	18.5	4.1	4.8	–	–	16.2	17.0	17.7	54.3%	–
Intergovernmental Relations Coordination	6.0	1.5	3.6	9.5	16.6%	–	10.0	10.4	10.8	4.4%	–
Intergovernmental Fiscal Relations	8.1	8.4	17.4	142.8	160.0%	0.1%	13.5	14.1	14.7	-53.2%	0.1%
Governance and Public Participation	10.0	1.0	2.8	6.2	-14.8%	–	6.0	6.3	6.6	2.0%	–
South African Local Government Association	23.3	49.1	25.5	26.7	4.7%	0.1%	26.0	26.9	27.9	1.4%	0.1%
Municipal Demarcation Board	34.6	37.2	38.5	40.4	5.3%	0.1%	42.2	44.2	45.8	4.3%	0.1%
South African Cities Network	4.8	5.1	5.3	5.5	4.8%	–	5.8	6.1	6.3	4.3%	–
United Cities and Local Government of Africa	4.5	2.4	0.4	2.5	-18.0%	–	5.3	5.6	5.8	32.6%	–
Local Government Equitable Share	23 845.5	30 540.6	33 173.2	37 873.4	16.7%	99.6%	40 581.8	44 490.1	50 207.7	9.9%	99.6%
<b>Total</b>	<b>23 936.8</b>	<b>30 663.7</b>	<b>33 270.8</b>	<b>38 111.9</b>	<b>16.8%</b>	<b>100.0%</b>	<b>40 706.7</b>	<b>44 620.8</b>	<b>50 343.3</b>	<b>9.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				130.0			12.2	862.9	50 343.3		
<b>Economic classification</b>											
<b>Current payments</b>	<b>24.2</b>	<b>29.3</b>	<b>22.9</b>	<b>32.7</b>	<b>10.6%</b>	<b>0.1%</b>	<b>45.7</b>	<b>47.8</b>	<b>49.8</b>	<b>15.0%</b>	<b>0.1%</b>
Compensation of employees	16.9	18.3	17.3	18.7	3.3%	0.1%	25.3	25.7	26.9	13.0%	0.1%
Goods and services	7.2	11.1	5.6	14.1	24.9%	–	20.3	22.2	22.9	17.6%	–
of which:											
Consultants and professional services: Business and advisory services	1.8	3.4	3.0	4.1	31.7%	–	6.9	7.0	4.6	4.2%	–
Contractors	0.7	0.5	–	1.0	15.7%	–	1.1	1.2	1.2	5.1%	–
Inventory: Materials and supplies	–	–	–	0.0	–	–	0.0	0.0	0.0	–	–
Travel and subsistence	2.0	5.6	1.3	4.5	31.5%	–	4.9	6.5	6.6	14.1%	–
<b>Transfers and subsidies</b>	<b>23 912.6</b>	<b>30 634.3</b>	<b>33 247.8</b>	<b>38 079.1</b>	<b>16.8%</b>	<b>99.9%</b>	<b>40 661.1</b>	<b>44 572.9</b>	<b>50 293.4</b>	<b>9.7%</b>	<b>99.9%</b>
Provinces and municipalities	23 845.5	30 540.6	33 173.2	37 873.4	16.7%	99.6%	40 581.8	44 490.1	50 207.7	9.9%	99.6%
Departmental agencies and accounts	57.9	86.3	64.0	67.1	5.1%	0.2%	68.2	71.1	73.6	3.2%	0.2%
Non-profit institutions	9.3	7.5	5.7	8.0	-4.8%	–	11.1	11.7	12.1	14.6%	–
Households	–	–	4.9	130.6	–	0.1%	–	–	–	-100.0%	0.1%
<b>Payments for capital assets</b>	<b>–</b>	<b>0.0</b>	<b>–</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4.8%</b>	<b>–</b>
Machinery and equipment	–	0.0	–	0.0	–	–	0.0	0.0	0.0	4.8%	–
<b>Total</b>	<b>23 936.8</b>	<b>30 663.7</b>	<b>33 270.8</b>	<b>38 111.9</b>	<b>16.8%</b>	<b>100.0%</b>	<b>40 706.7</b>	<b>44 620.8</b>	<b>50 343.3</b>	<b>9.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>71.1%</b>	<b>73.3%</b>	<b>72.0%</b>	<b>69.5%</b>			<b>69.9%</b>	<b>70.5%</b>	<b>72.0%</b>		
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>57.9</b>	<b>86.3</b>	<b>64.0</b>	<b>67.1</b>	<b>5.1%</b>	<b>0.2%</b>	<b>68.2</b>	<b>71.1</b>	<b>73.6</b>	<b>3.2%</b>	<b>0.2%</b>
South African Local Government Association	23.3	49.1	25.5	26.7	4.7%	0.1%	26.0	26.9	27.9	1.4%	0.1%
Municipal Demarcation Board	34.6	37.2	38.5	40.4	5.3%	0.1%	42.2	44.2	45.8	4.3%	0.1%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>23 845.5</b>	<b>30 540.6</b>	<b>33 173.2</b>	<b>37 873.4</b>	<b>16.7%</b>	<b>99.6%</b>	<b>40 581.8</b>	<b>44 490.1</b>	<b>50 207.7</b>	<b>9.9%</b>	<b>99.6%</b>
Local government equitable share	23 845.5	30 540.6	33 173.2	37 873.4	16.7%	99.6%	40 581.8	44 490.1	50 207.7	9.9%	99.6%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>9.3</b>	<b>7.5</b>	<b>5.7</b>	<b>8.0</b>	<b>-4.8%</b>	<b>–</b>	<b>11.1</b>	<b>11.7</b>	<b>12.1</b>	<b>14.6%</b>	<b>–</b>
South African Cities Network	4.8	5.1	5.3	5.5	4.8%	–	5.8	6.1	6.3	4.3%	–
United Cities and Local Government of Africa	4.5	2.4	0.4	2.5	-18.0%	–	5.3	5.6	5.8	32.6%	–
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>–</b>	<b>–</b>	<b>4.9</b>	<b>130.6</b>	<b>–</b>	<b>0.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>
Ex-councillors	–	–	4.9	130.6	–	0.1%	–	–	–	-100.0%	0.1%

## Personnel information

Table 3.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Governance and Intergovernmental Relations		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
Salary level	41	–	42	19.0	0.5	40	18.7	0.5	45	25.3	0.6	45	25.7	0.6	45	26.9	0.6	4.0%	100.0%
1 – 6	6	–	6	1.1	0.2	7	1.5	0.2	8	3.1	0.4	8	2.3	0.3	8	2.4	0.3	4.6%	17.7%
7 – 10	8	–	11	3.1	0.3	10	2.3	0.2	10	2.8	0.3	10	2.9	0.3	10	3.0	0.3	–	22.9%
11 – 12	15	–	12	5.8	0.5	12	6.1	0.5	12	6.6	0.5	12	6.9	0.6	12	7.3	0.6	–	27.4%
13 – 16	12	–	13	9.0	0.7	11	8.8	0.8	15	12.9	0.9	15	13.6	0.9	15	14.2	0.9	10.9%	32.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on compensation of employees, goods and services and transfers in the *United Cities and Local Government of Africa*, *Local Government Equitable Share*, *Management Governance* and *Intergovernmental Relations Coordination* subprogrammes. Transfers from the local government equitable share will be used to cover municipalities' operational costs.

Between 2009/10 and 2012/13, expenditure increased due to an increased allocation for the local government equitable share to expand free basic services to municipalities. Expenditure in the *Intergovernmental Fiscal Relations* subprogramme increased significantly over this period due to a rollover allocation in 2012/13 for once-off gratuity payments to non-returning councillors. In 2012/13, the Municipal Property Rates Amendment Bill was approved by Parliament and published for comments. This led to increased spending on goods and services, particularly on travel and subsistence and on venues and facilities between 2009/10 and 2012/13. Together with National Treasury, in 2012/13 the department developed and issued guidelines for the establishment of municipal public account committees. This again resulted in increased spending on goods and services, particularly on travel and as venues and facilities. The number of established committees increased to the current 278 municipalities in 2012/13 as part of the improvement of municipal audit outcomes.

The increase in spending in the programme over the medium term is due to additional allocations to the *Local Government Equitable Share* subprogramme. Spending in the *Intergovernmental Relations Coordination* subprogramme will assist in providing support to 278 municipalities. The municipalities will be supported with the implementation of the revised national ward framework on funding municipal wards and the development of critical master system planned interventions.

The programme has a funded establishment of 41 posts and there were no vacancies as at 30 September 2012. The department plans to maintain this establishment over the medium term. Expenditure on consulting services in this period is for technical and legal expertise required to review the legislation.

## Programme 4: Disaster Response Management

### Objectives

- Support the establishment and operation of effective fire services by:
  - enhancing the fire services legislative framework by March 2014
  - developing a draft bill on fire brigade services to ensure that legislation responds to changing conditions by March 2014.
- Strengthen and update the disaster management legislative system by developing related regulations which enable a standardised approach, ensuring efficient and effective disaster management processes across all spheres of government by March 2014.

- Enhance and strengthen capacity in the disaster risk management fraternity by developing and implementing an integrated national disaster management education and training framework by March 2014.

## Subprogrammes

- Management: Head of Disaster* oversees the performance, management and monitoring of this programme. This subprogramme had a staff complement of 5 in 2012/13.
- Legislation, Policy and Compliance Management* develops and provides implementation support for disaster management, and fire service policies and legislative frameworks across all spheres of government. In 2012/13, the focus was on supporting the establishment and functionality of disaster management centres, the Disaster Management Act (2002) was reviewed, and a discussion paper on new legislation for fire brigade services was developed. Over the medium term, this subprogramme will develop a white paper on fire services aimed at improving the provision and coordination of fire services. This subprogramme had a staff complement of 7 in 2012/13.
- Planning Coordination and Support* develops and implements disaster management operational systems, and coordinates disaster management capacity building and strategic research across all three spheres of government. In 2012/13, bursaries for disaster risk management were awarded to identified students; the national disaster risk management education and training framework was implemented; the Jamba: Journal of Disaster Risk Studies was funded; and public awareness campaigns were rolled out and consultants were appointed for the independent assessment and verification of disaster damages and aerial support to municipalities. Over the medium term, workshops will be held in district municipalities to disseminate information on how to classify and declare disasters. This subprogramme had a staff complement of 11 in 2012/13.
- Intelligence and Information Systems Management* guides the development of a comprehensive information management and communication system, and establishes integrated communication links with all disaster risk management role players. In 2012/13, the disaster risk management intelligence and capability system that will preserve and manage information that is accessible to provinces and municipal agencies was implemented. Over the medium term, this subprogramme will provide a macro profile on risk and vulnerability for floods to support planning and coordination of disaster relief measures. This subprogramme had a staff complement of 10 in 2012/13.
- Disaster Relief Transfers* is a conditional grant that aims to provide immediate relief after disasters without any scientific assessment. Transfers are made only when a disaster has been declared. In 2012/13, transfers for disasters that occurred in Limpopo and Mpumalanga due to flooding amounted to R47 million. Transfers for provincial disasters of R197.3 million and R363.5 million over the medium term for municipal disasters have been allocated. This subprogramme has no staff complement.

## Expenditure estimates

**Table 3.11 Disaster Response Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Management: Head of Disaster	17.5	8.6	8.6	3.0	-44.3%	3.6%	5.8	6.0	6.3	27.9%	0.9%
Legislation, Policy and Compliance Management	6.8	41.2	6.5	7.3	2.4%	5.9%	7.6	6.2	6.5	-4.0%	1.2%
Planning Coordination and Support	12.5	1.6	12.8	12.8	0.7%	3.8%	13.5	13.9	14.3	3.8%	2.3%
Intelligence and Information Systems Management	25.3	16.7	5.5	22.3	-4.2%	6.7%	23.7	26.4	27.4	7.2%	4.2%
Disaster Relief Transfers	60.8	214.9	47.3	510.0	103.2%	79.9%	534.6	561.0	580.8	4.4%	91.5%
<b>Total</b>	<b>123.0</b>	<b>283.1</b>	<b>80.7</b>	<b>555.4</b>	<b>65.3%</b>	<b>100.0%</b>	<b>585.1</b>	<b>613.5</b>	<b>635.3</b>	<b>4.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				0.2			(1.9)	(8.6)	635.3		

Table 3.11 Disaster Response Management (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)		
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16	2012/13 - 2015/16
	R million												
<b>Current payments</b>	<b>44.4</b>	<b>56.9</b>	<b>32.9</b>	<b>43.2</b>	<b>-0.9%</b>	<b>17.0%</b>	<b>48.3</b>	<b>50.2</b>	<b>52.1</b>	<b>6.4%</b>	<b>8.1%</b>		
Compensation of employees	6.2	6.6	16.0	15.2	34.6%	4.2%	19.9	20.8	21.9	12.9%	3.3%		
Goods and services	38.1	50.3	16.9	28.0	-9.8%	12.8%	28.4	29.4	30.2	2.5%	4.9%		
of which:													
Consultants and professional services:	11.8	11.2	0.9	3.9	-31.0%	2.7%	8.9	10.0	10.0	37.3%	1.4%		
Business and advisory services													
Contractors	0.1	0.2	-	-	-100.0%	-	-	-	-	-	-		
Inventory: Materials and supplies	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-		
Travel and subsistence	1.5	1.1	3.1	3.6	35.5%	0.9%	3.9	3.5	3.7	0.4%	0.6%		
<b>Transfers and subsidies</b>	<b>75.2</b>	<b>214.4</b>	<b>47.3</b>	<b>510.0</b>	<b>89.3%</b>	<b>81.3%</b>	<b>534.6</b>	<b>561.0</b>	<b>580.8</b>	<b>4.4%</b>	<b>91.5%</b>		
Provinces and municipalities	75.2	214.4	47.3	510.0	89.3%	81.3%	534.6	561.0	580.8	4.4%	91.5%		
Households	-	-	-	0.0	-	-	-	-	-	-100.0%	-		
<b>Payments for capital assets</b>	<b>3.4</b>	<b>11.8</b>	<b>0.5</b>	<b>2.2</b>	<b>-14.5%</b>	<b>1.7%</b>	<b>2.2</b>	<b>2.3</b>	<b>2.4</b>	<b>4.4%</b>	<b>0.4%</b>		
Machinery and equipment	3.4	11.8	0.5	2.2	-14.5%	1.7%	2.2	2.3	2.4	4.4%	0.4%		
<b>Total</b>	<b>123.0</b>	<b>283.1</b>	<b>80.7</b>	<b>555.4</b>	<b>65.3%</b>	<b>100.0%</b>	<b>585.1</b>	<b>613.5</b>	<b>635.3</b>	<b>4.6%</b>	<b>100.0%</b>		
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.4%</b>	<b>0.7%</b>	<b>0.2%</b>	<b>1.0%</b>			<b>1.0%</b>	<b>1.0%</b>	<b>0.9%</b>				

## Details of selected transfers and subsidies

Provinces and municipalities											
Municipalities											
Municipal bank accounts											
<b>Current</b>	<b>75.2</b>	<b>-</b>	<b>32.1</b>	<b>330.0</b>	<b>63.7%</b>	<b>42.0%</b>	<b>346.5</b>	<b>363.6</b>	<b>376.4</b>	<b>4.5%</b>	<b>59.3%</b>
Disaster Mangement World Cup Transfer to Municipalities	14.4	-	-	-	-100.0%	1.4%	-	-	-	-	-
Municipal disaster grant	60.8	-	32.1	330.0	75.7%	40.6%	346.5	363.6	376.4	4.5%	59.3%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
<b>Current</b>	<b>-</b>	<b>214.4</b>	<b>15.1</b>	<b>180.0</b>	<b>-</b>	<b>39.3%</b>	<b>188.1</b>	<b>197.4</b>	<b>204.3</b>	<b>4.3%</b>	<b>32.2%</b>
Disaster relief	-	-	-	-	-	-	-	-	-	-	-
Provincial disaster grant	-	214.4	15.1	180.0	-	39.3%	188.1	197.4	204.3	4.3%	32.2%

## Personnel information

Table 3.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
			Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit						
<b>Disaster Response Management</b>																				
<b>Salary level</b>	<b>31</b>	<b>-</b>		<b>30</b>	<b>18.8</b>	<b>0.6</b>	<b>29</b>	<b>15.2</b>	<b>0.5</b>	<b>32</b>	<b>19.9</b>	<b>0.6</b>	<b>32</b>	<b>20.8</b>	<b>0.7</b>	<b>32</b>	<b>21.9</b>	<b>0.7</b>	<b>3.3%</b>	<b>100.0%</b>
1-6	3	-		3	0.6	0.2	3	1.0	0.3	3	2.2	0.7	3	2.4	0.8	3	2.6	0.9	-	9.6%
7-10	10	-		6	1.8	0.3	9	2.3	0.3	9	2.5	0.3	9	2.5	0.3	9	2.7	0.3	-	28.8%
11-12	8	-		4	2.0	0.5	8	4.3	0.5	8	4.6	0.6	8	4.7	0.6	8	4.9	0.6	-	25.6%
13-16	10	-		17	14.5	0.9	9	7.7	0.9	12	10.7	0.9	12	11.2	0.9	12	11.8	1.0	10.1%	36.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing immediate relief for disasters through the disaster relief conditional grant, which is transferred to provinces and municipalities affected by disasters. The transfers are reflected in the *Disaster Relief Transfers* subprogramme, which is where the bulk of expenditure in this programme goes. The grant is transferred as and when disasters occur.

The department received a once-off allocation to source temporary personnel in support of the 2010 FIFA World Cup in 2009/10. This was reflected in the increased allocations in the *Management: Head of Disaster*,

*Planning Coordination and Support* and *Intelligence and Information Systems Management* subprogrammes in that year. The significant increase in expenditure on compensation of employees between 2009/10 and 2012/13 was due to increased capacity to monitor disasters.

Spending on transfers and subsidies takes up a larger proportion of expenditure in this programme over the medium term, mainly due to a new allocation on the disaster relief grant to continue the disaster relief efforts in provinces and municipalities. This is reflected in the increase in expenditure in the *Disaster Relief Transfers* subprogramme over the MTEF period.

The programme has a funded establishment of 31 posts with no vacancies as at 30 September 2012. These numbers are likely to remain constant over the medium term. Spending on consultant services in this period is to provide for damages after the declaration of a disaster, to be independently verified and assessed, as and when disasters occur.

## **Programme 5: Provincial and Municipal Government Systems**

### **Objectives**

- Enhance municipal planning through better alignment of planning processes and development plans across all spheres of government by piloting the revised integrated development plan and holding assessment sessions on the plans in 136 municipalities by March 2014.
- Improve geographic information management by supporting 21 municipalities to build geographical information systems capacity by March 2014.
- Support provinces in discharging the mandate towards local government by providing reliable and objective information on provincial institutional capacity through the implementation of the diagnostic report outcomes by March 2014.

### **Subprogrammes**

- *Management: Provincial and Local Government Support* provides strategic leadership to the programme. This subprogramme had a staff complement of 2 in 2012/13.
- *Provincial Government Support and Intervention* aims to strengthen provincial government systems and improve their infrastructure capability; and enhance good governance within provinces for effective, efficient and responsive service delivery. In 2012/13, the subprogramme developed the provincial planning framework to support provinces in ensuring stakeholder participation during the integrated development planning process. Over the medium term, the focus will be on working with provinces during the implementation of section 106 of the Municipal Systems Act (2000) to ensure that municipalities continue to fulfil their statutory obligations through intervention teams, and monitoring provinces' ability to support municipalities in terms of section 105. This subprogramme had a staff complement of 11 in 2012/13.
- *Local Government Support and Intervention* improves and enhances institutional and administrative systems in municipalities by developing policy, legislation and other mechanisms; coordinates capacity building initiatives of the various stakeholders; and provides support to strengthen the capacity of municipalities. In 2012/13, this subprogramme will develop the national capacity building framework and implement the training programme for councillor development. Over the medium term, regulations to set uniform standards for all municipal employees will be developed and implemented, the impact of fixed term contracts of municipal managers in municipal councils will be assessed, 70 municipalities will be assisted with the development and implementation of recruitment and retention strategies. This subprogramme had a staff complement of 12 in 2012/13.
- *Development Planning* facilitates development planning and promotes intergovernmental coordination in development plans. This entails establishing processes that ensure better alignment of planning processes and development plans across the 3 spheres of government. Over the medium term, an intergovernmental planning framework to improve sector participation in the intergovernmental coordination and development planning process will be developed and municipalities will be supported to build capacity in their geographical information systems. This subprogramme had a staff complement of 13 in 2012/13.

- *Municipal Systems Improvement Grant* makes transfers to assist municipalities in building in-house capacity to perform functions, and to stabilise institutional and governmental systems. This subprogramme's total budget is transferred in full to municipalities. This subprogramme has no staff complement.

## Expenditure estimates

**Table 3.13 Provincial and Municipal Government Systems**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Management: Provincial and Local Government Support	–	2.2	9.7	27.0	–	3.9%	3.5	3.4	3.5	-49.3%	3.3%
Provincial Government Support and Intervention	–	28.7	6.8	9.1	–	4.5%	7.1	7.4	7.7	-5.3%	2.7%
Local Government Support and Intervention	4.6	0.5	7.3	10.4	30.9%	2.3%	13.6	14.9	15.9	15.2%	4.8%
Development Planning	5.0	1.1	8.4	8.6	20.3%	2.3%	7.5	8.4	8.6	0.1%	2.9%
Municipal Systems Improvement Grant	200.0	212.0	220.2	230.1	4.8%	87.0%	240.3	252.2	261.1	4.3%	86.3%
<b>Total</b>	<b>209.6</b>	<b>244.5</b>	<b>252.4</b>	<b>285.2</b>	<b>10.8%</b>	<b>100.0%</b>	<b>272.1</b>	<b>286.2</b>	<b>296.8</b>	<b>1.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				0.5			(25.7)	(28.5)	296.8		
<b>Economic classification</b>											
<b>Current payments</b>	<b>9.5</b>	<b>32.5</b>	<b>32.2</b>	<b>55.0</b>	<b>79.5%</b>	<b>13.0%</b>	<b>31.7</b>	<b>34.0</b>	<b>35.6</b>	<b>-13.5%</b>	<b>13.7%</b>
Compensation of employees	5.3	27.4	22.9	44.3	102.3%	10.1%	18.3	21.2	22.1	-20.7%	9.3%
Goods and services	4.2	5.1	9.3	10.7	37.1%	2.9%	13.4	12.8	13.5	7.9%	4.4%
of which:											
Consultants and professional services: Business and advisory services	1.7	0.6	1.1	1.9	4.1%	0.5%	8.3	8.7	9.1	69.1%	2.5%
Contractors	–	0.0	0.3	0.3	–	0.1%	0.1	0.1	0.1	-22.1%	0.1%
Travel and subsistence	1.0	2.4	5.9	3.9	57.7%	1.3%	1.7	1.5	1.5	-27.5%	0.8%
<b>Transfers and subsidies</b>	<b>200.0</b>	<b>212.0</b>	<b>220.2</b>	<b>230.1</b>	<b>4.8%</b>	<b>87.0%</b>	<b>240.3</b>	<b>252.2</b>	<b>261.1</b>	<b>4.3%</b>	<b>86.3%</b>
Provinces and municipalities	200.0	212.0	220.2	230.1	4.8%	87.0%	240.3	252.2	261.1	4.3%	86.3%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>–</b>	<b>0.0</b>	<b>0.1</b>	<b>1.2%</b>	<b>–</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>24.1%</b>	<b>–</b>
Machinery and equipment	0.1	–	0.0	0.1	1.2%	–	0.1	0.1	0.1	24.1%	–
<b>Total</b>	<b>209.6</b>	<b>244.5</b>	<b>252.4</b>	<b>285.2</b>	<b>10.8%</b>	<b>100.0%</b>	<b>272.1</b>	<b>286.2</b>	<b>296.8</b>	<b>1.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.6%</b>	<b>0.6%</b>	<b>0.5%</b>	<b>0.5%</b>			<b>0.5%</b>	<b>0.5%</b>	<b>0.4%</b>		
<b>Details of transfers and subsidies</b>											
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>200.0</b>	<b>212.0</b>	<b>220.2</b>	<b>230.1</b>	<b>4.8%</b>	<b>87.0%</b>	<b>240.3</b>	<b>252.2</b>	<b>261.1</b>	<b>4.3%</b>	<b>86.3%</b>
Municipal systems improvement grant	200.0	212.0	220.2	230.1	4.8%	87.0%	240.3	252.2	261.1	4.3%	86.3%



## Personnel information

Table 3.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			2012/13 - 2015/16
Provincial and Municipal Government Systems																			
Salary level	41	-	40	18.1	0.5	38	19.6	0.5	38	18.3	0.5	40	21.2	0.5	40	22.1	0.6	1.7%	100.0%
1 – 6	8	-	7	1.3	0.2	7	2.6	0.4	7	0.5	0.1	7	1.3	0.2	7	1.4	0.2	-	17.9%
7 – 10	13	-	13	3.7	0.3	11	3.2	0.3	11	3.4	0.3	12	3.9	0.3	12	4.0	0.3	2.9%	29.5%
11 – 12	8	-	8	3.7	0.5	8	4.0	0.5	8	4.2	0.5	8	4.4	0.5	8	4.6	0.6	-	20.5%
13 – 16	12	-	12	9.6	0.8	12	9.8	0.8	12	10.1	0.8	13	11.7	0.9	13	12.1	0.9	2.7%	32.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on developing and implementing a capacity building plan for 208 municipalities, which is based on the revised national capacity building framework and aligned with the local government turnaround strategy.

Between 2009/10 and 2012/13, spending on compensation of employees increased due to funds being allocated to the technical support unit, and ensuring that municipalities develop their own turnaround strategies and assume responsibility for oversight. From 2013/14, the unit will be disbanded and employees will be deployed to the community work programme and municipal infrastructure support agency. This explains the significant decrease in expenditure on compensation of employees and travel and subsistence over the medium term.

Expenditure in this programme is expected to increase only marginally over the MTEF period due to additional funding for improved conditions of service. As a cost saving measure, there will be minimal catering at meetings and the communications policy to recover telephone costs will be reviewed.

The programme has a funded establishment of 41 posts and there were no vacancies as at 30 September 2012. Personnel numbers are expected to remain at this level over the medium term. Spending on consultant services in this period provides for the maintenance of the Gapskill system, a web based skills audit system that supports the department with the capacity building initiative in municipalities.

## Programme 6: Infrastructure and Economic Development

### Objectives

- Promote economic development within local government by supporting 25 municipalities to implement local economic development programmes by March 2014.
- Improve the delivery of free basic services to households by supporting 150 municipalities in rolling out the national indigent policy for free basic services by March 2014.
- Improve the delivery of free basic services to households by supporting 150 municipalities in rolling out municipal infrastructure grant projects by March 2014.
- Contribute to alleviating poverty and unemployment by creating 162 000 work opportunities, through employing participants in the community work programme by March 2014.
- Promote greater ownership of environmental health outcomes within municipalities by coordinating the rollout of the Clean Cities and Towns initiative in 8 municipalities with key stakeholders by March 2014.

## Subprogrammes

- *Management: Infrastructure* oversees the performance, management and monitoring of this programme. This subprogramme had a staff complement of 2 in 2012/13.
- *Local Economic Development Planning* supports the planning and implementation of local economic development programmes in provincial and local governments within the national framework. Over the medium term, the focus will be on ensuring that the private sector supports service delivery at the local government level through the Business Adopt-a-Municipality initiative, and supporting economic development by monitoring the functionality of business development forums at the municipal level. This subprogramme had a staff complement of 10 in 2012/13.
- *Infrastructure Development* supports municipalities with infrastructure planning for their capital projects as part of their integrated development plans. The focus over the medium term will be on monitoring the implementation of projects related to the municipal infrastructure grant and free basic services. This subprogramme had a staff complement of 17 in 2012/13.
- *Municipal Infrastructure Grant* makes specific transfers to supplement municipal capital budgets to eradicate backlogs in municipal infrastructure. This subprogramme's total budget is transferred in full to municipalities. This subprogramme had a staff complement of 5 in 2012/13.
- *Community Work Programme* is discussed in more detail below.
- *Special Purpose Vehicle* is discussed in more detail below.

## Expenditure estimates

**Table 3.15 Infrastructure and Economic Development**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Management: Infrastructure	–	19.0	9.0	3.1	–	0.1%	3.3	3.5	3.6	5.9%	–
Local Economic Development Planning	37.9	0.4	4.9	9.9	-36.1%	0.1%	9.3	9.7	10.2	1.0%	0.1%
Infrastructure Development	12.9	1.0	11.5	13.3	1.0%	0.1%	13.5	14.6	15.2	4.4%	0.1%
Municipal Infrastructure Grant	8 727.5	9 704.3	11 443.5	13 881.6	16.7%	92.5%	14 352.1	14 683.8	15 448.1	3.6%	86.5%
Community Work Programme	154.5	449.1	623.5	1 448.9	110.9%	5.7%	1 675.0	2 389.8	2 505.4	20.0%	11.9%
Special Purpose Vehicle	178.9	189.6	192.7	196.7	3.2%	1.6%	262.0	274.2	284.0	13.0%	1.5%
<b>Total</b>	<b>9 111.7</b>	<b>10 363.4</b>	<b>12 285.1</b>	<b>15 553.4</b>	<b>19.5%</b>	<b>100.0%</b>	<b>16 315.2</b>	<b>17 375.6</b>	<b>18 266.4</b>	<b>5.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				9.2			(542.9)	(1 361.7)	18 266.4		
<b>Economic classification</b>											
<b>Current payments</b>	<b>114.0</b>	<b>233.5</b>	<b>279.0</b>	<b>1 671.6</b>	<b>144.8%</b>	<b>4.9%</b>	<b>1 963.0</b>	<b>2 691.6</b>	<b>2 818.2</b>	<b>19.0%</b>	<b>13.5%</b>
Compensation of employees	34.5	18.5	23.2	67.8	25.2%	0.3%	47.8	50.8	53.3	-7.7%	0.3%
Goods and services	79.5	215.0	255.8	1 603.9	172.3%	4.6%	1 915.2	2 640.8	2 764.9	19.9%	13.2%
of which:											
Consultants and professional services: Business and advisory services	6.0	210.4	243.7	179.8	210.8%	1.4%	240.1	251.4	260.5	13.1%	1.4%
Contractors	0.0	–	3.7	1 018.1	4569.4%	2.2%	1 155.7	1 815.3	1 896.4	23.0%	8.7%
Inventory: Materials and supplies	63.5	0.0	0.0	350.0	76.6%	0.9%	407.9	450.0	480.0	11.1%	2.5%
Travel and subsistence	5.2	0.8	3.7	13.1	36.3%	–	34.2	34.8	35.5	39.4%	0.2%
<b>Transfers and subsidies</b>	<b>8 997.4</b>	<b>10 129.8</b>	<b>12 006.1</b>	<b>13 881.6</b>	<b>15.6%</b>	<b>95.1%</b>	<b>14 352.1</b>	<b>14 683.8</b>	<b>15 448.1</b>	<b>3.6%</b>	<b>86.5%</b>
Provinces and municipalities	8 727.5	9 704.3	11 443.5	13 881.6	16.7%	92.5%	14 352.1	14 683.8	15 448.1	3.6%	86.5%
Foreign governments and international organisations	–	0.1	0.2	–	–	–	–	–	–	–	–
Public corporations and private enterprises	178.9	189.6	179.7	–	-100.0%	1.2%	–	–	–	–	–
Households	91.0	235.8	382.7	–	-100.0%	1.5%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>-22.2%</b>	<b>–</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>1.1%</b>	<b>–</b>
Machinery and equipment	0.3	0.0	0.0	0.2	-22.2%	–	0.2	0.2	0.2	1.1%	–
<b>Total</b>	<b>9 111.7</b>	<b>10 363.4</b>	<b>12 285.1</b>	<b>15 553.4</b>	<b>19.5%</b>	<b>100.0%</b>	<b>16 315.2</b>	<b>17 375.6</b>	<b>18 266.4</b>	<b>5.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>27.1%</b>	<b>24.8%</b>	<b>26.6%</b>	<b>28.4%</b>			<b>28.0%</b>	<b>27.5%</b>	<b>26.1%</b>		

Table 3.15 Infrastructure and Economic Development (continued)

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16	2012/13 - 2015/16
<b>Details of selected transfers and subsidies</b>											
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Capital</b>	8 727.5	9 704.3	11 443.5	13 881.6	16.7%	92.5%	14 352.1	14 683.8	15 448.1	3.6%	86.5%
Municipal infrastructure grant	8 727.5	9 704.3	11 443.5	13 881.6	16.7%	92.5%	14 352.1	14 683.8	15 448.1	3.6%	86.5%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	91.0	235.8	382.7	-	-100.0%	1.5%	-	-	-	-	-
Community Work Programme	91.0	235.8	382.7	-	-100.0%	1.5%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	178.9	189.6	179.7	-	-100.0%	1.2%	-	-	-	-	-
Development Bank of Southern Africa: Siyenza Manje	178.9	189.6	179.7	-	-100.0%	1.2%	-	-	-	-	-

## Personnel information

Table 3.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Infrastructure and Economic Development		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	75	-	42	22.0	0.5	118	67.7	0.6	119	68.8	0.6	119	73.1	0.6	119	76.6	0.6	0.3%	100.0%
1 – 6	12	-	10	1.8	0.2	29	21.8	0.8	29	21.1	0.7	29	22.3	0.8	29	23.3	0.8	-	24.4%
7 – 10	7	-	6	1.6	0.3	32	6.6	0.2	32	6.6	0.2	32	7.0	0.2	32	7.3	0.2	-	26.9%
11 – 12	10	-	9	4.3	0.5	25	13.0	0.5	25	13.3	0.5	25	14.3	0.6	25	15.0	0.6	-	21.1%
13 – 16	46	-	17	14.3	0.8	32	26.4	0.8	33	27.8	0.8	33	29.5	0.9	33	31.0	0.9	1.0%	27.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on ensuring that there is appropriate performance monitoring and reporting in the provision of free basic services through the municipal infrastructure grant, as well as assisting 13 municipalities with the implementation of comprehensive infrastructure plans. The programme will also continue to facilitate the establishment of business development forums in district municipalities and foster private sector partnerships with municipalities through Business Adopt-a-Municipality initiative memorandums of understanding. The Business Adopt-a-Municipality initiative is a department initiative to build a closer working relationship between government, the private sector and state owned entities for supporting vulnerable municipalities.

The bulk of this programme's budget over the medium term goes towards the municipal infrastructure grant for projects aimed at eradicating the backlog in infrastructure.

The bulk of spending in this programme is in the *Municipal Infrastructure Grant* and the *Community Work Programme* subprogrammes. Spending in the *Municipal Infrastructure Grant* subprogramme increased from R8.7 billion in 2009/10 to R13.9 billion due to increased allocations to support the implementation of the free basic services policy at the local level. Expenditure in the *Community Work Programme* subprogramme increased from R154.5 million in 2009/10 to R1.5 billion in 2012/13. The community work programme is discussed in further detail in the section that follows.

R2.4 billion over the medium term has been shifted from this programme to the Department of Water Affairs to support water infrastructure development through the municipal water infrastructure grant. As a cost saving measure, there will be minimal catering at meetings and a review of the communications policy to recover telephone costs.

The programme has a funded establishment of 75 posts and there were no vacancies as at 30 September 2012. Expenditure on consultant services in this period is for payments to agents for implementing the community work programme and for paying engineering experts to address current failures in infrastructure and service provision.

### Subprogramme: Community Work Programme

This subprogramme contributes to developing public assets in poor communities, provides income security and work experience for participants, and promotes social and economic inclusion. In 2012/13, 159 621 participants were employed at 148 operational sites. Key activities include project management through the 3 lead agents, each heading 3 provinces; and financial management, monitoring, evaluation and reporting. Over the medium term, the subprogramme will provide work opportunities to 255 000 people and operational sites to 348, focusing on rural areas. Sites are local areas comprising a community where community work programme activities are implemented.

### Expenditure estimates

Table 3.17 Community Work Programme

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>63.5</b>	<b>213.3</b>	<b>240.8</b>	<b>1 448.9</b>	<b>183.6%</b>	<b>73.5%</b>	<b>1 675.0</b>	<b>2 389.8</b>	<b>2 505.4</b>	<b>20.0%</b>	<b>100.0%</b>
Compensation of employees	–	–	5.8	31.3	–	1.4%	11.8	12.3	12.9	-25.6%	0.9%
Goods and services	63.5	213.3	235.0	1 417.5	181.6%	72.1%	1 663.3	2 377.5	2 492.5	20.7%	99.1%
<i>of which:</i>											
<i>Consultants and professional services:</i>											
<i>Business and advisory services</i>	–	210.4	229.4	–	–	16.4%	35.6	36.0	36.3	–	1.3%
<i>Contractors</i>	–	–	3.7	1 018.1	–	38.2%	1 155.7	1 815.3	1 896.4	23.0%	73.4%
<i>Inventory: Materials and supplies</i>	63.5	–	0.0	350.0	76.6%	15.5%	407.9	450.0	480.0	11.1%	21.0%
<i>Travel and subsistence</i>	–	0.0	0.5	9.6	–	0.4%	10.1	10.7	11.2	5.4%	0.5%
<b>Transfers and subsidies</b>	<b>91.0</b>	<b>235.8</b>	<b>382.7</b>	<b>–</b>	<b>-100.0%</b>	<b>26.5%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Households	91.0	235.8	382.7	–	-100.0%	26.5%	–	–	–	–	–
<b>Total</b>	<b>154.5</b>	<b>449.1</b>	<b>623.5</b>	<b>1 448.9</b>	<b>110.9%</b>	<b>100.0%</b>	<b>1 675.0</b>	<b>2 389.8</b>	<b>2 505.4</b>	<b>20.0%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>1.7%</b>	<b>4.3%</b>	<b>5.1%</b>	<b>9.3%</b>			<b>10.3%</b>	<b>13.8%</b>	<b>13.7%</b>		

## Personnel information

**Table 3.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16					
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost				
<b>Community Work Programme</b>																	
Salary level	17	-	-	23	31.3	1.4	23	32.8	1.4	23	34.6	1.5	23	36.2	1.6	-	100.0%
1-6	2	-	-	2	16.6	8.3	2	17.3	8.7	2	18.3	9.2	2	19.1	9.6	-	8.7%
7-10	1	-	-	1	0.3	0.3	1	0.4	0.4	1	0.4	0.4	1	0.4	0.4	-	4.3%
11-12	1	-	-	7	3.7	0.5	7	3.9	0.6	7	4.1	0.6	7	4.3	0.6	-	30.4%
13-16	13	-	-	13	10.8	0.8	13	11.3	0.9	13	11.9	0.9	13	12.5	1.0	-	56.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on increasing the number of targeted participants in the community work programme from 171 500 in 2012/13 to 255 000 in 2015/16. The subprogramme will also increase the number of sites implemented in all municipalities from 148 in 2012/13 to 348 by 2015/16, with a focus on rural municipalities.

90 per cent of the subprogramme's spending over the medium term is on site implementation, of which 65 per cent is paid directly to participants as wages and reflected as spending on contractors. The remainder is for tools, training and programme management at site level and reflected as spending on inventory.

Between 2009/10 and 2012/13, spending increased due to the funding of 174 new sites. The number of participants increased from 70 844 in 2009/10 to 171 500 in 2012/13, and the number of sites implemented increased from 49 to 148 in the same period. The bulk of spending in this subprogramme is on contractors, where expenditure increased from R3.7 million in 2011/12 to R1 billion in 2012/13. This was because implementing agents had to be paid. Another line item that impacts on increased spending on goods and services is inventory, specifically materials and supplies, which increased from R63.5 million in 2009/10 to R350 million in 2012/13.

As part of the Cabinet approved budget reductions, the department has effected spending reductions of R1 billion in this subprogramme over the medium term in spending on contractors.

The subprogramme has a funded establishment of 17 posts and there were no vacancies as at 30 September 2012. Expenditure on consultant services in this period relates to 3 implementing agencies, each being responsible for overseeing implementation of identified projects in the community work programme in 3 provinces.

## Subprogramme: Special Purpose Vehicle

This subprogramme was established to support municipalities in the areas of municipal infrastructure planning, operational planning and infrastructure maintenance, with the aim of addressing current failures in infrastructure and service provision. An aligned, coordinated but differentiated approach to building capacity in 108 municipalities will be followed, and infrastructure backlogs and service provision failures will be addressed where necessary, through direct support, while municipal capacity is being developed. This subprogramme forms the basis for the establishment of the municipal infrastructure support agency.

## Expenditure estimates

**Table 3.19 Special Purpose Vehicle**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	–	–	13.1	196.7	–	27.7%	262.0	274.2	284.0	13.0%	100.0%
Compensation of employees	–	–	2.4	20.4	–	3.0%	21.1	22.2	23.2	4.3%	8.5%
Goods and services	–	–	10.6	176.2	–	24.7%	241.0	252.0	260.8	14.0%	91.5%
<b>Transfers and subsidies</b>	178.9	189.6	179.7	–	-100.0%	72.3%	–	–	–	–	–
Public corporations and private enterprises	178.9	189.6	179.7	–	-100.0%	72.3%	–	–	–	–	–
<b>Total</b>	178.9	189.6	192.7	196.7	3.2%	100.0%	262.0	274.2	284.0	13.0%	100.0%
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	2.0%	1.8%	1.6%	1.3%			1.6%	1.6%	1.6%		

## Personnel information

**Table 3.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost		
<b>Special Purpose Vehicle</b>																		
Salary level	26	–	–	–	66	20	0.3	67	21	0.3	67	22	0.3	67	23	0.3	0.5%	100.0%
1 – 6	–	–	–	–	19	2	0.1	19	2	0.1	19	2	0.1	19	2	0.1	–	28.5%
7 – 10	–	–	–	–	26	4.7	0.2	26	4.6	0.2	26	4.9	0.2	26	5.1	0.2	–	39.0%
11 – 12	–	–	–	–	10	4.7	0.5	10	4.6	0.5	10	4.9	0.5	10	5.1	0.5	–	15.0%
13 – 16	26	–	–	–	11	8.8	0.8	12	9.6	0.8	12	10.1	0.8	12	10.5	0.9	2.9%	17.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on improving the state of basic services infrastructure at municipalities as part of the core mandate, providing management support at 108 designated municipalities, deploying technical expertise where required, and facilitating capacity building programmes for infrastructure related critical skills at local municipalities.

Expenditure increased significantly between 2009/10 and 2012/13 to provide for the deployment costs of technical experts to targeted municipalities, as well as for costs to establish a municipal infrastructure support agency. The Municipal infrastructure support agency is to be supported by an interim management team, the Development Bank of Southern Africa and the department. Expenditure over the medium term is expected to increase due to additional funding of R180 million for the upscaling of the agency's support to 108 targeted municipalities. The bulk of spending is on consultants.

The agency has a funded establishment of 26 posts and there were no vacancies as at 30 September 2012. The numbers should remain constant over the medium term. Expenditure on consultant services over the MTEF period is for engineers who will support 108 municipalities in infrastructure delivery.

## Programme 7: Traditional Affairs

### Objectives

- Ensure better alignment and standardisation in the regulatory, institutional and support framework for traditional affairs across national, provincial and local government by finalising the National Traditional Affairs Bill by March 2014.
- Ensure that traditional and Khoi-San communities are empowered by reviewing and developing the national support programme for the communities and their respective governance structures by March 2014.
- Promote widespread access to traditional knowledge and leadership by establishing a comprehensive, user friendly database of traditional and Khoi-San leaders by March 2014.

### Subprogramme

- *Management: Head of Traditional Affairs* oversees the performance, management and monitoring of this programme. This subprogramme had a staff complement of 8 in 2012/13.
- *Policy and Legislation for Traditional Affairs* ensures better alignment and standardisation in the regulatory, institutional and support framework for traditional affairs across all spheres of government. In 2012/13, research reports on head positions and the developmental role of traditional leadership were developed and published. Over the medium term, the subprogramme will focus on the development of the compliance report on the implementation of the Traditional Leadership and Governance Framework Act (2003) by national and provincial governments. This subprogramme had a staff complement of 24 in 2012/13.
- *Institutional Support and Coordination* provides institutional, capacity building and support institutions of traditional leadership, and coordinates the establishment of intergovernmental relations and partnerships for development and service delivery in traditional communities. Over the medium term, a report on a comprehensive assessment of governance in the area of traditional affairs will be finalised; a skills audit database on the capacity of kings, queens and senior traditional leaders will be completed; and a partnership strategy providing an integrated approach to traditional affairs issues with its stakeholders will be developed. This subprogramme had a staff complement of 24 in 2012/13.
- *National House of Traditional Leaders* represents the interests of traditional communities and traditional leaders, and provides advice to government on policies and programmes that impact them. In 2011/12, a model on cultural, customary and traditional practices was developed. This subprogramme had a staff complement of 12 in 2012/13.
- *Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities* makes transfers to the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities. This subprogramme's total budget is transferred in full to the commission. This subprogramme has no staff complement.
- *Commission on Traditional Leadership Disputes and Claims* resolves claims and disputes at all levels of traditional leadership referred to the commission. Over the medium term, 150 claims and disputes of traditional leadership will be finalised. This subprogramme had a staff complement of 9 in 2012/13.

## Expenditure estimates

Table 3.21 Traditional Affairs

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R million											
Management: Head of Traditional Affairs	–	12.5	11.2	10.1	–	11.0%	17.6	17.5	18.5	22.4%	14.6%
Policy and Legislation for Traditional Affairs	9.6	6.6	14.0	12.5	8.9%	13.8%	12.9	13.9	14.2	4.5%	12.3%
Institutional Support and Coordination	–	0.3	11.5	13.1	–	8.1%	13.4	14.1	14.5	3.5%	12.6%
National House of Traditional Leaders	13.8	15.8	19.2	21.2	15.5%	22.6%	16.7	18.6	19.7	-2.4%	17.4%
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	20.3	24.4	22.4	34.2	19.1%	32.8%	32.5	35.0	36.6	2.2%	31.7%
Commission on Traditional Leadership Disputes and Claims	12.6	2.3	10.2	11.4	-3.2%	11.8%	12.0	12.7	13.3	5.2%	11.3%
<b>Total</b>	<b>56.2</b>	<b>61.8</b>	<b>88.6</b>	<b>102.5</b>	<b>22.1%</b>	<b>100.0%</b>	<b>105.2</b>	<b>111.9</b>	<b>116.9</b>	<b>4.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				0.4			0.0	(0.6)	116.9		

**Table 3.21 Traditional Affairs (continued)**

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12		2009/10	2012/13	2013/14	2014/15	2015/16		
R million	2009/10	2010/11	2011/12	2012/13	2009/10	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
<b>Current payments</b>	<b>34.3</b>	<b>36.7</b>	<b>65.5</b>	<b>66.0</b>	<b>24.4%</b>	<b>65.5%</b>	<b>72.3</b>	<b>76.5</b>	<b>79.9</b>	<b>6.6%</b>	<b>67.5%</b>
Compensation of employees	11.8	17.3	36.4	40.8	51.1%	34.4%	45.0	47.3	50.0	7.0%	42.0%
Goods and services	22.4	19.4	29.1	25.2	3.9%	31.1%	27.3	29.3	29.9	5.9%	25.6%
of which:											
Consultants and professional services: Business and advisory services	6.7	1.4	2.6	1.2	-43.8%	3.8%	1.8	1.7	2.4	26.0%	1.6%
Contractors	0.0	0.0	0.1	1.7	453.4%	0.6%	4.8	3.9	3.9	32.5%	3.3%
Travel and subsistence	11.4	11.7	17.9	8.6	-9.0%	16.0%	9.3	10.0	9.7	4.1%	8.6%
<b>Transfers and subsidies</b>	<b>22.0</b>	<b>24.4</b>	<b>22.4</b>	<b>36.2</b>	<b>18.1%</b>	<b>33.9%</b>	<b>32.5</b>	<b>35.0</b>	<b>36.6</b>	<b>0.4%</b>	<b>32.1%</b>
Departmental agencies and accounts	20.3	24.4	22.4	34.2	19.1%	32.8%	32.5	35.0	36.6	2.2%	31.7%
Households	1.7	-	-	2.0	4.5%	1.2%	-	-	-	-100.0%	0.5%
<b>Payments for capital assets</b>	<b>0.0</b>	<b>0.7</b>	<b>0.7</b>	<b>0.4</b>	<b>168.9%</b>	<b>0.6%</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>1.4%</b>	<b>0.3%</b>
Machinery and equipment	0.0	0.7	0.7	0.4	168.9%	0.6%	0.4	0.4	0.4	1.4%	0.3%
<b>Total</b>	<b>56.2</b>	<b>61.8</b>	<b>88.6</b>	<b>102.5</b>	<b>22.1%</b>	<b>100.0%</b>	<b>105.2</b>	<b>111.9</b>	<b>116.9</b>	<b>4.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.2%</b>	<b>0.1%</b>	<b>0.2%</b>	<b>0.2%</b>			<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>		

**Details of transfers and subsidies**

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current											
Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities	20.3	24.4	22.4	34.2	19.1%	32.8%	32.5	35.0	36.6	2.2%	31.7%
Households											
Other transfers to households											
Current											
Traditional Leaders: Act of grace	1.7	-	-	2.0	4.5%	1.2%	-	-	-	-100.0%	0.5%

**Personnel information****Table 3.22 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment									Number	
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)
		2011/12	2012/13	2013/14	2014/15	2015/16						
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost		
<b>Traditional Affairs</b>												
<b>Salary level</b>	<b>75</b>	<b>8</b>	<b>70</b>	<b>34.8</b>	<b>0.5</b>	-	-	-	-	-	-	-
1-6	20	-	18	3.2	0.2	-	-	-	-	-	-	-
7-10	12	-	12	3.5	0.3	-	-	-	-	-	-	-
11-12	17	4	15	7.0	0.5	-	-	-	-	-	-	-
13-16	26	4	25	21.1	0.8	-	-	-	-	-	-	-

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

The spending focus over the medium term will be on ensuring that the National Traditional Affairs Bill is enacted and that Khoi-San traditional communities and structures are recognised. By developing national policy, the department will also ensure that traditional initiations are regulated. This is reflected in the growth in expenditure in the *Policy and Legislation for Traditional Affairs* subprogramme, which is expected to increase to R14.2 million in 2015/16. The aim is to expand the programme's capacity through the provision of corporate and financial services, and to increase the number of leadership dispute cases to 450 by 2015/16.

Spending on compensation of employees is the largest expenditure item in this programme. Expenditure on contractors in 2012/13 and over the medium term is mainly related to traditional leadership events. Spending on travel and subsistence increased from R11.7 million in 2010/11 to R17.9 million in 2011/12 to enable the



department to carry out assessments in provinces and municipalities on the state of traditional affairs in the areas and establish houses of traditional leadership in areas where there were none.

Expenditure in the *Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities* subprogramme increased significantly between 2009/10 and 2012/13 due to additional funding for more capacity for the commission's research and policy development unit.

The programme has a funded establishment of 75 posts and 8 posts are filled additional to the establishment. There were no vacancies as at 30 September 2012. Expenditure on consultant services between 2012/13 and 2015/16 is for assistance in legal matters, especially disputes involving traditional leaders.

## Public entities and other agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities** promotes and protects cultural, religious and linguistic rights. The commission focuses on conflict resolution, research, advocacy and community engagement on conflicts pertaining to cultural, religious and linguistic rights within communities. The commission's total budget for 2013/14 is R32.5 million.
- The **Municipal Demarcation Board** is an independent authority responsible for determining municipal boundaries. The board is also mandated to declare district management areas, delimit wards for local elections, and assess the capacity of municipalities to perform their functions. The board's total budget for 2013/14 is R42.2 million.
- The **South African Local Government Association** is mandated by the Constitution to assist in the comprehensive transformation of local government. The association participates in intergovernmental structures at the provincial and district levels, and is therefore able to influence national and provincial legislation and gauge its impact on local government. The association's total budget for 2013/14 is R33.4 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate			
				2009/10	2010/11		2011/12	2013/14	2014/15	2015/16
R million										
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
Municipal infrastructure grant transfer	Eradicate the back log in Municipal infrastructure by providing basic services to poor households.	Various	83 958.3	8 727.5	12 528.9	11 443.5	13 881.6	14 060.7	13 803.5	14 406.8
<b>Total</b>			<b>83 958.3</b>	<b>8 727.5</b>	<b>12 528.9</b>	<b>11 443.5</b>	<b>13 881.6</b>	<b>14 060.7</b>	<b>13 803.5</b>	<b>14 406.8</b>

# Vote 4

## Home Affairs

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	1 871.6	1 858.9	1.9	10.8	2 068.2	1 766.3
Citizen Affairs	4 048.7	2 250.9	1 797.8	–	4 148.1	4 284.4
Immigration Affairs	647.5	647.2	0.3	–	676.9	712.7
<b>Total expenditure estimates</b>	<b>6 567.8</b>	<b>4 756.9</b>	<b>1 800.0</b>	<b>10.8</b>	<b>6 893.2</b>	<b>6 763.4</b>

Executive authority	Minister of Home Affairs
Accounting officer	Director General of Home Affairs
Website address	<a href="http://www.dha.gov.za">www.dha.gov.za</a>

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Efficiently determine and safeguard the identity and status of citizens. Regulate immigration to ensure security, promote development and fulfil South Africa's international obligations.*

### Mandate

The mandate of the Department of Home Affairs is derived from various acts of Parliament and policy documents. The department's services are divided into two broad categories, civic services and immigration services. Both must ensure the efficient determination and safeguarding of the identity and status of citizens, and provide for the regulation of immigration to ensure security, promote development and fulfil South Africa's international obligations.

### Strategic goals

The department's strategic goals over the medium term are to:

- secure South African citizenship and identity through regulating and overseeing the provision of enabling documents such as identity documents and passports and maintaining the national population register
- ensure effective and secure management of immigration to facilitate the movement of people through ports of entry, which is essential for national security and the development of the country
- provide services that are efficient, accessible and corruption free to the public.

### Programme purposes

#### Programme 1: Administration

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

#### Programme 2: Citizen Affairs

**Purpose:** Provide secure, efficient and accessible services and documents for citizens and lawful residents.

## Programme 3: Immigration Affairs

**Purpose:** Facilitate and regulate the secure movement of people through the ports of entry into and out of the Republic of South Africa, determine the status of asylum seekers and regulate refugee affairs.

### Selected performance indicators

Table 4.1 Home Affairs

Indicator	Programme	Outcome Programme to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage of machine readable passports (manual process) issued within 24 working days <sup>1</sup>	Citizen Affairs	Outcome 12: An efficient, effective and development orientated public service and an empowered fair and inclusive citizenship	29 Days	24 days	82% (402 474)	95% (651 577)	95% (651 577)	95% (671 124)	95% (684 547)
Percentage of machine readable passports (live capture process) issued within 13 working days <sup>1</sup>	Citizen Affairs		- <sup>1</sup>	12 days	84% (186 216)	97% (434 385)	97% (434 385)	97% (447 417)	97% (456 365)
Percentage of identity documents (first issue) issued within 54 working days <sup>1</sup>	Citizen Affairs		90 days	60.5 days	62% (119 9467)	95% (1105 800)	95% (1113 290)	95% (1168 954)	95% (1227 402)
Percentage of identity documents (second issue) issued within 47 working days <sup>1</sup>	Citizen Affairs		40 days	49.6 days	66% (1 075 994)	95% (1 197 950)	95% (1 257 848)	95% (1 320 740)	95% (1 386 777)
Percentage of new born children registered within 30 calendar days as measured against the rolling baseline (of the previous financial year) <sup>2</sup>	Citizen Affairs	Outcome 3: All People In South Africa are and feel safe	- <sup>2</sup>	46% (500 524)	51% (556 762)	54% (594 000)	58% (618 000)	62% (643 000)	66% (669 000)
Percentage of permanent residence permits issued within 8 months (applications collected within South Africa) <sup>3</sup>	Immigration Affairs	Outcome 12: An efficient, effective and development orientated public service and an empowered fair and inclusive citizenship	6 months	- <sup>3</sup>	38% (1 679)	75% (2 500)	50% (3 000)	60% (3 150)	70% (3 310)
Percentage of temporary residence permits: Critical skills (quota and exceptional) issued within 8 weeks <sup>4</sup>	Immigration Affairs		4 weeks	- <sup>3</sup>	45% (16 961)	75% (109 600)	85% (2 433)	95% (2 555)	97% (2 683)
Number of permanent and temporary residence permits issued per year <sup>3</sup>	Immigration Affairs	Outcome 5: A skilled and capable workforce to support an inclusive growth path	117 436	- <sup>3</sup>	92 350	190 000	101 816	106 907	112 252
Number of illegal foreigners deported per year	Immigration Affairs	Outcome 3: All people in South Africa are and feel safe	72 394	55 825	75 336	75 000	80 000	85 000	90 000

1. These indicators were measured in terms of number of days up to 2010/11.

2. This indicator was only measured from 2010/11.

3. For 2010/11, the system was not configured to measure turnaround times accurately.

4. Up to 2012/13, temporary residence permits focused on the work, business and corporate categories.

## The national development plan

The department's mandate is in broad alignment with the national development plan. The inclusion of all citizens in democratic processes and development is enabled by them having legal status and an identity that gives them access to rights and government services. Improvements to the department's efficiency and security of systems, as in the case of identity documents, have assisted the poor and reduced corruption. The department has also been on a major drive, especially in rural areas, to ensure the early registration of births as well as the inclusion of all citizens in the national population register.

The national development plan emphasises the importance of immigration in domestic and regional development, and the role of the department in facilitating immigration and the movement of people across borders. The department is in the process of putting in place the policy, legislation, people and systems needed for the secure, efficient and strategic management of immigration.

One of the pillars of the national development plan is the building of a capable state that can play a decisive role both in development and in the reduction of poverty. The department has embarked on a large scale modernisation programme that will enable the state to deliver services more efficiently and securely. The same systems will produce reliable statistics for planning purposes.

## Expenditure estimates

Table 4.2 Home Affairs

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R million													
Administration	1 498.7	1 692.3	1 888.8	1 572.5	1 572.5	1.6%	28.9%	1 871.6	2 068.2	1 766.3	4.0%	28.5%	
Citizen Affairs	3 275.4	3 967.2	3 230.9	3 203.3	3 203.3	-0.7%	59.4%	4 048.7	4 148.1	4 284.4	10.2%	61.3%	
Immigration Affairs	514.1	960.3	632.7	577.2	577.2	3.9%	11.7%	647.5	676.9	712.7	7.3%	10.2%	
<b>Total</b>	<b>5 288.2</b>	<b>6 619.8</b>	<b>5 752.5</b>	<b>5 353.1</b>	<b>5 353.1</b>	<b>0.4%</b>	<b>100.0%</b>	<b>6 567.8</b>	<b>6 893.2</b>	<b>6 763.4</b>	<b>8.1%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(52.4)	(52.4)			309.9	356.6	250.0			
<b>Economic classification</b>													
<b>Current payments</b>	<b>3 598.5</b>	<b>4 487.1</b>	<b>4 013.5</b>	<b>4 203.8</b>	<b>4 203.8</b>	<b>5.3%</b>	<b>70.8%</b>	<b>4 756.9</b>	<b>5 123.3</b>	<b>4 995.2</b>	<b>5.9%</b>	<b>74.6%</b>	
Compensation of employees	1 637.1	2 051.9	1 944.9	2 393.3	2 393.3	13.5%	34.9%	2 538.2	2 700.0	2 863.1	6.2%	41.0%	
Goods and services	1 886.2	2 330.9	2 056.0	1 810.5	1 810.5	-1.4%	35.1%	2 218.7	2 423.3	2 132.1	5.6%	33.6%	
of which:													
Computer services	346.4	408.7	388.5	277.2	277.2	-7.2%	6.2%	730.2	826.6	629.3	31.4%	9.6%	
Contractors	60.8	107.7	121.2	128.1	128.1	28.2%	1.8%	146.9	156.0	163.5	8.5%	2.3%	
Operating leases	151.2	223.8	211.0	485.9	485.9	47.6%	4.7%	257.2	273.2	284.5	-16.3%	5.1%	
Property payments	84.5	167.5	195.9	195.2	195.2	32.2%	2.8%	326.4	368.6	219.7	4.0%	4.3%	
Interest and rent on land	75.3	104.3	12.7	-	-	-100.0%	0.8%	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>1 413.3</b>	<b>1 699.6</b>	<b>1 147.6</b>	<b>1 079.1</b>	<b>1 079.1</b>	<b>-8.6%</b>	<b>23.2%</b>	<b>1 800.0</b>	<b>1 759.0</b>	<b>1 756.8</b>	<b>17.6%</b>	<b>25.0%</b>	
Provinces and municipalities	0.9	0.6	1.0	1.3	1.3	13.9%	0.0%	1.4	1.5	1.5	7.0%	0.0%	
Departmental agencies and accounts	1 404.7	1 689.5	1 138.2	1 076.4	1 076.4	-8.5%	23.1%	1 795.9	1 754.7	1 752.3	17.6%	24.9%	
Households	7.8	9.5	8.4	1.5	1.5	-42.6%	0.1%	2.7	2.9	3.0	26.7%	0.0%	
<b>Payments for capital assets</b>	<b>274.4</b>	<b>404.6</b>	<b>591.1</b>	<b>17.1</b>	<b>17.1</b>	<b>-60.3%</b>	<b>5.6%</b>	<b>10.8</b>	<b>10.9</b>	<b>11.4</b>	<b>-12.7%</b>	<b>0.2%</b>	
Machinery and equipment	140.9	189.7	176.9	5.1	5.1	-66.9%	2.2%	10.8	10.9	11.4	30.6%	0.1%	
Software and other intangible assets	133.5	214.9	414.2	12.0	12.0	-55.2%	3.4%	-	-	-	-100.0%	0.0%	
<b>Payments for financial assets</b>	<b>2.0</b>	<b>28.5</b>	<b>0.2</b>	<b>53.0</b>	<b>53.0</b>	<b>199.6%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	
<b>Total</b>	<b>5 288.2</b>	<b>6 619.8</b>	<b>5 752.5</b>	<b>5 353.1</b>	<b>5 353.1</b>	<b>0.4%</b>	<b>100.0%</b>	<b>6 567.8</b>	<b>6 893.2</b>	<b>6 763.4</b>	<b>8.1%</b>	<b>100.0%</b>	

## Personnel information

Table 4.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment											Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate					Average growth rate (%)	Salary level/total: Average (%)			
		2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16										
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	
<b>Home Affairs</b>																	
Salary level																	
1 - 6	7 387	-	7 385	1 122.8	0.2	7 377	853.1	0.1	7 377	1 338.4	0.2	7 377	1 422.9	0.2	7 377	1 529.3	0.2
7 - 10	2 846	-	2 842	607.0	0.2	2 855	1 086.2	0.4	2 855	908.0	0.3	2 855	960.4	0.3	2 855	1 006.9	0.4
11 - 12	296	-	297	93.2	0.3	296	129.5	0.4	296	122.8	0.4	296	138.3	0.5	296	137.9	0.5
13 - 16	187	-	188	121.8	0.6	188	324.6	1.7	188	169.0	0.9	188	178.3	0.9	188	189.0	1.0

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on implementing the modernisation programme, developing and implementing a risk based approach to immigration and policies in support of national priorities, strengthening the effectiveness and efficiency of the status determination process and refugee management

process, establishing a border management agency, and establishing and maintaining secure identity systems and issuing enabling documents.

In 2010/11, expenditure on compensation of employees increased significantly due to the appointment of 30 more staff members in the *Citizen Affairs* programme to increase the number of frontline staff providing services to the public. The overall decrease in expenditure in 2011/12 was mainly due to a 35 per cent decrease in transfer payments made to the Electoral Commission. This was because funding peaked in 2010/11 to allow the commission to prepare for the 2011 municipal elections, and then decreased from 2011/12. The increases in expenditure in 2013/14 and 2014/15 are due to upward adjustments in transfer payments to the Electoral Commission to prepare for the 2014 general elections, and additional allocations provided in the 2012 Budget for the department's information system modernisation project. The 2013 Budget sets out additional allocations of R58.8 million in 2013/14, R74.5 million in 2014/15 and R122.2 million in 2015/16 for improved conditions of service. There are no Cabinet approved budget reductions over the medium term for the department or its entities.

The department has a funded establishment of 10 716, and personnel numbers are expected to remain at this level in each year of the MTEF period. The ratio of support staff to line function staff is 1:9. The department does not employ contract workers and uses consultants on an ad hoc basis, particularly with regard to ICT, where the department experiences difficulty in attracting suitably qualified and experienced candidates. Expenditure on consultants decreased between 2009/10 and 2012/13 due to the completion of the turnaround programme in the department in 2009/10. Expenditure on consultants over the medium term is expected to increase to provide for the modernisation programme and other IT related activities.

#### Infrastructure spending

R130 million in 2013/14 and R160 million in 2014/15 of the R400 million allocation for infrastructure at border posts has been reallocated to this department from the Department of Public Works. These amounts will be used to improve and build residential and official accommodation for officials, as well as for the additional office space needed to replace tents at the Lebombo, Beitbridge, Maseru Bridge, Oshoek, Ramatlabana, Vioolsdrift, Golela and Kopfontein border posts.

#### **Information systems modernisation (formerly Who Am I Online)**

The implementation of the information systems modernisation project resumed in 2012/13 following the resolution of a dispute between the department and the service provider, which had put the project on hold since May 2010. The project will provide an integrated IT platform to decrease the turnaround time for issuing identity documents; birth, death and marriage certificates; passports and visas; section 22 asylum permits; refugee identity documents; citizenship certificates; and permanent and temporary residence permits. The system supports transactional processing and simultaneously provides information that includes photographs, fingerprints, signatures, voice recordings, demographic information and scanned supporting documents.

The department has made R1.1 billion available over the medium term to complete the project by 2014/15. R1.4 billion in expenditure for the project was incurred between 2008/09 and 2011/12, including R835 million for the settlement agreement reached in January 2011.

The following aspects of the project are due to be completed over the medium term: live capture functionality for identity documents and passports; the cleaning of the national population register; core systems integration of civics and immigration; the upgrading of the visa and permitting system; the rollout of the movement control system to 38 remaining ports of entry, 34 of which were rolled out in 2010 in preparation for the 2010 FIFA World Cup.

## Departmental receipts

Table 4.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)	
	2009/10	2010/11	2011/12			2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13	2015/16	
R thousand													
<b>Departmental receipts</b>	<b>442 220</b>	<b>644 752</b>	<b>910 987</b>	<b>506 704</b>	<b>36 778</b>	<b>-56.4%</b>	<b>100.0%</b>	<b>7 387</b>	<b>7 387</b>	<b>7 387</b>	<b>-41.4%</b>	<b>100.0%</b>	
<b>Sales of goods and services produced by department</b>	<b>384 642</b>	<b>610 777</b>	<b>825 240</b>	<b>489 758</b>	<b>3 223</b>	<b>-79.7%</b>	<b>89.6%</b>	<b>7 387</b>	<b>7 387</b>	<b>7 387</b>	<b>31.8%</b>	<b>43.1%</b>	
Sales by market establishments	1 261	1 370	2 078	2 253	1 625	8.8%	0.3%	2 253	2 253	2 253	11.5%	14.2%	
<i>of which:</i>													
Market establishment: Non-residential building	1	-	-	2	46	258.3%	-	2	2	2	-64.8%	0.1%	
Market establishment: Rental dwelling	1 234	1 344	2 056	2 205	1 335	2.7%	0.3%	2 205	2 205	2 205	18.2%	13.5%	
Market establishment: Rental Parking: Covered and open	26	26	22	46	244	110.9%	-	46	46	46	-42.7%	0.6%	
Administration fees	380 036	606 839	820 627	480 452	-	-100.0%	88.8%	-	-	-	-	-	
<i>of which:</i>													
Certificates	26 976	26 470	39 603	34 104	-	-100.0%	4.6%	-	-	-	-	-	
Identity documents	35 795	34 480	162 508	45 253	-	-100.0%	11.4%	-	-	-	-	-	
Passports	158 789	422 006	263 442	200 745	-	-100.0%	41.5%	-	-	-	-	-	
Permits	107 506	79 501	330 865	135 912	-	-100.0%	25.5%	-	-	-	-	-	
Other	50 970	44 382	24 209	64 438	-	-100.0%	5.9%	-	-	-	-	-	
Other sales	3 345	2 568	2 535	7 053	1 598	-21.8%	0.5%	5 134	5 134	5 134	47.6%	28.8%	
<i>of which:</i>													
Commission insurance	1 261	1 408	1 650	1 669	102	-56.8%	0.2%	1 669	1 669	1 669	153.9%	8.7%	
Clearance fees	181	443	476	169	-	-100.0%	0.1%	-	-	-	-	-	
Postal fees for travel documents	453	63	224	1 750	-	-100.0%	-	-	-	-	-	-	
Photocopies and faxes	1 094	540	111	3 270	1 270	5.1%	0.1%	3 270	3 270	3 270	37.1%	18.8%	
Other	356	114	74	195	226	-14.1%	-	195	195	195	-4.8%	1.4%	
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>20</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>17</b>	<b>-5.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	
<i>of which:</i>													
Waste paper	20	-	14	-	17	-5.3%	-	-	-	-	-100.0%	-	
<b>Fines, penalties and forfeits</b>	<b>33 219</b>	<b>27 021</b>	<b>42 442</b>	<b>16 711</b>	<b>25 817</b>	<b>-8.1%</b>	<b>6.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>43.8%</b>	
<b>Interest, dividends and rent on land</b>	<b>659</b>	<b>543</b>	<b>882</b>	<b>235</b>	<b>154</b>	<b>-38.4%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	
Interest	659	543	882	235	154	-38.4%	0.1%	-	-	-	-100.0%	0.3%	
<b>Sales of capital assets</b>	<b>327</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 211</b>	<b>89.1%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>3.8%</b>	
<b>Transactions in financial assets and liabilities</b>	<b>23 353</b>	<b>6 411</b>	<b>42 409</b>	<b>-</b>	<b>5 356</b>	<b>-38.8%</b>	<b>3.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>9.1%</b>	
<b>Total</b>	<b>442 220</b>	<b>644 752</b>	<b>910 987</b>	<b>506 704</b>	<b>36 778</b>	<b>-56.4%</b>	<b>100.0%</b>	<b>7 387</b>	<b>7 387</b>	<b>7 387</b>	<b>-41.4%</b>	<b>100.0%</b>	

## Programme 1: Administration

### Expenditure estimates

Table 4.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Ministry	27.9	28.3	25.2	40.9	13.5%	1.8%	43.2	45.8	48.2	5.6%	2.4%
Management Support Services	352.9	149.9	99.7	99.0	-34.5%	10.5%	102.9	109.3	115.1	5.2%	5.9%
Corporate Services	352.7	438.2	564.0	567.3	17.2%	28.9%	556.7	595.7	627.0	3.4%	32.2%
Transversal Information Technology Management	551.3	736.5	884.3	538.3	-0.8%	40.7%	694.9	792.2	594.0	3.3%	36.0%
Office Accommodation	213.8	339.3	315.6	327.1	15.2%	18.0%	473.8	525.2	382.0	5.3%	23.5%
<b>Total</b>	<b>1 498.7</b>	<b>1 692.3</b>	<b>1 888.8</b>	<b>1 572.5</b>	<b>1.6%</b>	<b>100.0%</b>	<b>1 871.6</b>	<b>2 068.2</b>	<b>1 766.3</b>	<b>4.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(101.6)			104.8	134.6	(20.9)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>1 344.2</b>	<b>1 431.7</b>	<b>1 308.3</b>	<b>1 500.6</b>	<b>3.7%</b>	<b>84.0%</b>	<b>1 858.9</b>	<b>2 055.4</b>	<b>1 752.9</b>	<b>5.3%</b>	<b>98.5%</b>
Compensation of employees	227.8	241.3	274.7	349.2	15.3%	16.4%	366.7	394.1	417.9	6.2%	21.0%
Goods and services	1 041.3	1 086.2	1 020.8	1 151.4	3.4%	64.6%	1 492.2	1 661.2	1 334.9	5.1%	77.5%
<i>of which:</i>											
Computer services	292.8	336.1	205.0	181.3	-14.8%	15.3%	602.4	694.1	490.7	39.4%	27.0%
Contractors	14.4	37.5	52.5	54.0	55.2%	2.4%	41.4	44.0	46.2	-5.1%	2.5%
Operating leases	140.6	210.1	205.7	482.1	50.8%	15.6%	251.9	267.6	278.6	-16.7%	17.6%
Property payments	80.5	156.8	194.3	193.3	33.9%	9.4%	325.3	367.5	218.5	4.2%	15.2%
Interest and rent on land	75.1	104.3	12.7	-	-100.0%	2.9%	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2.4</b>	<b>1.4</b>	<b>1.6</b>	<b>1.8</b>	<b>-8.6%</b>	<b>0.1%</b>	<b>1.9</b>	<b>2.0</b>	<b>2.1</b>	<b>4.6%</b>	<b>0.1%</b>
Provinces and municipalities	0.6	0.3	0.4	0.6	3.7%	-	0.5	0.5	0.5	-5.4%	-
Departmental agencies and accounts	-	-	-	-	-	-	0.1	0.1	0.1	-	-
Households	1.8	1.1	1.2	1.2	-13.2%	0.1%	1.3	1.4	1.5	7.6%	0.1%
<b>Payments for capital assets</b>	<b>150.1</b>	<b>230.6</b>	<b>578.8</b>	<b>17.1</b>	<b>-51.5%</b>	<b>14.7%</b>	<b>10.8</b>	<b>10.9</b>	<b>11.4</b>	<b>-12.7%</b>	<b>0.7%</b>
Machinery and equipment	67.6	69.1	167.8	5.1	-57.7%	4.7%	10.8	10.9	11.4	30.6%	0.5%
Software and other intangible assets	82.6	161.5	411.0	12.0	-47.4%	10.0%	-	-	-	-100.0%	0.2%
<b>Payments for financial assets</b>	<b>2.0</b>	<b>28.5</b>	<b>0.2</b>	<b>53.0</b>	<b>199.6%</b>	<b>1.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.7%</b>
<b>Total</b>	<b>1 498.7</b>	<b>1 692.3</b>	<b>1 888.8</b>	<b>1 572.5</b>	<b>1.6%</b>	<b>100.0%</b>	<b>1 871.6</b>	<b>2 068.2</b>	<b>1 766.3</b>	<b>4.0%</b>	<b>100.0%</b>
<b>Details of selected transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>1.8</b>	<b>0.8</b>	<b>1.2</b>	<b>1.2</b>	<b>-12.9%</b>	<b>0.1%</b>	<b>1.3</b>	<b>1.4</b>	<b>1.5</b>	<b>7.6%</b>	<b>0.1%</b>
Employee Social Benefits	1.8	0.8	1.2	1.2	-12.9%	0.1%	1.3	1.4	1.5	7.6%	0.1%



## Personnel information

Table 4.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Administration																			
Salary level																			
1 – 6	669	–	674	76.5	0.1	674	87.8	0.1	674	92.2	0.1	674	100.2	0.1	674	112.4	0.2	–	100.0%
7 – 10	404	–	413	105.2	0.3	413	160.5	0.4	413	133.7	0.3	413	158.3	0.4	413	151.2	0.4	–	50.4%
11 – 12	155	–	155	56.9	0.4	155	64.8	0.4	155	64.3	0.4	155	74.3	0.5	155	71.3	0.5	–	30.9%
13 – 16	93	–	94	71.0	0.8	94	78.4	0.8	94	84.4	0.9	94	89.0	0.9	94	93.1	1.0	–	11.6%
																		–	7.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the following strategic objectives and policy priorities: improving access to the services provided by the department by increasing the number of service points and connecting health facilities to the department's network for registering births; designing and implementing a new national identity system with secure biometric features, which will include South African and foreign nationals; and improving business processes and systems to combat fraud and corruption by rolling out online verification and live capture for both passports and identity documents to district and regional offices. This will contribute to secure, effective, efficient and accessible service delivery to clients, as well as develop human capital to support both the department's mandate and government's priorities.

Between 2009/10 and 2012/13, expenditure in the *Ministry* subprogramme increased significantly due to the appointment of more staff for the office of the minister and deputy minister, which saw the subprogramme's back office staff increase by 149. Expenditure in the *Corporate Services* subprogramme also increased significantly over this period due to additional allocations made for organisational implementation, which include an increase in the number of personnel and also a change in the skills mix required for the functioning of the department. Spending in the *Office Accommodation* subprogramme increased as a result of additional funding for expanding the department's footprint, which includes the installation of mobile units and district offices, as well as the refurbishment of district and regional offices.

Between 2009/10 and 2012/13, expenditure in the *Management Support Services* subprogramme decreased as a result of reduced expenditure on travel and subsistence. In the same period, spending on consultants and support and outsourced services decreased as permanent staff were appointed to replace contract workers. Spending on operating leases and property payments increased when the department corrected the economic classification of some expenditure items, which shifted from capital to current payments. The decrease from R884.3 million in 2011/12 to R538.3 million in 2012/13 in expenditure in the *Transversal Information Technology Management* subprogramme was because funds were moved forward to 2011/12 to pay for the settlement of the finance lease contract.

Spending on audit costs over the medium term is expected to increase as the scope of the audit plan has expanded. Spending on catering decreases as department expects to reduce expenditure on non-core business activities and redirect expenditure to its core business, while spending on computer services increases to provide for the higher number of data lines. Expenditure continues to decrease as the department reduces its reliance on services previously provided by consultants. Spending on operating leases decrease because the contracts related to the home affairs national identification system will come to an end.

As at 30 September 2012, the programme had a funded establishment of 1 321. This was expected to grow to 1 336 by the end of 2012/13. Personnel numbers are expected to remain at this level in each year of the MTEF period.

## Programme 2: Citizen Affairs

### Objectives

- Ensure that registration at birth is the only entry point to the national population register by improving on the number of births registered within 30 calendar days of the birth event against the rolling baseline from 618 000 in 2013/14 to 669 000 in 2015/16.
- Maintain the standard of service delivery for the issuing of enabling documents by:
  - issuing 95 per cent of the projected 651 577 machine readable passports for manual processes within 24 working days in 2013/14
  - issuing 97 per cent of the projected 434 385 machine readable passports for live capture processes within 13 working days in 2013/14
  - issuing 95 per cent of the projected 1 113 290 first issue identity documents within 54 working days in 2013/14
  - issuing 95 per cent of the projected 1 257 848 reissue identity documents within 47 working days in 2013/14.

### Subprogrammes

- *Citizen Affairs* Management provides for the overall management of the branch for both head office and frontline offices; and provides policy direction, sets standards and manages back office processes. This subprogramme had a staff complement of 23 in 2012/13.
- *Status Services* regulates all matters relating to the national population register. These include: maintaining an accurate register of all citizens and immigrants who have acquired the right to permanent residence; registering births, deaths and marriages; providing travel and citizenship documents; providing financial assistance to citizens abroad who wish to return to South Africa but have no means of doing so; and determining and granting citizenship. In 2011/12, the department registered 1 209 040 births (early and late registration), 177 348 marriages (including civil, customary and civil union) and 538 528 deaths. This subprogramme had a staff complement of 290 in 2012/13.
- *Identification Services* oversees issues relating to identity such as fingerprints, photographs and identity documents. This entails establishing and maintaining national identity systems such as the automated fingerprint identification system. In 2011/12, 2 275 461 identity documents were issued within 54 days. This subprogramme had a staff complement of 488 in 2012/13.
- *Access to Services* provides for the development and facilitation of a strategic channel, which ensures the optimal placement and use of the department's services. This is done by: developing, managing and coordinating the department's footprint strategy in relation to opening new department offices in line with recommendations from the Human Sciences Research Council; deploying registration facilities at health facilities with maternity wards; scheduling mobile office deployment in rural areas where the department does not have permanent offices; and managing customer telephonic enquiries to the department. In 2012/13, the department connected 58 health facilities, which brings the total number of health facilities connected to 315. This initiative provides facilities for registering births and the number of connected hospitals is set to increase over the medium term. There are 117 mobile offices equipped with satellite dishes to connect to the department's systems. These mobile offices are used to provide services to remote and rural areas. The department provides its services at 413 service points, including district and regional offices. This subprogramme had a staff complement of 66 in 2012/13.
- *Service Delivery to Provinces* provides for all civic, immigration and refugee affairs functions in all provinces. This entails providing a client interface for the collection and processing of applications, issuing enabling documents that are available on demand (for example, temporary identity certificates or temporary passports), and conducting quality assurance of permanent residence and citizenship applications. This subprogramme had a staff complement of 6 348 in 2012/13.
- *Film and Publication Board* transfers funds to the Film and Publication Board, which regulates the creation, production, possession, exhibition and distribution of films, interactive computer games and certain

publications in terms of the Films and Publications Act (1996). This subprogramme's total budget is transferred in full to the board. This subprogramme has no staff complement.

- *Government Printing Works* transfers funds to Government Printing Works, which provides printing services to the South African government and some states in the Southern African Development Community. This subprogramme's total budget is transferred in full to the entity. This subprogramme has no staff complement.
- *Electoral Commission* transfers funds to the Electoral Commission, which manages the national, provincial and municipal elections, ensures that those elections are free and fair, and declares the results within a prescribed period. This subprogramme's total budget is transferred in full to the commission. This subprogramme has no staff complement.

## Expenditure estimates

Table 4.7 Citizen Affairs

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Citizen Affairs Management	16.3	14.5	15.7	33.0	26.4%	0.6%	24.0	25.4	26.8	-6.7%	0.7%
Status Services	213.1	378.7	348.8	86.4	-26.0%	7.5%	89.4	94.4	99.9	5.0%	2.4%
Identification Services	269.5	364.7	233.4	243.1	-3.4%	8.1%	256.8	272.1	286.4	5.6%	6.7%
Access to Services	79.2	101.8	92.5	101.7	8.7%	2.7%	98.6	104.4	109.9	2.6%	2.6%
Service Delivery to Provinces	1 292.6	1 418.0	1 402.3	1 662.8	8.8%	42.2%	1 784.0	1 897.1	2 009.2	6.5%	46.9%
Film and Publication Board	39.8	56.2	65.5	69.8	20.6%	1.7%	82.7	78.9	82.9	5.9%	2.0%
Government Printing Works	334.8	97.2	129.0	135.2	-26.1%	5.1%	134.0	-	-	-100.0%	1.7%
Electoral Commission	1 030.1	1 536.0	943.8	871.3	-5.4%	32.0%	1 579.2	1 675.7	1 669.3	24.2%	37.0%
<b>Total</b>	<b>3 275.4</b>	<b>3 967.2</b>	<b>3 230.9</b>	<b>3 203.3</b>	<b>-0.7%</b>	<b>100.0%</b>	<b>4 048.7</b>	<b>4 148.1</b>	<b>4 284.4</b>	<b>10.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				135.5			154.1	172.9	214.9		

### Economic classification

<b>Current payments</b>	<b>1 789.2</b>	<b>2 128.6</b>	<b>2 073.7</b>	<b>2 126.3</b>	<b>5.9%</b>	<b>59.4%</b>	<b>2 250.9</b>	<b>2 391.3</b>	<b>2 530.0</b>	<b>6.0%</b>	<b>59.3%</b>
Compensation of employees	1 252.1	1 350.6	1 431.7	1 758.2	12.0%	42.4%	1 869.9	1 986.6	2 106.6	6.2%	49.2%
Goods and services	536.9	777.9	642.0	368.1	-11.8%	17.0%	381.0	404.7	423.3	4.8%	10.1%
<i>of which:</i>											
Computer services	35.5	42.6	41.6	36.4	0.9%	1.1%	14.4	15.3	16.0	-24.0%	0.5%
Contractors	45.6	56.7	55.4	53.3	5.4%	1.5%	87.5	93.0	97.3	22.2%	2.1%
Operating leases	0.3	1.3	2.2	3.6	128.7%	0.1%	4.7	5.0	5.2	12.9%	0.1%
Property payments	3.4	10.3	1.6	1.8	-18.6%	0.1%	1.0	1.1	1.1	-15.0%	-
Interest and rent on land	0.2	-	-	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 410.4</b>	<b>1 697.9</b>	<b>1 145.0</b>	<b>1 077.0</b>	<b>-8.6%</b>	<b>39.0%</b>	<b>1 797.8</b>	<b>1 756.7</b>	<b>1 754.4</b>	<b>17.7%</b>	<b>40.7%</b>
Provinces and municipalities	0.3	0.3	0.6	0.6	29.2%	-	0.9	1.0	1.0	16.8%	-
Departmental agencies and accounts	1 404.7	1 689.5	1 138.2	1 076.4	-8.5%	38.8%	1 795.9	1 754.6	1 752.2	17.6%	40.7%
Households	5.5	8.1	6.1	-	-100.0%	0.1%	1.1	1.1	1.2	-	-
<b>Payments for capital assets</b>	<b>75.8</b>	<b>140.8</b>	<b>12.2</b>	<b>-</b>	<b>-100.0%</b>	<b>1.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	64.2	96.4	9.1	-	-100.0%	1.2%	-	-	-	-	-
Software and other intangible assets	11.6	44.4	3.1	-	-100.0%	0.4%	-	-	-	-	-
<b>Total</b>	<b>3 275.4</b>	<b>3 967.2</b>	<b>3 230.9</b>	<b>3 203.3</b>	<b>-0.7%</b>	<b>100.0%</b>	<b>4 048.7</b>	<b>4 148.1</b>	<b>4 284.4</b>	<b>10.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>61.9%</b>	<b>59.9%</b>	<b>56.2%</b>	<b>59.8%</b>			<b>61.6%</b>	<b>60.2%</b>	<b>63.3%</b>		

Table 4.7 Citizen Affairs (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>1 404.7</b>	<b>1 689.5</b>	<b>1 138.2</b>	<b>1 076.4</b>	<b>-8.5%</b>	<b>38.8%</b>	<b>1 795.9</b>	<b>1 754.6</b>	<b>1 752.2</b>	<b>17.6%</b>	<b>40.7%</b>
Film and Publication Board: Operations	39.8	56.2	65.5	69.8	20.6%	1.7%	82.7	78.9	82.9	5.9%	2.0%
Government Printing Works: Operations	334.8	97.2	129.0	135.2	-26.1%	5.1%	134.0	-	-	-100.0%	1.7%
Electoral Commission: Operations	1 030.1	1 536.0	943.8	871.3	-5.4%	32.0%	1 579.2	1 675.7	1 669.3	24.2%	37.0%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>0.3</b>	<b>0.3</b>	<b>0.6</b>	<b>0.6</b>	<b>29.2%</b>	<b>-</b>	<b>0.9</b>	<b>1.0</b>	<b>1.0</b>	<b>16.8%</b>	<b>-</b>
Vehicle licences	0.3	0.3	0.6	0.6	29.2%	-	0.9	1.0	1.0	16.8%	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>5.4</b>	<b>8.1</b>	<b>5.7</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>-</b>	<b>-</b>
Employee social benefits: Leave gratuity	5.4	8.1	5.7	-	-100.0%	0.1%	1.1	1.1	1.2	-	-

## Personnel information

Table 4.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16							
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
<b>Citizen Affairs</b>																			
Salary level	8 417	-	8 398	433.9	0.2	8 417	127.3	0.1	8 417	863.2	0.2	8 417	961.0	0.2	8 417	103.0	0.2	-	100.0%
1 - 6	6 122	-	6 116	969.4	0.2	6 122	447.2	0.1	6 122	145.4	0.2	6 122	216.4	0.2	6 122	305.4	0.2	-	72.7%
7 - 10	2 127	-	2 114	408.4	0.2	2 127	506.4	0.2	2 127	615.7	0.3	2 127	634.2	0.3	2 127	680.0	0.3	-	25.3%
11 - 12	99	-	99	25.9	0.3	99	56.0	0.6	99	45.2	0.5	99	50.1	0.5	99	51.9	0.5	-	1.2%
13 - 16	69	-	69	30.2	0.4	69	117.8	1.7	69	56.9	0.8	69	60.3	0.9	69	65.6	1.0	-	0.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the following strategic objectives and policy priorities: rolling out the national population registration campaign with the focus on birth, marriage and death registrations as well as the issuance of secure identity documents to eligible citizens and residents; providing travel and citizenship documents; providing for the development and facilitation of a strategic channel to enhance access to services by expanding the department's footprint; and a functional customer service centre. This will contribute to ensuring that births are registered within 30 days and, ultimately, more secure and reliable identity systems. The increase in expenditure in 2013/14 is mainly driven by additional allocations made to the Electoral Commission to prepare for the 2014 national general elections.

Between 2009/10 and 2012/13, expenditure in the *Citizen Affairs Management* subprogramme increased significantly as 30 more staff members were appointed to increase the number of frontline staff providing services to the public. These appointments also explain the significant increase in expenditure on compensation

of employees over this period. Expenditure in the *Status Services* subprogramme decreased between 2009/10 and 2012/13 as funds were reprioritised to conduct feasibility studies on children's fingerprints and how to accelerate birth registration processes. Expenditure in the *Film and Publication Board* subprogramme increased between 2009/10 and 2012/13 because of additional allocations for the minister's task team action plan on preventing children's exposure to pornography, council meetings, travel and allowances, and a public awareness campaign on the work of the board. Spending in the *Government Printing Works* subprogramme decreased significantly in the same period because of a decrease in the transfer payment made to the entity, as the entity is now able to fund its business operations from the revenue it generates.

Over the medium term, spending in the *Electoral Commission* subprogramme is expected to increase due to the additional allocations made towards the management of the 2014 national and provincial general elections. Spending on fleet services (including government motor transport) increases from R57 million in 2013/14 to R63.4 million in 2015/16 as the old fleet will be replaced with new vehicles.

The programme has a funded establishment of 8 417, which is expected to remain at this level in each year of the MTEF period.

## Programme 3: Immigration Affairs

### Objectives

- Maintain the standard of service delivery for enabling documents while improving on the percentages of applications processed within a specified period by:
  - issuing permanent residence permits (applications collected within South Africa) within 8 months, increasing from 50 per cent in 2013/14 to 70 per cent in 2015/16
  - issuing temporary residence permits (critical skills, both quota and exceptional) within 8 weeks, increasing from 85 per cent in 2013/14 to 97 per cent in 2015/16.

### Subprogrammes

- *Immigration Affairs Management* provides for the overall management of the branch and provides policy direction, sets standards and manages back office processes. This subprogramme had a staff complement of 12 in 2012/13.
- *Admission Services* is discussed in more detail below.
- *Immigration Services* is discussed in more detail below.
- *Asylum Seekers* considers and processes applications for asylum, issues enabling documents to refugees and facilitates processes to find durable solutions to refugee problems in line with the Refugees Act (1998). This subprogramme had a staff complement of 46 in 2012/13.

### Expenditure estimates

Table 4.9 Immigration Affairs

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Immigration Affairs Management	59.9	54.7	79.0	31.8	-19.1%	8.4%	30.0	31.5	33.2	1.5%	4.8%
Admission Services	183.3	292.7	272.3	191.9	1.5%	35.0%	249.1	254.2	267.8	11.8%	36.8%
Immigration Services	218.5	562.8	239.6	289.0	9.8%	48.8%	306.4	325.5	342.6	5.8%	48.3%
Asylum Seekers	52.4	50.1	41.8	64.6	7.2%	7.8%	62.0	65.8	69.1	2.3%	10.0%
<b>Total</b>	<b>514.1</b>	<b>960.3</b>	<b>632.7</b>	<b>577.2</b>	<b>3.9%</b>	<b>100.0%</b>	<b>647.5</b>	<b>676.9</b>	<b>712.7</b>	<b>7.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				22.9			51.0	49.1	55.9		

Table 4.9 Immigration Affairs (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Economic classification</b>											
<b>Current payments</b>	<b>465.1</b>	<b>926.8</b>	<b>631.6</b>	<b>576.9</b>	<b>7.4%</b>	<b>96.9%</b>	<b>647.2</b>	<b>676.6</b>	<b>712.3</b>	<b>7.3%</b>	<b>100.0%</b>
Compensation of employees	157.1	460.0	238.5	286.0	22.1%	42.5%	301.6	319.2	338.5	5.8%	47.6%
Goods and services	308.0	466.8	393.1	290.9	-1.9%	54.3%	345.6	357.4	373.8	8.7%	52.3%
<i>of which:</i>											
Computer services	18.1	30.0	141.9	59.4	48.7%	9.3%	113.4	117.2	122.6	27.3%	15.8%
Contractors	0.8	13.5	13.4	20.8	194.0%	1.8%	18.0	19.1	20.0	-1.3%	3.0%
Operating leases	10.2	12.4	3.1	0.2	-74.0%	1.0%	0.6	0.6	0.7	54.0%	0.1%
Property payments	0.6	0.5	0.0	-	-100.0%	-	0.0	0.0	0.0	-	-
<b>Transfers and subsidies</b>	<b>0.5</b>	<b>0.2</b>	<b>1.1</b>	<b>0.3</b>	<b>-16.1%</b>	<b>0.1%</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>5.6%</b>	<b>-</b>
Households	0.5	0.2	1.1	0.3	-16.1%	0.1%	0.3	0.3	0.3	5.3%	-
<b>Payments for capital assets</b>	<b>48.5</b>	<b>33.3</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>3.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	9.1	24.2	0.1	-	-100.0%	1.2%	-	-	-	-	-
Software and other intangible assets	39.4	9.1	-	-	-100.0%	1.8%	-	-	-	-	-
<b>Total</b>	<b>514.1</b>	<b>960.3</b>	<b>632.7</b>	<b>577.2</b>	<b>3.9%</b>	<b>100.0%</b>	<b>647.5</b>	<b>676.9</b>	<b>712.7</b>	<b>7.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>9.7%</b>	<b>14.5%</b>	<b>11.0%</b>	<b>10.8%</b>			<b>9.9%</b>	<b>9.8%</b>	<b>10.5%</b>		

## Personnel information

Table 4.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
		2011/12	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	
<b>Immigration Affairs</b>																	
Salary level	978	-	978	201.4	0.2	963	874.6	0.9	963	300.4	0.3	963	317.1	0.3	963	332.0	0.3
1-6	596	-	595	76.9	0.1	581	318.1	0.5	581	100.9	0.2	581	106.3	0.2	581	111.5	0.2
7-10	315	-	315	93.5	0.3	315	419.3	1.3	315	158.6	0.5	315	167.9	0.5	315	175.7	0.6
11-12	42	-	43	10.4	0.2	42	8.7	0.2	42	13.2	0.3	42	14.0	0.3	42	14.6	0.3
13-16	25	-	25	20.6	0.8	25	128.5	5.1	25	27.7	1.1	25	28.9	1.2	25	30.3	1.2

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the following strategic objectives and policy priorities: facilitating the importation of critical skills into South Africa; implementing effective and efficient asylum and refugee management strategies and systems, such as the development of a framework to guide the establishment of strategically located refugee reception centres; and improving access to and the smooth facilitation of traveller movements at land ports of entry through the implementation of systems such as advance passenger processing, enhanced movement control and national immigration information systems. This will contribute to the development of a risk based approach to immigration, which will maximise benefits and minimise risks for the country.

The increase in expenditure on computer services in 2011/12 was mainly because of the implementation of the national immigration information system. Over the same period, expenditure in support and/or outsourced

services and travel and subsistence decreased as a result of the activities related to the hosting of the 2010 FIFA World Cup coming to an end.

Over the medium term, expenditure in all four subprogrammes is expected to increase because of additional funding for improved conditions of service. The programme has a funded establishment of 978 posts, and personnel numbers are expected to remain at 963 in each year of the MTEF period.

## Subprogramme: Admission Services

This subprogramme is responsible for issuing visas, securely facilitating the entry and departure of persons to and from South Africa in line with the Immigration Act (2002); recording their movements on the movement control system; and controlling the processing of applications for permanent and temporary residence permits including work, study and business permits.

## Expenditure estimates

Table 4.11 Admission Services

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
<b>Current payments</b>	<b>144.2</b>	<b>259.9</b>	<b>272.0</b>	<b>191.9</b>	<b>10.0%</b>	<b>92.3%</b>	<b>249.1</b>	<b>254.2</b>	<b>267.8</b>	<b>11.8%</b>	<b>100.0%</b>
Compensation of employees	86.2	115.1	107.8	123.1	12.6%	46.0%	126.9	134.1	142.2	4.9%	54.7%
Goods and services	58.0	144.8	164.2	68.8	5.8%	46.3%	122.2	120.1	125.6	22.2%	45.3%
of which:											
Computer services	4.5	22.3	134.1	50.7	124.9%	22.5%	104.9	108.1	113.1	30.7%	39.1%
Contractors	0.1	–	0.1	0.8	131.0%	0.1%	0.0	0.0	0.0	-71.4%	0.1%
Operating leases	0.0	0.0	0.1	–	-100.0%	–	0.3	0.3	0.3	–	0.1%
Property payments	–	0.1	–	–	–	–	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>0.1</b>	<b>0.2</b>	<b>0.4</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>–</b>
Households	0.1	0.2	0.4	–	-100.0%	0.1%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>39.0</b>	<b>32.6</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>7.6%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Machinery and equipment	4.0	23.6	–	–	-100.0%	2.9%	–	–	–	–	–
Software and other intangible assets	35.0	9.1	–	–	-100.0%	4.7%	–	–	–	–	–
<b>Total</b>	<b>183.3</b>	<b>292.7</b>	<b>272.3</b>	<b>191.9</b>	<b>1.5%</b>	<b>100.0%</b>	<b>249.1</b>	<b>254.2</b>	<b>267.8</b>	<b>11.8%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>35.7%</b>	<b>30.5%</b>	<b>43.0%</b>	<b>33.2%</b>			<b>38.5%</b>	<b>37.5%</b>	<b>37.6%</b>		

## Personnel information

Table 4.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Admission Services</b>																			
Salary level	737	–	741	107.8	0.1	722	291.2	0.4	722	124.8	0.2	722	131.4	0.2	722	137.5	0.2	–	100.0%
1–6	533	–	533	66.2	0.1	518	208.1	0.4	518	87.3	0.2	518	91.8	0.2	518	96.0	0.2	–	71.7%
7–10	180	–	182	33.0	0.2	180	78.2	0.4	180	27.6	0.2	180	29.2	0.2	180	30.6	0.2	–	24.9%
11–12	17	–	18	4.7	0.3	17	3.9	0.2	17	5.7	0.3	17	6.0	0.4	17	6.3	0.4	–	2.4%
13–16	7	–	8	3.9	0.5	7	1.0	0.1	7	4.2	0.6	7	4.4	0.6	7	4.6	0.7	–	1.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on: developing policy options to manage the migration of skilled and unskilled migrants; rationalising the viability of ports of entry for more secure, efficient and

cost effective facilitation of people and goods; rolling out the trusted traveller programme to designated ports of entry; and issuing scarce skills permits to allow skilled migrants to contribute to the country's economic growth.

Expenditure increased significantly in 2010/11 as a result of activities related to the hosting of the 2010 FIFA World Cup in that year. R116 million of this increase was mostly for additional staff to process visas and admit travellers at the ports of entry, and R55 million was for travel and subsistence mostly for activities related to the hosting of the 2010 FIFA World Cup. The decrease in expenditure in 2012/13 is attributable to the activities related to the 2010 FIFA World Cup, which ceased at the end of the event.

Spending on computer services over the medium term is expected to increase due to the planned technology upgrade of the national immigration information system. The department is reviewing existing immigration policies and also finalising regulations, which will enable it to achieve targets in relation to attracting critical and exceptional skills required by the economy.

The subprogramme has a funded establishment of 737, and personnel numbers are expected to remain at 722 in each year of the MTEF period.

## Subprogramme: Immigration Services

This subprogramme deals with immigration matters in foreign countries; detects, detains and deports illegal immigrants in terms of the Immigration Act (2002); and provides policy directives on immigration matters.

### Expenditure estimates

Table 4.13 Immigration Services

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
<b>Current payments</b>	<b>215.7</b>	<b>562.7</b>	<b>239.0</b>	<b>289.0</b>	<b>10.2%</b>	<b>99.7%</b>	<b>306.4</b>	<b>325.5</b>	<b>342.6</b>	<b>5.8%</b>	<b>100.0%</b>
Compensation of employees	41.8	296.0	67.1	132.1	46.7%	41.0%	141.6	150.3	159.4	6.5%	46.2%
Goods and services	173.9	266.7	171.9	156.9	-3.4%	58.7%	164.9	175.1	183.2	5.3%	53.8%
<b>Transfers and subsidies</b>	<b>0.3</b>	<b>-</b>	<b>0.7</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	0.3	-	0.7	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>2.4</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	1.1	0.1	0.0	-	-100.0%	0.1%	-	-	-	-	-
Software and other intangible assets	1.3	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Total</b>	<b>218.5</b>	<b>562.8</b>	<b>239.6</b>	<b>289.0</b>	<b>9.8%</b>	<b>100.0%</b>	<b>306.4</b>	<b>325.5</b>	<b>342.6</b>	<b>5.8%</b>	<b>100.0%</b>
Proportion of total subprogramme expenditure to programme expenditure	42.5%	58.6%	37.9%	50.1%			47.3%	48.1%	48.1%		

### Personnel information

Table 4.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)
2011/12			2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16					
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost		
<b>Immigration Services</b>																
Salary level	155	-	152	68 0.4	155	577 3.7	155	144 0.9	155	153 1.0	155	160 1.0	-	-	-	100.0%
1-6	43	-	42	8 0.2	43	109 2.5	43	11 0.2	43	11 0.3	43	12 0.3	-	-	-	27.7%
7-10	100	-	99	47.9 0.5	100	338.6 3.4	100	121.6 1.2	100	128.7 1.3	100	134.6 1.3	-	-	-	64.5%
11-12	7	-	7	1.8 0.3	7	3.4 0.5	7	0.6 0.1	7	0.7 0.1	7	0.7 0.1	-	-	-	4.5%
13-16	5	-	4	10.0 2.5	5	125.2 25.0	5	11.5 2.3	5	12.1 2.4	5	12.7 2.5	-	-	-	3.2%

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

2. Rand million.

3. As at 30 September 2012.



## **Expenditure trends**

The spending focus over the medium term will be on ensuring that the management of the Lindela Repatriation Centre complies with the highest applicable human rights standards in line with the Constitution and the Immigration Act (2002), and the transportation of persons found illegal in South Africa is carried out speedily, in line with the act.

Expenditure increased significantly in 2010/11 as a result of activities related to hosting of the 2010 FIFA World Cup in that year, which included volunteers used at ports of entry as well as in the operational centre. R254 million of this increased expenditure was on compensation of employees and allowances, mostly for additional staff assisting in the operational and emergency centres; and R81 million for travel and subsistence mainly for providing transport to additional staff and volunteers between operational centres during the 2010 FIFA World Cup.

The subprogramme's spending decreased sharply in 2011/12 as the activities related to the 2010 FIFA World Cup ceased after the event. The increase in spending in 2012/13 was mainly on compensation of employees, as an additional 3 employees were hired in that year to increase management capacity at the Lindela Repatriation Centre. The increase was countered by a R25 million decrease in spending on transport as a result of the moratorium that was placed on the deportation of Zimbabwean nationals in 2010/11. The subprogramme has a funded establishment of 155, and personnel numbers are expected to remain at this level in each year of the MTEF period.

## **Public entities and other agencies**

### **Electoral Commission**

#### **Mandate and goals**

The Electoral Commission is a chapter 9 constitutional institution reporting directly to Parliament. It was established in terms of the Electoral Commission Act (1996), which sets out the composition, powers, functions and duties of the Electoral Commission. The commission is mandated to manage national, provincial and municipal elections; ensure that those elections are free and fair; and declare results within a prescribed period.

The commission's strategic goals over the medium term are to:

- entrench itself as the focal point in the delivery of free and fair, cost effective elections through the participation of citizens, political parties and civil society in deepening democracy
- achieve pre-eminence in the area of managing elections and referendums
- strengthen electoral democracy, and a cooperative relationship with political parties
- strengthen institutional excellence and professionalism at all levels of the organisation
- strengthening institutional governance.

## Selected performance indicators

**Table 4.15 Electoral Commission**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of interactions with international stakeholders per year	Commission services	19	19	29	12	13	13	13
Number of registered voters per year	Electoral operations	23 181 997	23 655 046	23 363 394	22 979 394	24 175 457	23 981 096	24 683 142
Percentage of registered voters who vote (voter turnout): National scale elections <sup>1</sup>	Electoral operations	65%	- <sup>1</sup>	57.64%	- <sup>1</sup>	- <sup>1</sup>	80%	- <sup>1</sup>
Number of liaison sessions with members of party liaison committees at national (10), provincial (54) and municipal (1 170) levels per year	Party liaison, candidate nomination and represented political party funding	1 482	1 234	2 517	1 234	2 517	1 992	2 517
Number of schools used as voting stations for full scale elections (at least 60%) per year	Electoral operations	11 868 (60.16%)	13 788 (66.11%)	13 760 (65.97%)	Non-election year	14 520 (66%)	14 520 (66%)	14 920 (66%)
Number of civic and democracy educational events per year <sup>2</sup>	Outreach	3124	3218	89 321	4 215	8 063	6 000	8 500

1. Dashes represent non-election years, though these years are used to campaign for registration.

2. During 2011/12 local government elections, KwaZulu-Natal recorded all meetings as an event, including very small meetings, hence the large number. The standard definition of events has been provided to all offices and will be used in future.

## Programmes/activities/objectives

**Table 4.16 Electoral Commission**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Electoral operations consisting of delimitation, voting, counting and results, voters roll and registration, and logistics; and infrastructure	224.2	211.2	329.9	157.2	-11.2%	21.7%	306.4	369.4	306.2	24.9%	20.5%
Outreach consisting of civic and democracy education and research, and communication	64.0	169.9	90.6	57.6	-3.5%	8.9%	221.9	138.0	247.6	62.6%	11.5%
Party liaison, candidate nomination and represented political party funding	0.8	3.0	1.4	4.1	70.6%	0.2%	9.7	4.0	5.4	9.7%	0.4%
Corporate services consisting of human resources management, staff development and training, ICT, financial management and facilities management	652.2	744.2	876.0	571.5	-4.3%	67.8%	938.2	1 084.2	1 023.3	21.4%	66.2%
Commission services and office of the chief executive, including internal audit	12.1	12.3	17.4	15.8	9.2%	1.4%	15.7	18.6	16.4	1.2%	1.3%
<b>Total expense</b>	<b>953.4</b>	<b>1 140.6</b>	<b>1 315.2</b>	<b>806.2</b>	<b>-5.4%</b>	<b>100.0%</b>	<b>1 491.9</b>	<b>1 614.2</b>	<b>1 598.8</b>	<b>25.6%</b>	<b>100.0%</b>

## Expenditure estimates

Table 4.17 Electoral Commission

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15	2015/16	2012/13 - 2015/16
	R million													
<b>Revenue</b>														
<b>Non-tax revenue</b>	24.6	23.6	10.6	5.5	-39.3%	1.5%	15.0	15.0	15.0	39.7%	0.9%			
Sale of goods and services other than capital assets	-	0.0	0.0	-	-	0.0%	-	-	-	-	-			
of which:														
Other non-tax revenue	24.6	23.6	10.6	5.5	-39.3%	1.5%	15.0	15.0	15.0	39.7%	0.9%			
<b>Transfers received</b>	937.2	1 437.9	844.2	762.2	-6.7%	98.5%	1 464.0	1 553.6	1 541.6	26.5%	99.1%			
<b>Total revenue</b>	961.8	1 461.6	854.8	767.7	-7.2%	100.0%	1 479.0	1 568.6	1 556.6	26.6%	100.0%			
<b>Expenses</b>														
<b>Current expenses</b>	953.4	1 140.6	1 315.2	806.2	-5.4%	100.0%	1 491.9	1 614.2	1 598.8	25.6%	100.0%			
Compensation of employees	304.3	421.4	412.6	371.7	6.9%	36.6%	562.7	547.4	611.0	18.0%	39.0%			
Goods and services	605.5	671.0	845.9	370.3	-15.1%	58.1%	867.7	1 010.0	931.2	36.0%	56.2%			
Depreciation	43.2	47.9	56.4	64.1	14.1%	5.2%	61.4	56.9	56.6	-4.1%	4.8%			
Interest, dividends and rent on land	0.5	0.4	0.3	-	-100.0%	0.0%	-	-	-	-	-			
<b>Total expenses</b>	953.4	1 140.6	1 315.2	806.2	-5.4%	100.0%	1 491.9	1 614.2	1 598.8	25.6%	100.0%			
<b>Surplus/(Deficit)</b>	8.0	321.0	(460.0)	(39.0)	-269.6%		(13.0)	(46.0)	(42.0)	2.5%				
<b>Statement of financial position</b>														
Carrying value of assets	274.6	339.9	339.7	301.2	3.1%	63.4%	288.3	242.7	200.5	-12.7%	80.5%			
of which:														
Acquisition of assets	16.0	119.6	63.0	25.6	16.8%	9.5%	48.5	11.2	14.4	-17.5%	7.5%			
Inventory	9.1	27.7	14.1	12.0	9.8%	2.8%	21.0	10.0	25.0	27.7%	5.5%			
Receivables and prepayments	18.2	18.9	17.3	13.5	-9.4%	3.3%	13.5	13.5	13.5	-	4.3%			
Cash and cash equivalents	228.6	562.6	37.8	32.5	-47.8%	30.1%	30.0	30.0	30.0	-2.6%	9.7%			
Non-current assets held for sale	2.6	0.2	3.9	-	-100.0%	0.4%	-	-	-	-	-			
<b>Total assets</b>	533.1	949.3	412.7	359.2	-12.3%	100.0%	352.8	296.2	269.0	-9.2%	100.0%			
Accumulated surplus/(deficit)	485.0	805.9	345.5	292.7	-15.5%	85.3%	218.7	220.6	131.9	-23.3%	66.7%			
Finance lease	3.4	-	-	-	-100.0%	0.2%	-	-	-	-	-			
Deferred income	0.6	0.3	4.2	3.9	89.4%	0.6%	0.3	0.3	0.3	-59.0%	0.3%			
Trade and other payables	42.4	143.1	62.6	62.6	13.8%	13.9%	133.9	75.3	136.9	29.8%	32.9%			
Provisions	1.7	-	0.4	-	-100.0%	0.1%	-	-	-	-	-			
<b>Total equity and liabilities</b>	533.1	949.3	412.7	359.2	-12.3%	100.0%	352.8	296.2	269.0	-9.2%	100.0%			

## Personnel information

Table 4.18 Electoral Commission

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	928	118	6 974	412.6	0.1	1 724	371.7	0.2	6 696	562.7	0.1	6 737	547.4	0.1	7 063	611.0	0.1	60.0%	100.0%
1 - 6	57	-	6 205	101.2	0.0	853	20.7	0.0	5 741	109.0	0.0	5 782	69.2	0.0	6 108	111.3	0.0	92.7%	76.9%
7 - 10	31	6	460	135.5	0.3	75	14.2	0.2	128	36.9	0.3	128	38.9	0.3	128	40.7	0.3	19.5%	2.5%
11 - 12	788	108	233	98.1	0.4	704	247.1	0.4	735	308.3	0.4	735	324.9	0.4	735	339.6	0.5	1.4%	18.3%
13 - 16	48	3	71	70.3	1.0	84	76.7	0.9	84	92.8	1.1	84	97.8	1.2	84	102.2	1.2	-	2.1%
17 - 22	4	1	5	7.5	1.5	8	13.1	1.6	8	15.7	2.0	8	16.5	2.1	8	17.3	2.2	-	0.2%

1. Rand million.

## **Expenditure trends**

The Electoral Commission is funded mainly by a transfer from the Department of Home Affairs, but it also generates some non-tax revenue from various sources including sponsorships, political party registration fees and interest received. The increases in transfers received and non-tax revenue are mainly driven by the electoral cycle, peaking during the preparations for an election and then decreasing to fund regular activities in non-election cycles.

The spending focus over the medium term will be on the 2014 national and provincial elections and the 2 main registration drives that will be conducted in 2014/15 in preparation for these elections. In 2015/16, the spending focus will be on the 2 registration drives preceding the 2016 municipal elections.

Expenditure decreased from R1.3 billion in 2011/12, an election year, to R806.2 million in 2012/13, a non-election year. During a non-election year, civic and democracy education and long term factors such as permanent staff costs and administrative overheads play a major role in expenditure. Regarding the MTEF period, expenditure is expected to peak at R1.6 billion in 2014/15 due to the preparations for the 2014 national and provincial elections.

The bulk of spending in registration and election periods is linked to the commission's main performance indicators. These are: compensation for the approximately 282 000 staff appointed to work at the 22 000 voting stations; the intensive training programmes that electoral staff undergo to protect the credibility and integrity of electoral processes; voter and civic democracy education programmes; the procurement of the electoral bill of materials, which includes ballot papers, ballot boxes and stationery used at voting stations; extensive communication programmes via various media platforms; the updating of the electoral systems databases in line with election specific requirements; and the updating and rolling out of the commission's IT infrastructure.

The commission has introduced a number of cost saving measures to reduce expenditure and ensure proper budget management practices without compromising the integrity of electoral processes. These measures have been necessary due to cuts made in baseline amounts over the medium term. A rigorous exercise to reprioritise expenditure was undertaken to fund underfunded projects as a result of the commission's revised strategic priorities in preparation for the 2014 national and provincial elections. Expenditure relating to travel, workshops, catering, promotional items, and the hiring of temporary staff and professional services are the main areas where strict controls are applied. The commission will continue with the cost saving measures introduced over the medium term in an attempt to fund a portion of the budget shortfalls envisaged over this period.

The commission had a total establishment of 928 posts as at 30 September 2012, of which 810 were filled. Subsequent to a review of the service delivery model for outreach in 2012 and in line with the initiative of newly appointed commissioners, the commission approved 52 permanent senior administration officer posts across the country. The aim of these posts is to provide permanent capacity to revitalise the outreach programme and to enhance electoral training. This programme will entrench an understanding of democracy in education processes at schools, higher education institutions and with other stakeholders across South Africa. These posts will also provide permanent training capacity to enhance the professionalism of election day staff. There are 118 vacancies within the commission, most of which relate to the 52 newly created posts. The number of filled posts is expected to increase by 102 in 2013/14 to improve overall efficiency leading up to the first 2 main registration periods, which will be held in 2013/14, and the elections, in 2014/15. The ratio of support staff to line function staff is currently 1:6.

Due to the cyclical nature of ICT projects, which normally coincide with the electoral cycle and which demand more ICT resources, the use of consultants increases as this kind capacity can be expanded and contracted at short notice. There is a serious constraint in permanent capacity at the municipal level as 47 per cent of municipalities only have 1 permanent staff member employed by the commission.

## **Government Printing Works**

### **Mandate and goals**

The mandate of the Government Printing Works is to provide security printing and ancillary services to all organs of state in all spheres of government. The entity performs its mandate subject to policies that the Minister of Home Affairs prescribes.

The entity's strategic goals over the medium term are to:

- develop the printing works as a government component organisation that performs flexibly, and within regulated parameters, as a sustainable ringfenced business entity
- optimise processes and facilities to increase operational effectiveness and improve customer service
- develop an efficient, effective, well trained and appropriately remunerated workforce.

## Selected performance indicators

**Table 4.19 Government Printing Works**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of editions of government and provincial gazettes published per year	Printing gazettes	2 772	2 290	2 300	2 300	2 300	2 400	2 400
Number of new passports printed per year	Printing of security documents	832 262	866 500	898 000	600 000	600 000	600 000	600 000
Number of new identity documents printed per year	Printing of security documents	2 430 000	2 544 000	2 671 000	2 804 000	3 000 000	3 500 000	3 500 000
Number of days to recover outstanding debt per year	Financial management	63	60	60	60	60	60	60

## Programmes/Activities/Objectives

**Table 4.20 Government Printing Works**

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Printing gazettes	33.5	34.1	32.2	39.2	5.4%	5.7%	63.4	71.1	74.5	23.9%	5.7%
Printing of security identity documents	48.8	20.9	19.8	24.1	-21.0%	4.7%	39.0	43.7	45.8	23.9%	3.5%
Printing of passports	109.8	282.7	267.5	318.3	42.6%	39.9%	518.5	583.2	611.4	24.3%	46.6%
Printing of security documents	198.7	109.2	103.3	125.6	-14.2%	21.9%	202.9	227.9	238.8	23.9%	18.3%
Printing of other forms/documents	72.5	73.0	69.1	84.0	5.0%	12.2%	135.8	152.5	159.8	23.9%	12.2%
Other objectives	143.0	82.2	83.3	72.3	-20.3%	15.6%	129.4	197.1	222.5	45.4%	13.7%
<b>Total expense</b>	<b>606.3</b>	<b>602.1</b>	<b>575.3</b>	<b>663.7</b>	<b>3.1%</b>	<b>100.0%</b>	<b>1 089.0</b>	<b>1 275.6</b>	<b>1 352.8</b>	<b>26.8%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 4.21 Government Printing Works**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>643.9</b>	<b>756.1</b>	<b>700.8</b>	<b>584.2</b>	<b>-3.2%</b>	<b>87.4%</b>	<b>1 034.3</b>	<b>1 370.7</b>	<b>1 441.8</b>	<b>35.1%</b>	<b>84.9%</b>
Sale of goods and services other than capital assets	639.0	753.4	692.9	584.2	-2.9%	86.9%	1 032.5	1 368.8	1 440.0	35.1%	84.8%
of which:											
Sales by market establishment	639.0	753.4	692.9	584.2	-2.9%	86.9%	1 032.5	1 368.8	1 440.0	35.1%	84.8%
Other non-tax revenue	4.9	2.7	7.9	0.0	-86.5%	0.5%	1.8	1.8	1.8	435.7%	0.1%
<b>Transfers received</b>	<b>55.4</b>	<b>60.8</b>	<b>66.3</b>	<b>208.2</b>	<b>55.5%</b>	<b>12.6%</b>	<b>231.0</b>	<b>111.4</b>	<b>134.3</b>	<b>-13.6%</b>	<b>15.1%</b>
<b>Total revenue</b>	<b>699.3</b>	<b>816.9</b>	<b>767.1</b>	<b>792.4</b>	<b>4.3%</b>	<b>100.0%</b>	<b>1 265.3</b>	<b>1 482.1</b>	<b>1 576.1</b>	<b>25.8%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>606.3</b>	<b>602.1</b>	<b>575.3</b>	<b>663.7</b>	<b>3.1%</b>	<b>100.0%</b>	<b>1 089.0</b>	<b>1 275.6</b>	<b>1 352.8</b>	<b>26.8%</b>	<b>100.0%</b>
Compensation of employees	44.9	49.3	57.3	62.1	11.4%	8.7%	120.2	138.0	148.0	33.6%	10.5%
Goods and services	499.3	484.2	442.4	514.4	1.0%	79.3%	861.7	1 001.4	1 037.5	26.3%	78.0%
Depreciation	62.1	68.5	75.6	87.2	12.0%	12.0%	107.1	136.2	167.3	24.2%	11.5%
<b>Total expenses</b>	<b>606.3</b>	<b>602.1</b>	<b>575.3</b>	<b>663.7</b>	<b>3.1%</b>	<b>100.0%</b>	<b>1 089.0</b>	<b>1 275.6</b>	<b>1 352.8</b>	<b>26.8%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>93.0</b>	<b>215.0</b>	<b>192.0</b>	<b>129.0</b>	<b>11.5%</b>		<b>176.0</b>	<b>206.0</b>	<b>223.0</b>	<b>20.0%</b>	

Table 4.21 Government Printing Works (continued)

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
	R million				2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
Carrying value of assets	359.4	395.0	379.6	473.5	9.6%	28.1%	651.6	912.2	1 066.5	31.1%	37.2%
<i>of which:</i>											
Acquisition of assets	72.9	104.2	60.1	182.3	35.8%	7.1%	285.2	396.8	319.8	20.6%	14.3%
Inventory	160.4	120.9	138.4	256.6	17.0%	11.7%	261.8	277.7	297.9	5.1%	13.4%
Receivables and prepayments	152.6	212.0	164.3	152.6	0.0%	12.1%	310.3	326.3	384.6	36.1%	14.0%
Cash and cash equivalents	390.9	645.5	958.5	879.4	31.0%	48.0%	816.1	634.9	493.0	-17.5%	35.4%
<b>Total assets</b>	<b>1 063.3</b>	<b>1 373.4</b>	<b>1 640.7</b>	<b>1 762.1</b>	<b>18.3%</b>	<b>100.0%</b>	<b>2 039.9</b>	<b>2 151.2</b>	<b>2 242.0</b>	<b>8.4%</b>	<b>100.0%</b>
Capital and reserves	469.1	683.9	875.7	1 003.2	28.8%	51.1%	1 179.5	1 386.0	1 609.3	17.1%	62.7%
Deferred income	506.8	543.3	605.9	668.2	9.7%	40.5%	705.2	593.8	459.4	-11.7%	30.1%
Trade and other payables	85.3	144.0	156.5	84.2	-0.4%	8.2%	144.0	147.0	161.2	24.2%	6.5%
Provisions	2.1	2.2	2.7	6.5	45.7%	0.2%	11.2	24.4	12.0	22.5%	0.6%
<b>Total equity and liabilities</b>	<b>1 063.3</b>	<b>1 373.4</b>	<b>1 640.7</b>	<b>1 762.1</b>	<b>18.3%</b>	<b>100.0%</b>	<b>2 039.9</b>	<b>2 151.2</b>	<b>2 242.0</b>	<b>8.4%</b>	<b>100.0%</b>

## Personnel information

Table 4.22 Government Printing Works

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	333	103	230	57.3	0.2	230	62.1	0.3	290	120.2	0.4	320	138.0	0.4	320	148.0	0.5	11.6%	100.0%
1 - 6	215	52	184	35.9	0.2	163	28.8	0.2	170	45.0	0.3	195	55.3	0.3	195	58.0	0.3	6.2%	62.8%
7 - 10	68	25	33	12.2	0.4	43	14.2	0.3	63	23.8	0.4	68	27.0	0.4	68	28.8	0.4	16.5%	20.7%
11 - 12	27	16	8	5.3	0.7	11	6.5	0.6	32	23.7	0.7	32	25.6	0.8	32	27.7	0.9	42.8%	9.0%
13 - 16	23	10	5	4.0	0.8	13	12.6	1.0	25	27.7	1.1	25	30.1	1.2	25	33.5	1.3	24.4%	7.5%

1. Rand million.

## Expenditure trends

The Government Printing Works generates revenue mainly from manufacturing security printed material such as examination papers, identity documents and passports; as well as from manufacturing non-security documents such as statistical reports, annual reports, brochures and standard office stationery. Revenue decreased significantly between 2009/10 and 2012/13 due to the commissioning of the new production facility and the equipment replacement programme, but is expected to increase further over the medium term as a result of the new facility and equipment increasing the entity's production capacity.

The spending focus over the medium term will be on accelerating the asset replacement programme and developing the entity's production facility to enable it to implement its key strategic objectives. R929 million has been allocated over this period for spending on the refurbishment of the new facility to provide office accommodation as well as for the acquisition of additional production equipment. This will see the remaining phases of the entity's new security printing division at its Pretoria premises completed by 2014/15. To date, pavilions one and two of the facility have been completed, and a R48 million web fed printing press and a R45 million multi-unit sheet fed printing press have been commissioned. The multi-unit sheet fed printing press has the capacity to produce modern security features such as rainbow images and transparent patterns, which are required for high security printing applications. In 2011/12, the entity initiated tender processes to acquire other items of machinery and equipment for both the Bosman Street and Visagie Street premises in Pretoria.

The entity has a total of 333 funded posts, of which 230 are filled. 111 posts are vacant due to natural attrition. The ratio of support staff to line function staff is 1:4.

### **Other public entities and agencies**

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Film and Publication Board** regulates and controls the creation, production, possession, exhibition and distribution of certain films, interactive computer games and publications in terms of the Film and Publications Act (1996). The board is also responsible for monitoring age restricted business premises for compliance with their licence and registration terms. The board's total budget for 2013/14 is R93.6 million.

Table 4.C Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2009/10	2010/11		2011/12	2013/14
<b>Departmental infrastructure</b>								
R million								
Sebokeng	Construction of new office building	Construction	10.0	2.1	1.7	5.9	-	-
Phutaditjaba	Construction of new office building	Construction	25.4	5.4	0.9	11.1	18.1	-
Taung	Construction of new office building	Design	19.1	2.7	-	0.5	4.9	-
Hluhluwe	Construction of new office building	Feasibility	12.1	-	-	0.2	-	11.4
Slanger	Construction of new office building	Feasibility	11.9	-	-	0.0	-	11.4
Lusikisiki	Demolishing of old prison and construction of new office building	Various	25.6	-	0.8	1.8	1.6	7.0
Randfontein	Demolishing of old commando and construction of new office building	Various	22.4	-	-	1.0	5.0	15.9
Marabastad	Construction of abulion block and shelter	Various	4.9	-	-	4.4	0.4	0.5
Repair and maintenance programme group 1	Renovations, repairs and maintenance of buildings to make them habitable	Handed over	32.5	8.7	11.6	-	-	-
Repair and maintenance programme group 2	Renovations, repairs and maintenance of buildings to make them habitable	Handed over	53.1	5.0	12.7	-	-	-
Repair and upgrade 2011	Renovations, repairs and maintenance of buildings to make them habitable	Various	30.1	-	10.9	13.8	-	-
Repair and upgrade 2012	Renovations, repairs and maintenance of buildings to make them habitable	Identification	45.4	-	-	-	11.3	31.2
Other capital works projects	Installation of uninterrupted power supply. Electrical engineering and related services	Various	11.5	-	-	-	2.2	-
Backlog repairs	Buildings repaired in terms of the Occupational Health and Safety Act (1993)	Handed over	30.9	12.0	-	-	-	-
Office expansion plan	In collaboration with Government Communication and Information System and South African social security agencies, the department will participate in the Thusong service centre initiative. Approximately 77 offices of the 172 new proposed offices will be catered for under this initiative	Handed over	15.7	15.7	-	-	-	-
New head office	Refurbishment of 13th Floor	Design	2.7	-	-	-	2.0	0.5
Ganyesa	Construction of new office building	Pre-feasibility	21.7	-	-	-	-	0.3
Bushbackridge	Construction of new office building	Pre-feasibility	15.7	-	-	-	-	0.3
Modimolle	Construction of new office building	Pre-feasibility	15.7	-	-	-	-	0.3
Bochum	Construction of new office building	Pre-feasibility	15.7	-	-	-	-	0.3
Springs	Acquisition of Land	Various	0.0	-	-	-	0.0	-
<b>Maintenance</b>								
Planned maintenance	Upgrading of facilities such as painting and new flooring	Handed over	33.9	4.5	5.0	5.0	4.5	3.0
Maintenance	Installation of generators, earthwire and related services	Various	3.9	-	3.7	0.2	1.3	-
New head office	Elevators	Tender	2.5	-	-	-	0.4	-
new head office	Power Upgrade	Various	12.0	-	-	-	5.2	-
Look and Feel	Renovations/ cosmetic changes in home affairs offices in waiting areas. Replacement of flooring, painting, installation of signage, blinds, new service counters and supply of terminal seats for members of the public.	Construction	55.0	-	20.0	35.0	-	-
<b>Total</b>			<b>529.4</b>	<b>56.1</b>	<b>67.2</b>	<b>78.9</b>	<b>74.8</b>	<b>53.3</b>
							<b>27.6</b>	<b>3.8</b>



# Vote 5

## International Relations and Cooperation

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	1 327.8	997.5	–	330.3	1 403.3	1 468.0
International Relations	2 653.4	2 612.9	–	40.5	2 840.6	3 017.8
International Cooperation	447.9	446.4	–	1.5	452.7	464.5
Public Diplomacy and Protocol Services	243.9	243.5	–	0.4	243.9	249.4
International Transfers	875.4	–	875.4	–	924.3	966.8
<b>Total expenditure estimates</b>	<b>5 548.4</b>	<b>4 300.3</b>	<b>875.4</b>	<b>372.7</b>	<b>5 864.8</b>	<b>6 166.5</b>

Executive authority

Minister of International Relations and Cooperation

Accounting officer

Director General of International Relations and Cooperation

Website address

[www.dirco.gov.za](http://www.dirco.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Formulate, coordinate, implement and manage South Africa's foreign policy and international relations programmes.*

### Mandate

According to the Constitution, the president is ultimately responsible for the foreign policy and international relations of South Africa. It is the prerogative of the president to appoint heads of mission, to receive foreign heads of mission, to conduct state-to-state relations, and to negotiate and sign all international agreements. International agreements that are not of a technical, administrative or executive nature will only bind the country after being approved by Parliament. Parliament also approves ratification or accession of the country to multilateral agreements. All international agreements must be tabled in Parliament for information purposes.

The Minister of International Relations and Cooperation is entrusted with the formulation, promotion and execution of South Africa's foreign policy and with the daily conduct of South Africa's foreign policy.

The department's overall mandate is to work for the realisation of South Africa's foreign policy objectives. This is done by:

- coordinating and aligning South Africa's international relations abroad
- monitoring developments in the international environment
- communicating government's policy positions
- developing and advising government on policy options, and creating mechanisms and avenues for achieving objectives
- protecting South Africa's sovereignty and territorial integrity
- contributing to the creation of an enabling international environment for South African business
- sourcing developmental assistance
- assisting South African citizens abroad.

## Strategic goals

The department's strategic goals over the medium term are to:

- promote policies, strategies and programmes to advance South Africa's national priorities through strengthened political, economic and social relations with targeted countries
- participate in the global system of governance to enhance international responsiveness to the needs of developing countries and Africa in particular through a reformed, strengthened and equitable rules based multilateral system
- enhance the African Agenda and sustainable development to promote global security, sustainable development and human rights
- strengthen political and economic integration of Southern African Development Community
- strengthen relations with strategic formations of the North as well as South-South relations
- provide effective state protocol services in response to the requirements of the Vienna Convention.

## Programme purposes

### Programme 1: Administration

**Purpose:** Develop overall policy and manage the department.

### Programme 2: International Relations

**Purpose:** Promote relations with foreign countries.

### Programme 3: International Cooperation

**Purpose:** Participate in international organisations and institutions in line with South Africa's national values and foreign policy objectives.

### Programme 4: Public Diplomacy and Protocol Services

**Purpose:** Communicate South Africa's role and position in international relations in the domestic and international arenas, and provide protocol services.

### Programme 5: International Transfer

**Purpose:** Fund membership fees and transfers to international organisations.

## Selected performance indicators

**Table 5.1 International Relations and Cooperation**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total number of diplomatic missions abroad	International Relations/ International Cooperation		124	124	124	124	124	124	124
Number of bilateral agreements signed with foreign countries per year <sup>1</sup>	International Relations	Outcome11: Create a better South Africa and contributing to a better and safer Africa in a better world	65	73	75	81	87	87	- <sup>1</sup>

Table 5.1 International Relations and Cooperation (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of countries assisted with post-conflict reconstruction and development per year <sup>1</sup>	International Relations	Outcome11: Create a better South Africa and contributing to a better and safer Africa in a better world	5	4	3	4	-1	-1	-1
Number of countries assisted with democratic election processes per year <sup>1</sup>	International Relations		4	2	3	4	-1	-1	-1
Number of incoming and outgoing visits facilitated per year <sup>1</sup>	Public Diplomacy and Protocol Services		350	250	320	176	-1	-1	-1
Number of people facilitated at VIP lounges at international airports (OR Tambo International and Cape Town International) per year <sup>1</sup>	Public Diplomacy and Protocol Services		26 780	26 500	23 100	23 150	-1	-1	-1
Number of international conferences hosted by South Africa per year	Public Diplomacy and Protocol Services		4	2	3	2	2	2	2
Number of foreign representatives in South Africa per year	Public Diplomacy and Protocol Services		286	309	309	309	309	309	309
Number of structured bilateral mechanisms to promote national priorities (African Agenda and the Agenda of the South) <sup>2</sup>	International Relations		-2	-2	-2	-2	46	46	46
Number of high level engagements coordinated in order to promote national priorities <sup>2</sup>	International Relations		-2	-2	-2	-2	61	60	60

Table 5.1 International Relations and Cooperation (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of economic diplomacy activities to attract investment and tourism <sup>2</sup>	International Relations	Outcome11: Create a better South Africa and contributing to a better and safer Africa in a better world	-2	-2	-2	-2	100	100	100
-Trade and investment seminars			-2	-2	-2	-2	50	50	50
- Engagements with chambers of commerce			-2	-2	-2	-2	120	120	120
- Bilateral meetings held with targeted government ministries and high level potential investors			-2	-2	-2	-2	40	40	40
- Development cooperation initiatives			-2	-2	-2	-2	4	4	4
Number of African Union structures and processes on the continent <sup>2</sup>	International Cooperation		-2	-2	-2	-2	10	10	10
Number of New Partnership for Africa's Development summits, meetings and processes <sup>2</sup>	International Cooperation		-2	-2	-2	-2	14	14	14
Number of Southern African Development Community structures and processes <sup>2</sup>	International Cooperation		-2	-2	-2	-2	14	14	14

1. Old indicator, discontinued from 2013/14.

2. New indicator from 2013/14.

## The national development plan

One of the objectives of the national development plan is to enhance South Africa's position in the region and the world, and to increase trade and investment. The plan states that: the country's foreign policy should be shaped by the interplay between diplomatic, political, security, environmental, economic and regional dynamics that define international relations; the country position itself as one of Africa's powerhouses, leading development and growth on the continent; and integration with the Brazil-Russia-India-China-South Africa group of countries should be deepened.

The Department of International Relations and Cooperation contributes to the realisation of the plan's development goals by continuing to support regional and continental processes, responding to and resolving crises, strengthening regional integration, contributing to an enabling trade environment, increasing intra-African trade, and championing sustainable development and opportunities in Africa.

The department recognises that to achieve the plan's proposed expansion of South Africa's trade and global market share, a greater productive and export capacity and global competitiveness across the region needs to be built. The department's strategic focus is thus to advance a developmental integration agenda in Southern Africa by combining trade integration, infrastructure development and sector policy coordination. As such, the integration of the Southern African Development Community (SADC) and regional neighbours is critical for the economic development of the region and for South Africa's global competitiveness. South Africa will continue to use structured bilateral mechanisms and high level engagements to reinforce and expand cooperation in the political, economic, and social and security spheres for the purpose of contributing to the achievement of national priorities.

## Expenditure estimates

**Table 5.2 International Relations and Cooperation**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R million													
Administration	1 235.9	1 073.1	1 170.6	1 275.6	1 275.6	1.1%	23.6%	1 327.8	1 403.3	1 468.0	4.8%	24.0%	
International Relations	2 408.4	2 053.3	2 213.2	2 360.2	2 360.2	-0.7%	44.9%	2 653.4	2 840.6	3 017.8	8.5%	47.6%	
International Cooperation	406.6	334.4	333.0	438.8	438.8	2.6%	7.5%	447.9	452.7	464.5	1.9%	7.9%	
Public Diplomacy and Protocol Services	251.3	201.5	485.4	298.3	298.3	5.9%	6.1%	243.9	243.9	249.4	-5.8%	4.5%	
International Transfers	1 115.2	754.9	819.6	898.6	898.6	-6.9%	17.8%	875.4	924.3	966.8	2.5%	16.0%	
<b>Total</b>	<b>5 417.4</b>	<b>4 417.2</b>	<b>5 021.8</b>	<b>5 271.5</b>	<b>5 271.5</b>	<b>-0.9%</b>	<b>100.0%</b>	<b>5 548.4</b>	<b>5 864.8</b>	<b>6 166.5</b>	<b>5.4%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				154.9	154.9			27.4	25.4	58.5			
<b>Economic classification</b>													
<b>Current payments</b>	<b>3 748.0</b>	<b>3 438.9</b>	<b>3 788.9</b>	<b>4 001.6</b>	<b>4 000.2</b>	<b>2.2%</b>	<b>74.4%</b>	<b>4 300.3</b>	<b>4 546.5</b>	<b>4 784.2</b>	<b>6.1%</b>	<b>77.2%</b>	
Compensation of employees	1 833.3	1 791.4	1 934.2	2 079.3	2 079.3	4.3%	37.9%	2 238.8	2 306.9	2 365.8	4.4%	39.3%	
Goods and services	1 875.9	1 570.7	1 854.7	1 922.3	1 920.9	0.8%	35.9%	2 061.5	2 239.6	2 421.8	8.0%	37.8%	
<i>of which:</i>													
Operating leases	767.7	558.4	565.1	619.5	626.1	-6.6%	12.5%	748.2	806.0	922.4	13.8%	13.6%	
Property payments	232.3	134.4	190.0	232.4	232.4	0.0%	3.9%	225.3	232.7	245.1	1.8%	4.1%	
Travel and subsistence	266.0	235.4	365.5	294.3	343.5	8.9%	6.0%	318.8	345.3	365.7	2.1%	6.0%	
Operating payments	119.4	135.2	151.1	176.2	151.1	8.2%	2.8%	210.8	232.2	235.8	16.0%	3.6%	
Interest and rent on land	38.8	76.8	0.1	-	-	-100.0%	0.6%	-	-	(3.4)		0.0%	
<b>Transfers and subsidies</b>	<b>1 171.9</b>	<b>798.5</b>	<b>827.9</b>	<b>898.6</b>	<b>900.0</b>	<b>-8.4%</b>	<b>18.4%</b>	<b>875.4</b>	<b>924.3</b>	<b>966.8</b>	<b>2.4%</b>	<b>16.0%</b>	
Provinces and municipalities	23.6	24.2	-	-	-	-100.0%	0.2%	-	-	-			
Departmental agencies and accounts	631.4	401.1	450.4	518.0	518.0	-6.4%	9.9%	476.9	502.0	525.1	0.5%	8.8%	
Foreign governments and international organisations	483.8	353.9	369.2	380.6	380.6	-7.7%	7.9%	398.4	422.3	441.8	5.1%	7.2%	
Public corporations and private enterprises	16.4	-	-	-	-	-100.0%	0.1%	-	-	-			
Households	16.8	19.4	8.3	-	1.4	-56.4%	0.2%	-	-	-	-100.0%	0.0%	
<b>Payments for capital assets</b>	<b>340.4</b>	<b>156.3</b>	<b>361.8</b>	<b>371.3</b>	<b>371.3</b>	<b>2.9%</b>	<b>6.1%</b>	<b>372.7</b>	<b>394.0</b>	<b>415.5</b>	<b>3.8%</b>	<b>6.8%</b>	
Buildings and other fixed structures	165.3	133.8	326.6	327.6	327.6	25.6%	4.7%	330.3	349.0	368.5	4.0%	6.0%	
Machinery and equipment	90.7	22.5	35.2	43.7	43.7	-21.6%	1.0%	42.4	45.0	47.1	2.5%	0.8%	
Land and sub-soil assets	83.9	-	-	-	-	-100.0%	0.4%	-	-	-			
Software and other intangible assets	0.5	-	-	-	-	-100.0%	0.0%	-	-	-			
<b>Payments for financial assets</b>	<b>157.2</b>	<b>23.6</b>	<b>43.2</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>1.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>Total</b>	<b>5 417.4</b>	<b>4 417.2</b>	<b>5 021.8</b>	<b>5 271.5</b>	<b>5 271.5</b>	<b>-0.9%</b>	<b>100.0%</b>	<b>5 548.4</b>	<b>5 864.8</b>	<b>6 166.5</b>	<b>5.4%</b>	<b>100.0%</b>	

## Personnel information

**Table 5.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
International Relations and Cooperation		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	2 702	110	2 256	751.9	0.3	2 496	943.5	0.4	2 721	121.5	0.4	2 748	193.4	0.4	2 775	256.4	0.5	3.6%	100.0%
1 – 6	432	110	377	50.7	0.1	472	62.1	0.1	432	72.3	0.2	459	80.6	0.2	471	86.7	0.2	-0.1%	17.1%
7 – 10	1 485	–	1 270	341.6	0.3	1 331	419.0	0.3	1 500	506.5	0.3	1 500	535.7	0.4	1 510	561.9	0.4	4.3%	54.4%
11 – 12	473	–	381	171.3	0.4	422	238.2	0.6	475	270.2	0.6	475	288.0	0.6	475	300.3	0.6	4.0%	17.2%
13 – 16	312	–	228	188.3	0.8	271	224.2	0.8	314	272.4	0.9	314	289.1	0.9	319	307.5	1.0	5.6%	11.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on sustaining economic and political relations, participating in global governance forums and establishing the South African Development Partnership Agency to support the development of the African continent as well as the regional integration of the SADC.

Expenditure in 2011/12 increased because R270 million was spent for South Africa's hosting of the 17th conference of the parties to the United Nations (UN) Framework Convention on Climate Change (COP 17) and the 7th session of the conference of the parties serving as the meeting of the parties to the Kyoto Protocol (CMP 7). The 46.7 per cent average annual growth in spending on contractors and 171.9 per cent average annual growth in spending on agency support services between 2009/10 and 2011/12 related to the incursion of maintenance costs at missions as well as legal and management fees that relate to public private partnership contracts. Spending on buildings and other fixed structures increased because the department acquired a building for the mission in Geneva, Switzerland, in 2011/12.

Over the medium term, spending is expected to increase to R6.2 billion owing to inflation related adjustments made across all programmes and unitary fees incurred for the head office building. More than R334 million of this increase provides for inflation related adjustments to spending on compensation of employees and foreign exchange rate fluctuations. R151.6 million of the increase provides for inflation related adjustments made to accommodation lease commitments. The 13.8 per cent increase in spending on operating leases over the MTEF period is because of increases in the cost of leasing mission buildings.

The department's total spending on consultants averages 0.5 per cent and 1.4 per cent of total spending on compensation of employees in 2012/13 and over the medium term. Spending on consultants is expected to increase to R33.5 million in 2015/16, mainly to conduct feasibility studies for infrastructure projects, ICT services and also for the provision of training services. The department employed an additional 229 people in 2011/12, the majority of which were in salary levels 1 to 12, with a minimal increase in expenditure on compensation of employees. In 2013/14, the department plans to employ an additional 225 people to strengthen its capacity. The ratio of support to line function staff is 1:4.

### Infrastructure spending

The department's spending on infrastructure increased from R165.3 million in 2009/10 to R206.9 million in 2012/13, and is expected to increase to R223.8 million over the MTEF period. The spending focus over the MTEF period will be on the completion of renovations to capital projects. R202.9 million in 2013/14, R213.9 million in 2014/15 and R223.8 million in 2015/16 has been budgeted for the construction of new state owned chanceries, official residences and staff accommodation abroad, as well as on the renovation and upgrading of the state owned property portfolio abroad. In particular, the department will complete the construction of chanceries in Dar es Salaam, Tanzania; and Lilongwe, Malawi, and progress substantially with

the construction of chanceries in Kigali (Rwanda) and Mbabane (Swaziland). The department intends to engage the private sector for the development of chanceries and official residences on vacant state owned land in New Delhi (India), Riyadh (Saudi Arabia), Dakar (Senegal), Bamako (Mali), Gaborone (Botswana) and Montevideo (Uruguay), through development agreements or public private partnerships.

## Departmental receipts

Table 5.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R thousand												
<b>Departmental receipts</b>	<b>23 170</b>	<b>38 817</b>	<b>82 928</b>	<b>24 084</b>	<b>24 084</b>	<b>1.3%</b>	<b>100.0%</b>	<b>25 346</b>	<b>26 616</b>	<b>27 943</b>	<b>5.1%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>562</b>	<b>546</b>	<b>586</b>	<b>541</b>	<b>541</b>	<b>-1.3%</b>	<b>1.3%</b>	<b>568</b>	<b>596</b>	<b>626</b>	<b>5.0%</b>	<b>2.2%</b>
Sales by market establishments	562	253	270	238	238	-24.9%	0.8%	250	262	275	4.9%	1.0%
of which:												
Parking fee	562	253	270	238	238	-24.9%	0.8%	250	262	275	4.9%	1.0%
Administration fees	-	293	316	303	303	-	0.5%	318	334	351	5.0%	1.3%
of which:												
Insurance fees	-	43	45	45	45	-	0.1%	47	49	52	4.9%	0.2%
Garnishee fees	-	250	271	258	258	-	0.5%	271	285	299	5.0%	1.1%
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>431</b>	<b>669</b>	<b>1 003</b>	<b>2 200</b>	<b>2 200</b>	<b>72.2%</b>	<b>2.5%</b>	<b>122</b>	<b>128</b>	<b>130</b>	<b>-61.1%</b>	<b>2.5%</b>
of which:												
Sales of scrap	431	669	1 003	2 200	2 200	72.2%	2.5%	122	128	130	-61.1%	2.5%
Fines, penalties and forfeits	-	-	188	-	-	-	0.1%	-	-	-	-	-
<b>Interest, dividends and rent on land</b>	<b>894</b>	<b>198</b>	<b>1 436</b>	<b>867</b>	<b>867</b>	<b>-1.0%</b>	<b>2.0%</b>	<b>4 900</b>	<b>5 145</b>	<b>5 402</b>	<b>84.0%</b>	<b>15.7%</b>
Interest	894	198	1 281	767	767	-5.0%	1.9%	805	845	887	5.0%	3.2%
Rent on land	-	-	155	100	100	-	0.2%	4 095	4 300	4 515	256.1%	12.5%
<b>Sales of capital assets</b>	<b>2 540</b>	<b>8 170</b>	<b>1 873</b>	<b>2 156</b>	<b>2 156</b>	<b>-5.3%</b>	<b>8.7%</b>	<b>3 997</b>	<b>4 197</b>	<b>4 407</b>	<b>26.9%</b>	<b>14.2%</b>
<b>Transactions in financial assets and liabilities</b>	<b>18 743</b>	<b>29 234</b>	<b>77 842</b>	<b>18 320</b>	<b>18 320</b>	<b>-0.8%</b>	<b>85.3%</b>	<b>15 759</b>	<b>16 550</b>	<b>17 378</b>	<b>-1.7%</b>	<b>65.4%</b>
<b>Total</b>	<b>23 170</b>	<b>38 817</b>	<b>82 928</b>	<b>24 084</b>	<b>24 084</b>	<b>1.3%</b>	<b>100.0%</b>	<b>25 346</b>	<b>26 616</b>	<b>27 943</b>	<b>5.1%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 5.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Ministry	3.5	4.0	4.1	5.3	15.4%	0.4%	5.6	6.0	6.2	5.4%	0.4%
Departmental Management	9.7	9.7	12.6	14.0	13.2%	1.0%	14.8	15.6	16.4	5.3%	1.1%
Audit Services	12.0	13.5	13.2	14.4	6.2%	1.1%	15.2	15.9	18.6	8.9%	1.2%
Financial Management	79.3	94.2	108.9	85.1	2.4%	7.7%	109.4	115.1	113.9	10.2%	7.7%
Corporate Services	476.8	581.3	517.8	607.4	8.4%	45.9%	611.3	646.9	685.7	4.1%	46.6%
Diplomatic Training, Research and Development	51.4	65.5	62.5	75.7	13.8%	5.4%	87.1	91.5	91.1	6.4%	6.3%
Foreign Fixed Assets Management	422.4	70.1	216.8	207.0	-21.2%	19.3%	202.9	214.0	223.8	2.6%	15.5%
Office Accommodation	180.9	234.8	234.7	266.7	13.8%	19.3%	281.5	298.4	312.2	5.4%	21.2%
<b>Total</b>	<b>1 235.9</b>	<b>1 073.1</b>	<b>1 170.6</b>	<b>1 275.6</b>	<b>1.1%</b>	<b>100.0%</b>	<b>1 327.8</b>	<b>1 403.3</b>	<b>1 468.0</b>	<b>4.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				-			-	-	-		

**Table 5.5 Administration (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>797.6</b>	<b>937.8</b>	<b>831.1</b>	<b>948.0</b>	<b>5.9%</b>	<b>73.9%</b>	<b>997.5</b>	<b>1 054.3</b>	<b>1 099.5</b>	<b>5.1%</b>	<b>74.9%</b>
Compensation of employees	234.0	270.7	310.1	355.4	14.9%	24.6%	329.7	330.5	329.7	-2.5%	24.6%
Goods and services	524.8	590.3	520.9	592.6	4.1%	46.9%	667.8	723.8	773.2	9.3%	50.4%
of which:											
Operating leases	94.8	114.3	75.9	86.5	-3.0%	7.8%	138.6	109.3	128.5	14.1%	8.5%
Property payments	78.6	11.7	15.8	21.6	-34.9%	2.7%	22.9	24.2	25.7	5.9%	1.7%
Travel and subsistence	68.3	78.6	88.8	55.0	-7.0%	6.1%	89.7	95.7	99.8	22.0%	6.2%
Operating payments	62.9	106.5	77.6	68.7	3.0%	6.6%	68.1	73.2	74.2	2.6%	5.2%
Interest and rent on land	38.8	76.8	0.1	-	-100.0%	2.4%	-	-	(3.4)	-	-0.1%
<b>Transfers and subsidies</b>	<b>15.5</b>	<b>1.5</b>	<b>1.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public corporations and private enterprises	13.8	-	-	-	-100.0%	0.3%	-	-	-	-	-
Households	1.7	1.5	1.0	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>283.4</b>	<b>134.0</b>	<b>338.2</b>	<b>327.6</b>	<b>5.0%</b>	<b>22.8%</b>	<b>330.3</b>	<b>349.0</b>	<b>368.5</b>	<b>4.0%</b>	<b>25.1%</b>
Buildings and other fixed structures	165.3	133.8	326.5	327.6	25.6%	20.0%	330.3	349.0	368.5	4.0%	25.1%
Machinery and equipment	33.7	0.2	11.6	0.0	-90.8%	1.0%	-	0.0	0.0	3.7%	-
Land and sub-soil assets	83.9	-	-	-	-100.0%	1.8%	-	-	-	-	-
Software and other intangible assets	0.5	-	-	-	-100.0%	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>139.5</b>	<b>(0.2)</b>	<b>0.4</b>	<b>-</b>	<b>-100.0%</b>	<b>2.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 235.9</b>	<b>1 073.1</b>	<b>1 170.6</b>	<b>1 275.6</b>	<b>1.1%</b>	<b>100.0%</b>	<b>1 327.8</b>	<b>1 403.3</b>	<b>1 468.0</b>	<b>4.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>22.8%</b>	<b>24.3%</b>	<b>23.3%</b>	<b>24.2%</b>			<b>23.9%</b>	<b>23.9%</b>	<b>23.8%</b>		

**Details of transfers and subsidies**

<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>1.7</b>	<b>1.5</b>	<b>1.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee Social benefits	1.7	1.5	1.0	-	-100.0%	0.1%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>13.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public Cooperation	13.8	-	-	-	-100.0%	0.3%	-	-	-	-	-

**Personnel information**

**Table 5.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
<b>Administration</b>			Number	Unit	Cost	Number	Unit	Cost	Number	Unit	Cost	Number	Unit	Cost					
<b>Salary level</b>	<b>1 024</b>	<b>110</b>	<b>923</b>	<b>274.3</b>	<b>0.3</b>	<b>996</b>	<b>304.7</b>	<b>0.3</b>	<b>1 043</b>	<b>375.4</b>	<b>0.4</b>	<b>1 070</b>	<b>396.0</b>	<b>0.4</b>	<b>1 090</b>	<b>417.5</b>	<b>0.4</b>	<b>3.1%</b>	<b>100.0%</b>
1 - 6	282	110	272	36.1	0.1	366	44.7	0.1	282	49.6	0.2	309	54.2	0.2	319	58.6	0.2	-4.5%	30.4%
7 - 10	537	-	485	135.6	0.3	459	144.3	0.3	552	179.7	0.3	552	188.6	0.3	562	199.4	0.4	7.0%	50.6%
11 - 12	132	-	111	52.0	0.5	108	57.5	0.5	134	73.9	0.6	134	77.5	0.6	134	80.3	0.6	7.5%	12.1%
13 - 16	73	-	55	50.6	0.9	63	58.2	0.9	75	72.3	1.0	75	75.8	1.0	75	79.2	1.1	6.0%	6.9%

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

2. Rand million.

3. As at 30 September 2012.



## Expenditure trends

The spending focus over the medium term will be on property and office management, and increasing the number of personnel to strengthen the department's capacity.

Spending in the *Diplomatic Training, Research and Development* subprogramme increased significantly between 2009/10 and 2012/13 due to an increase in training programmes in the fields of diplomacy and international relations for South African and foreign diplomats. Spending on consultants decreased between 2009/10 and 2012/13 because the construction of the head office building and other major projects was completed. The 25.6 per cent average annual increase in spending on buildings and other fixed structures was due to the department acquiring a building for the mission in Geneva, Switzerland, in 2011/12. The 21.2 per cent decrease in spending on the *Foreign Fixed Assets Management* subprogramme was due to the scaling down of property acquisitions while an alternative funding model was explored. Compensation of employees increased by 14.9 per cent between 2009/10 and 2012/13 due to the additional intake for the internship and learnership programmes, as well as cost of living adjustments.

Over the medium term, spending in this programme is expected to increase to R1.5 billion because of inflation related adjustments for compensation of employees and increases in rental costs for office accommodation. Spending on consultants is expected to increase to R28.1 million over this period mainly because feasibility studies for infrastructure projects, ICT services and training services are to be conducted.

The department employed an additional 54 people between 2009/10 and 2012/13, the majority of which are in salary levels 7 to 12. As at 30 September 2012, there were 28 vacant posts. This was due to retirements and resignations mainly in salary levels 7 to 12. Over the medium term, moderate increases are expected in the number of additional posts created as the department strengthens the skills of existing staff.

## Programme 2: International Relations

### Objectives

- Strengthen political, economic and social relations with targeted countries to advance South Africa's national priorities by promoting national and international relations policies, strategies and programmes on an ongoing basis.

### Subprogrammes

- *Africa* embraces relevant national priorities through strengthened bilateral cooperation with individual countries in Africa, with the focus on prioritising increased exports of South African goods and services, foreign direct investment with technology transfers into value added industries and mineral beneficiation, and increased inbound tourism and skills enhancement. In 2012/13, foreign representation continued through 47 diplomatic missions, which facilitated structured bilateral relations in Africa. Over the medium term, the department will continue to operate the 47 diplomatic missions in this region. This subprogramme had a staff complement of 330 in 2012/13.
- *Asia and Middle East* embraces relevant national priorities through strengthened bilateral cooperation with individual countries in Asia and the Middle East, with the focus on prioritising increased exports of South African goods and services, foreign direct investment with technology transfers into value added industries and mineral beneficiation, and increased inbound tourism and skills enhancement. In 2012/13, foreign representation continued through 32 diplomatic missions, which provided structured bilateral relations in the region. Over the medium term, the department will continue to operate the 32 diplomatic missions in this region. This subprogramme had a staff complement of 236 in 2012/13.
- *Americas and Caribbean* embraces relevant national priorities through strengthened bilateral cooperation with individual countries in the Americas and the Caribbean, with the focus on prioritising increased exports of South African goods and services, foreign direct investment with technology transfers into value added industries and mineral beneficiation, and increased inbound tourism and skills enhancement. In 2012/13, foreign representation continued through 18 diplomatic missions, which provided structured bilateral relations in the region. This subprogramme had a staff complement of 143 in 2012/13.

- *Europe* embraces relevant national priorities through strengthened bilateral cooperation with individual countries in Europe, with the focus on prioritising increased exports of South African goods and services, foreign direct investment with technology transfers into value added industries and mineral beneficiation, and increased inbound tourism and skills enhancement. In 2012/13, foreign representation continued through 28 diplomatic missions, which provided structured bilateral relations in the region. This subprogramme had a staff complement of 223 in 2012/13.

## Expenditure estimates

**Table 5.7 International Relations**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R million											
Africa	764.1	543.4	647.6	716.4	-2.1%	29.6%	779.1	843.3	895.5	7.7%	29.7%
Asia and Middle East	626.9	618.7	617.9	588.6	-2.1%	27.1%	696.0	744.9	781.2	9.9%	25.9%
Americas and Caribbean	358.4	327.3	369.4	398.1	3.6%	16.1%	475.9	501.8	529.5	10.0%	17.5%
Europe	658.9	563.9	578.2	657.0	-0.1%	27.2%	702.5	750.5	811.6	7.3%	26.9%
<b>Total</b>	<b>2 408.4</b>	<b>2 053.3</b>	<b>2 213.2</b>	<b>2 360.2</b>	<b>-0.7%</b>	<b>100.0%</b>	<b>2 653.4</b>	<b>2 840.6</b>	<b>3 017.8</b>	<b>8.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(65.1)			(23.8)	5.2	52.1		
<b>Economic classification</b>											
<b>Current payments</b>	<b>2 354.3</b>	<b>1 996.5</b>	<b>2 144.9</b>	<b>2 338.0</b>	<b>-0.2%</b>	<b>97.8%</b>	<b>2 612.9</b>	<b>2 798.0</b>	<b>2 971.2</b>	<b>8.3%</b>	<b>98.6%</b>
Compensation of employees	1 342.4	1 222.4	1 318.0	1 382.0	1.0%	58.3%	1 525.2	1 584.0	1 636.7	5.8%	56.4%
Goods and services	1 011.8	774.1	826.9	956.0	-1.9%	39.5%	1 087.7	1 214.0	1 334.6	11.8%	42.2%
<i>of which:</i>											
Operating leases	520.6	395.2	435.2	475.6	-3.0%	20.2%	544.4	651.8	746.9	16.2%	22.2%
Property payments	147.7	104.0	137.1	175.9	6.0%	6.3%	169.6	173.6	183.0	1.3%	6.5%
Travel and subsistence	108.9	67.1	85.2	82.6	-8.8%	3.8%	129.8	138.5	152.2	22.6%	4.6%
Operating payments	38.9	24.9	59.6	69.6	21.4%	2.1%	96.1	112.0	111.4	17.0%	3.6%
<b>Transfers and subsidies</b>	<b>16.8</b>	<b>17.8</b>	<b>7.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public corporations and private enterprises	2.3	-	-	-	-100.0%	-	-	-	-	-	-
Households	14.5	17.8	7.0	-	-100.0%	0.4%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>26.4</b>	<b>18.8</b>	<b>14.4</b>	<b>22.2</b>	<b>-5.7%</b>	<b>0.9%</b>	<b>40.5</b>	<b>42.6</b>	<b>46.6</b>	<b>28.1%</b>	<b>1.4%</b>
Buildings and other fixed structures	-	-	0.1	0.0	-	-	0.0	0.0	0.0	4.6%	-
Machinery and equipment	26.4	18.8	14.3	22.2	-5.7%	0.9%	40.5	42.6	46.5	28.1%	1.4%
<b>Payments for financial assets</b>	<b>10.9</b>	<b>20.2</b>	<b>46.9</b>	<b>-</b>	<b>-100.0%</b>	<b>0.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 408.4</b>	<b>2 053.3</b>	<b>2 213.2</b>	<b>2 360.2</b>	<b>-0.7%</b>	<b>100.0%</b>	<b>2 653.4</b>	<b>2 840.6</b>	<b>3 017.8</b>	<b>8.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>44.5%</b>	<b>46.5%</b>	<b>44.1%</b>	<b>44.8%</b>			<b>47.8%</b>	<b>48.4%</b>	<b>48.9%</b>		
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>4.8</b>	<b>6.5</b>	<b>3.2</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee Social benefits	1.0	4.5	1.1	-	-100.0%	0.1%	-	-	-	-	-
Transfer to household	3.8	2.0	2.1	-	-100.0%	0.1%	-	-	-	-	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>9.6</b>	<b>11.3</b>	<b>3.8</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transfer to household	6.1	6.1	2.8	-	-100.0%	0.2%	-	-	-	-	-
Transfers to household	3.5	3.8	1.0	-	-100.0%	0.1%	-	-	-	-	-
Household	-	1.3	-	-	-	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>2.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public corporations and private enterprises	2.3	-	-	-	-100.0%	-	-	-	-	-	-

## Personnel information

Table 5.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012				Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost	
International Relations																				
Salary level	1 017	-		798	285.6	0.4	932	436.9	0.5	1 017	500.3	0.5	1 017	524.8	0.5	1 024	554.6	0.5	3.2%	100.0%
1 – 6	33	-		37	3.9	0.1	34	5.9	0.2	33	5.9	0.2	33	6.2	0.2	35	6.9	0.2	1.0%	3.4%
7 – 10	602	-		464	116.2	0.3	537	186.8	0.3	602	220.5	0.4	602	231.3	0.4	602	241.9	0.4	3.9%	58.7%
11 – 12	204	-		163	64.6	0.4	200	114.7	0.6	204	123.3	0.6	204	129.3	0.6	204	135.3	0.7	0.7%	20.4%
13 – 16	178	-		134	101.0	0.8	161	129.6	0.8	178	150.6	0.8	178	158.0	0.9	183	170.5	0.9	4.4%	17.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on promoting relations through political and socioeconomic development. The budget allocation over this period will enable the department to contribute to the realisation of key national outcomes through strengthened bilateral cooperation with individual countries of the South and the North. These include increased exports of South African goods and services, foreign direct investment with technology transfers into value added industries and mineral beneficiation, as well as more inbound tourism and skills development.

The decrease in expenditure between 2009/10 and 2012/13 was due to cost cutting measures implemented in 2010/11 on service items such as communications, catering, venues and facilities, and travel. Over the medium term, spending in the programme is expected to increase to R3 billion due to cost of living and inflation related adjustments on obligatory expenses such as foreign allowances and accommodation leases. The 35.4 per cent increase in spending on contractors in 2009/10 relates to maintenance costs that were completed in 2010/11. Spending on the *Asia and Middle East* and *Americas and Caribbean* subprogrammes decreases by 10 per cent over the medium term due to foreign exchange fluctuations and a budget realignment. Spending on goods and services will increase by 11.8 per cent due to foreign exchange rate fluctuations and inflation adjustments to property leases. Spending on operating leases will increase by 16.2 per cent over the same period because of an expected increase in office and accommodation rental costs as well as foreign exchange fluctuations.

The department employed an additional 112 people between 2009/10 and 2012/13, the majority of whom were in salary levels 7 to 10. The increase in the number of posts was due to the department having the capacity to fill vacant posts. As at 30 September 2012, the vacancy rate was 8.4 per cent due to resignations. Over the medium term, the department plans to employ an additional 38 people, which will result in the programme having a full establishment.

## Programme 3: International Cooperation

### Objectives

- Contribute towards a reformed, strengthened and, multilateral system that is based on equal rules and that will be responsive to the needs of developing countries and Africa, in particular, by participating in the global system of governance on an ongoing basis.
- Strengthen the African Union (AU) and its structures by:
  - providing financial and technical support for operationalising the African Court of Justice and AU financial institutions by March 2014
  - providing ongoing financial support for the operations of the Pan African Parliament in terms of the country host agreement.

- Contribute to the political and economic integration of African regions by supporting the implementation of the tripartite summit comprising the Common Market for Eastern and Southern Africa, the East African Community and the SADC on establishing a free trade area between the summit countries by March 2014.
- Improve governance and capacity in the SADC secretariat on an ongoing basis by implementing the secretariat's job evaluation plan and assisting with the recruitment process on an ongoing basis.
- Contribute towards the New Partnership for Africa's Development process for socioeconomic development in Africa by participating in the African Peer Review Mechanism and submitting the African Peer Review Mechanism country report when required.
- Strengthen bilateral, trilateral and multilateral interest and relations within the Brazil-Russia-India-China South Africa group of countries dialogue forum through continuous active participation in forum structures.
- Strengthen political solidarity, economic cooperation and sociocultural relations with Asian countries by participating in the New Asian-African Strategic Partnership structures over the medium term.

### **Subprogrammes**

- *Global System of Governance* provides for multilateralism and a rules based international order. This entails participating and playing an active role in all forums of the UN system and its specialised agencies, and funding programmes that promote the principles of multilateral activity. In 2012/13, South Africa served as a non-permanent member of the UN Security Council until 31 December 2012, presided as the president of COP 17 and CMP 7 until November 2012, and was also elected as a member of the UN Economic and Social Council from January 2013 to December 2016. This subprogramme had a staff complement of 161 in 2012/13.
- *Continental Cooperation* provides for the enhancement of the African Agenda and sustainable development. In 2012/13, this subprogramme facilitated the appointment of the chairperson to the AU Commission from the SADC region, and also facilitated South Africa's chairing of the SADC troika until July 2012. Over the medium term, South Africa will continue to play a leading role in conflict prevention, peacekeeping, peace building, and post-conflict reconstruction. To achieve this, both bilateral and multilateral branches will engage through structured mechanisms and intergovernmental relations. This subprogramme had a staff complement of 69 in 2012/13.
- *South-South Cooperation* provides for partnerships with countries of the South in advancing South Africa's own development needs and the needs of the African Agenda; and creates political, economic and social convergence for the fight against poverty, underdevelopment and the marginalisation of the South. A key output in 2012/13 was South Africa presiding as president of the Brazil-Russia-India-China-South Africa group of countries until March 2013, and being elected to chair the Forum on China/Africa Cooperation from July 2012 to June 2017. Over the medium term, South Africa will promote the strengthening of South-South cooperation and support agendas of the South in all relevant forums. This subprogramme had a staff complement of 8 in 2012/13.
- *South-North Dialogue* provides for South Africa's bilateral and multilateral engagements to consolidate and strengthen relations with organisations of the North to advance and support national priorities, the African Agenda and the developmental agenda of the South. In 2012/13, the department facilitated South Africa's participation in the South Africa-European Union summit, which was held in Brussels. This subprogramme had a staff complement of 28 in 2012/13.

## Expenditure estimates

**Table 5.9 International Cooperation**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)	
R million												
Global System of Governance	167.9	194.5	205.6	239.5	12.6%	53.4%	252.1	240.6	251.8	1.7%	54.5%	
Continental Cooperation	177.9	82.7	70.4	141.0	-7.4%	31.2%	127.0	138.8	140.6	-0.1%	30.3%	
South-South Cooperation	4.2	4.0	4.3	4.9	5.2%	1.1%	6.4	7.4	8.7	21.0%	1.5%	
North-South Dialogue	56.7	53.1	52.7	53.4	-2.0%	14.3%	62.4	66.0	63.5	5.9%	13.6%	
<b>Total</b>	<b>406.6</b>	<b>334.4</b>	<b>333.0</b>	<b>438.8</b>	<b>2.6%</b>	<b>100.0%</b>	<b>447.9</b>	<b>452.7</b>	<b>464.5</b>	<b>1.9%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				69.0			42.2	24.8	17.0			
<b>Economic classification</b>												
<b>Current payments</b>	<b>397.3</b>	<b>327.8</b>	<b>334.1</b>	<b>419.6</b>	<b>1.8%</b>	<b>97.7%</b>	<b>446.4</b>	<b>450.8</b>	<b>464.5</b>	<b>3.4%</b>	<b>98.7%</b>	
Compensation of employees	185.6	213.1	210.5	230.0	7.4%	55.5%	260.5	268.4	275.5	6.2%	57.3%	
Goods and services	211.6	114.7	123.6	189.6	-3.6%	42.3%	185.9	182.3	189.1	-0.1%	41.4%	
of which:												
Operating leases	148.1	46.9	52.9	55.0	-28.1%	20.0%	62.7	42.3	44.3	-7.0%	11.3%	
Property payments	6.0	18.7	8.2	11.1	22.7%	2.9%	6.7	7.3	7.5	-12.4%	1.8%	
Travel and subsistence	32.3	29.8	32.3	52.2	17.3%	9.7%	43.0	56.5	56.6	2.7%	11.5%	
Operating payments	1.4	2.2	11.3	36.0	193.6%	3.4%	44.1	44.5	47.5	9.7%	9.5%	
<b>Transfers and subsidies</b>	<b>0.9</b>	<b>0.0</b>	<b>0.2</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Public corporations and private enterprises	0.3	-	-	-	-100.0%	-	-	-	-	-	-	
Households	0.6	0.0	0.2	-	-100.0%	0.1%	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>1.7</b>	<b>2.9</b>	<b>2.8</b>	<b>19.2</b>	<b>122.8%</b>	<b>1.8%</b>	<b>1.5</b>	<b>1.9</b>	<b>-</b>	<b>-100.0%</b>	<b>1.3%</b>	
Machinery and equipment	1.7	2.9	2.8	19.2	122.8%	1.8%	1.5	1.9	-	-100.0%	1.3%	
<b>Payments for financial assets</b>	<b>6.7</b>	<b>3.6</b>	<b>(4.1)</b>	<b>-</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>406.6</b>	<b>334.4</b>	<b>333.0</b>	<b>438.8</b>	<b>2.6%</b>	<b>100.0%</b>	<b>447.9</b>	<b>452.7</b>	<b>464.5</b>	<b>1.9%</b>	<b>100.0%</b>	
Proportion of total programme expenditure to vote expenditure	7.5%	7.6%	6.6%	8.3%			8.1%	7.7%	7.5%			

## Personnel information

**Table 5.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	Unit		2012/13	Unit		2013/14		Unit		2014/15				Unit		2012/13 - 2015/16	
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
<b>International Cooperation</b>																			
<b>Salary level</b>	294	-	256	112.8	0.4	266	132.9	0.5	294	142.6	0.5	294	149.3	0.5	294	155.5	0.5	3.4%	100.0%
1 – 6	19	-	20	2.5	0.1	17	2.8	0.2	19	3.0	0.2	19	3.1	0.2	19	3.3	0.2	3.8%	6.4%
7 – 10	154	-	130	40.7	0.3	138	53.9	0.4	154	56.2	0.4	154	58.6	0.4	154	60.8	0.4	3.7%	52.3%
11 – 12	85	-	73	37.9	0.5	80	48.3	0.6	85	51.5	0.6	85	54.0	0.6	85	56.4	0.7	2.0%	29.2%
13 – 16	36	-	33	31.7	1.0	31	27.9	0.9	36	31.9	0.9	36	33.5	0.9	36	35.0	1.0	5.1%	12.1%

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

<sup>2</sup> Rand million.

<sup>3</sup> As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on participating in the UN system of governance through South Africa's elective membership to the UN Economic and Social Council, as well as in the integration of the SADC through infrastructure programmes.

The increase in spending between 2009/10 and 2012/13 was because South Africa played a leading role in conflict prevention, peacekeeping, peace building and post-conflict reconstruction, and participated in all forums of the UN system. Spending in the *Global System of Governance* subprogramme increased by 12.6 per cent between 2009/10 and 2012/13 because South Africa served as a non-permanent member of the UN Security Council. Spending on operating leases decreased by 28.1 per cent between 2009/10 and 2012/13 as

officials' residences in Brussels were acquired and the building of staff accommodation facilities in Addis Ababa was completed.

Expenditure is expected to increase to R464.5 million over the medium term because of South Africa's participation in the UN Economic and Social Council, the provision of support to the effort of pursuing the African Agenda on the continent, as well as efforts made towards the promotion of regional integration. Spending on the *South-South Cooperation* subprogramme will increase over the MTEF period due to the greater focus on economic diplomacy. Expenditure includes an increase in compensation of employees through the realignment of the department's programmes.

The department employed an additional 27 people between 2009/10 and 2012/13, the majority of whom filled vacant posts at salary levels 7 to 10. As at 30 September 2012, the vacancy rate was 13 per cent. The department plans to employ 38 people over the medium term to fill the vacant posts. The vacancy rate is due to the department requiring additional capacity as economic diplomacy and development initiatives assume more importance.

## Programme 4: Public Diplomacy and Protocol Services

### Objectives

- Ensure a better understanding of South Africa's foreign policy by providing ongoing strategic public diplomacy direction and state protocol services both nationally and internationally.

### Subprogrammes

- *Public Diplomacy* promotes a positive projection of South Africa's image; communicates foreign policy positions to both domestic and foreign audiences; and markets and brands South Africa by utilising public diplomacy platforms, strategies, products and services. In 2012/13, the department facilitated 15 public participation programmes and awareness campaigns, and launched the Ubuntu publication. This subprogramme had a staff complement of 81 in 2012/13.
- *Protocol Services* facilitates incoming and outgoing high level visits and ceremonial events, coordinates and regulates engagement with the local diplomatic community, provides protocol advice and support to the various spheres of government, facilitates the hosting of international conferences in South Africa, and manages state protocol lounges and guesthouses. In 2012/13, the department facilitated 23 159 people through the VIP lounges at the OR Tambo International and Cape Town International airports, and hosted 2 international summits: the Global African Diaspora summit and the fourth Brazil-Russia-India-China-South Africa group of countries summit. This subprogramme had a staff complement of 221 in 2012/13.

### Expenditure estimates

Table 5.11 Public Diplomacy and Protocol Services

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16		
R million												
Public Diplomacy	35.3	39.9	49.0	51.6	13.5%	14.2%	61.9	63.8	64.9	8.0%	23.4%	
Protocol Services	216.1	161.6	436.4	246.7	4.5%	85.8%	182.1	180.1	184.5	-9.2%	76.6%	
<b>Total</b>	<b>251.3</b>	<b>201.5</b>	<b>485.4</b>	<b>298.3</b>	<b>5.9%</b>	<b>100.0%</b>	<b>243.9</b>	<b>243.9</b>	<b>249.4</b>	<b>-5.8%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				78.0			7.5	(6.2)	(12.2)			

Table 5.11 Public Diplomacy and Protocol Services (continued)

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12	2012/13		2009/10 - 2012/13	Average	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average
R million												
<b>Current payments</b>	<b>198.9</b>	<b>176.7</b>	<b>478.8</b>	<b>296.0</b>		<b>14.2%</b>	<b>93.0%</b>	<b>243.5</b>	<b>243.5</b>	<b>249.0</b>	<b>-5.6%</b>	<b>99.6%</b>
Compensation of employees	71.2	85.2	95.6	112.0		16.3%	29.4%	123.4	124.0	124.0	3.5%	46.7%
Goods and services	127.7	91.5	383.2	184.0		13.0%	63.6%	120.1	119.5	125.0	-12.1%	53.0%
of which:												
Operating leases	4.1	1.9	1.1	2.3		-16.9%	0.8%	2.5	2.6	2.7	5.2%	1.0%
Property payments	-	0.0	28.9	23.7		-	4.3%	26.0	27.6	28.9	6.8%	10.3%
Travel and subsistence	56.6	59.8	159.2	104.5		22.7%	30.7%	56.2	54.6	57.1	-18.2%	26.3%
Operating payments	16.2	1.6	2.6	1.9		-51.4%	1.8%	2.4	2.5	2.7	12.7%	0.9%
<b>Transfers and subsidies</b>	<b>23.6</b>	<b>24.2</b>	<b>0.1</b>	<b>-</b>		<b>-100.0%</b>	<b>3.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	23.6	24.2	-	-		-100.0%	3.9%	-	-	-	-	-
Households	-	0.1	0.1	-		-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>28.9</b>	<b>0.6</b>	<b>6.5</b>	<b>2.3</b>		<b>-56.9%</b>	<b>3.1%</b>	<b>0.4</b>	<b>0.5</b>	<b>0.5</b>	<b>-40.4%</b>	<b>0.4%</b>
Machinery and equipment	28.9	0.6	6.5	2.3		-56.9%	3.1%	0.4	0.5	0.5	-40.4%	0.4%
<b>Total</b>	<b>251.3</b>	<b>201.5</b>	<b>485.4</b>	<b>298.3</b>		<b>5.9%</b>	<b>100.0%</b>	<b>243.9</b>	<b>243.9</b>	<b>249.4</b>	<b>-5.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>4.6%</b>	<b>4.6%</b>	<b>9.7%</b>	<b>5.7%</b>				<b>4.4%</b>	<b>4.2%</b>	<b>4.0%</b>		

## Details of selected transfers and subsidies

Provinces and municipalities												
Provinces												
Provincial agencies and funds												
Current												
	23.6	24.2	-	-	-100.0%	3.9%	-	-	-	-	-	-
Regional Services Council levies	23.6	24.2	-	-	-100.0%	3.9%	-	-	-	-	-	-

## Personnel information

Table 5.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost								
Public Diplomacy and Protocol Services																			
Salary level	367	-	279	79.2	0.3	302	69.0	0.2	367	103.2	0.3	367	123.3	0.3	367	128.9	0.4	6.7%	100.0%
1 - 6	98	-	48	8.2	0.2	55	8.6	0.2	98	13.8	0.1	98	17.1	0.2	98	17.9	0.2	21.2%	24.9%
7 - 10	192	-	191	49.1	0.3	197	34.1	0.2	192	50.2	0.3	192	57.2	0.3	192	59.8	0.3	-0.9%	55.1%
11 - 12	52	-	34	16.9	0.5	34	17.8	0.5	52	21.6	0.4	52	27.2	0.5	52	28.4	0.5	15.2%	13.5%
13 - 16	25	-	6	5.1	0.8	16	8.5	0.5	25	17.6	0.7	25	21.8	0.9	25	22.8	0.9	16.0%	6.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on enhancing programmes for creating public awareness both locally and abroad, facilitating incoming and outgoing visits, and hosting the diplomatic community in South Africa. The budget allocation over this period will enable the department to market and brand South Africa in international affairs, to fulfil its international obligations and to ensure that there is continued foreign representation in South Africa.

Significant spending is evident between 2009/10 and 2012/13 in the *Public Diplomacy* subprogramme due to 30 posts in protocol lounges and guesthouse being filled, an increase in the number of public participation programmes and awareness campaigns held, and once-off expenditure of R60 million for the hosting of the Global African Diaspora summit and R18 million towards the 2013 Africa Cup of Nations. This accounts for the 13 per cent increase in expenditure on good and services. The 22.7 per cent increase in spending on travel

and subsistence between 2009/10 and 2012/13 related to more travelling as canvassing campaign for South Africa to take on the chairmanship of the AU Commission gained momentum, as well as preparations for the African Global Diaspora summit. Expenditure on compensation of employees increased by 16.3 per cent as posts were filled for state protocol lounges and guesthouses.

Expenditure is expected to decrease to R249.4 million over the medium term because of the once-off allocation of R78 million in 2012/13 for hosting the African Global Diaspora summit and the 2013 Africa Cup of Nations. Spending in the *Protocol Services* subprogramme will decrease by 9.2 per cent over the medium term due to the once-off spending on the African Global Diaspora summit in 2012. Spending on goods and services will decrease by 12.1 per cent over the medium term as fewer events, conferences and summits are scheduled to be held in the period. The department employed an additional 36 people between 2009/10 and 2012/13, the majority of whom filled vacancies at salary levels 7 to 10 in the *Public Diplomacy* subprogramme. As at 30 September 2012, the vacancy rate was 21 per cent. This was due to an increase in the approved establishment for the Soutpansberg guesthouse to be operationalised. The department plans to employ an additional 44 people in 2013/14 to fill all the posts on its approved establishment.

## Programme 5: International Transfers

### Objectives

- Provide for South Africa's contribution to membership fees of international organisations such as the UN, AU and SADC.
- Provide for transfers to recapitalise the African Renaissance and International Cooperation Fund as a contribution to its operations.

### Subprogrammes

- *Departmental Agencies* facilitates the transfer to the African Renaissance and International Cooperation Fund, a public entity of the department. In 2012/13, this subprogramme's total budget was transferred in full to the entity. This subprogramme had no staff complement in 2012/13.
- *Membership Contribution* facilitates transfers to international organisations. In 2012/13, this subprogramme's total budget was transferred for payments of all membership fees to international organisations. This subprogramme had no staff complement in 2012/13.

### Expenditure estimates

Table 5.13 International Transfers

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Departmental agencies	631.4	401.1	450.4	518.0	-6.4%	55.8%	476.9	502.0	525.1	0.5%	55.2%
Membership contribution	483.8	353.9	369.2	380.6	-7.7%	44.2%	398.4	422.3	441.8	5.1%	44.8%
<b>Total</b>	<b>1 115.2</b>	<b>754.9</b>	<b>819.6</b>	<b>898.6</b>	<b>-6.9%</b>	<b>100.0%</b>	<b>875.4</b>	<b>924.3</b>	<b>966.8</b>	<b>2.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				73.0			1.5	1.5	1.6		
<b>Economic classification</b>											
<b>Transfers and subsidies</b>	<b>1 115.2</b>	<b>754.9</b>	<b>819.6</b>	<b>898.6</b>	<b>-6.9%</b>	<b>100.0%</b>	<b>875.4</b>	<b>924.3</b>	<b>966.8</b>	<b>2.5%</b>	<b>100.0%</b>
Departmental agencies and accounts	631.4	401.1	450.4	518.0	-6.4%	55.8%	476.9	502.0	525.1	0.5%	55.2%
Foreign governments and international organisations	483.8	353.9	369.2	380.6	-7.7%	44.2%	398.4	422.3	441.8	5.1%	44.8%
<b>Total</b>	<b>1 115.2</b>	<b>754.9</b>	<b>819.6</b>	<b>898.6</b>	<b>-6.9%</b>	<b>100.0%</b>	<b>875.4</b>	<b>924.3</b>	<b>966.8</b>	<b>2.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>20.6%</b>	<b>17.1%</b>	<b>16.3%</b>	<b>17.0%</b>			<b>15.8%</b>	<b>15.8%</b>	<b>15.7%</b>		



Table 5.13 International Transfers (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>631.4</b>	<b>401.1</b>	<b>450.4</b>	<b>518.0</b>	<b>-6.4%</b>	<b>55.8%</b>	<b>476.9</b>	<b>502.0</b>	<b>525.1</b>	<b>0.5%</b>	<b>55.2%</b>
African Renaissance and International Cooperation Fund	631.4	401.1	450.4	518.0	-6.4%	55.8%	476.9	502.0	525.1	0.5%	55.2%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>483.8</b>	<b>353.9</b>	<b>369.2</b>	<b>380.6</b>	<b>-7.7%</b>	<b>44.2%</b>	<b>398.4</b>	<b>422.3</b>	<b>441.8</b>	<b>5.1%</b>	<b>44.8%</b>
African Union	219.0	116.7	125.0	137.4	-14.4%	16.7%	144.5	153.2	160.2	5.3%	16.2%
Group of 77 Countries	0.1	0.1	0.1	0.1	0.3%	-	0.1	0.1	0.1	3.6%	-
India Brazil South Africa Trust Fund	7.7	8.3	7.7	8.1	1.7%	0.9%	8.5	9.0	9.4	5.3%	1.0%
New Partnership for Africa's Development	27.0	17.5	21.2	7.5	-34.7%	2.0%	7.5	8.0	8.3	3.5%	0.9%
African Peer Review Mechanism	-	2.5	10.0	2.5	-	0.4%	2.5	2.7	2.8	3.5%	0.3%
Organisation for Economic Cooperation and Development	0.4	-	0.4	0.2	-16.0%	-	0.2	0.3	0.3	3.5%	-
Other international organisations	0.9	0.7	0.2	2.7	43.7%	0.1%	2.8	3.0	3.1	4.5%	0.3%
United Nations Development Programme	3.9	4.7	4.9	5.6	12.4%	0.5%	5.6	5.9	6.2	3.5%	0.6%
African, Caribbean and Pacific Group of states	3.7	7.3	4.6	3.9	2.1%	0.5%	3.9	4.2	4.4	3.5%	0.4%
Bureau of International Exposition	-	-	-	0.0	-	-	0.0	0.0	0.0	3.2%	-
Commonwealth	7.5	5.4	5.0	9.4	7.7%	0.8%	9.4	10.0	10.4	3.5%	1.1%
Southern African Development Community	43.2	38.3	42.6	43.2	-	4.7%	45.4	48.2	50.4	5.3%	5.1%
United Nations	124.2	118.4	114.1	125.5	0.3%	13.4%	132.0	139.9	146.3	5.3%	14.8%
United Nations Human Rights Council	-	0.2	0.4	0.3	-	-	0.3	0.4	0.4	3.5%	-
Bacterial and Toxic Weapons Convention	0.1	0.0	0.2	0.5	62.4%	-	0.5	0.5	0.6	3.5%	0.1%
Comprehensive Nuclear Test Ban Treaty	2.9	2.4	6.0	6.0	27.5%	0.5%	6.0	6.4	6.7	3.5%	0.7%
Humanitarian aid	40.8	28.7	24.0	24.0	-16.2%	3.3%	25.5	27.0	28.2	5.5%	2.9%
Indian Ocean Rim Research Centre	-	-	-	0.1	-	-	0.1	0.2	0.2	3.6%	-
South Centre Capital Fund	1.2	1.2	1.2	1.2	1.6%	0.1%	1.2	1.3	1.3	3.5%	0.1%
United Nations Development Programme in Southern Africa	1.1	1.2	1.2	1.2	1.5%	0.1%	1.2	1.2	1.3	3.5%	0.1%
United Nations technical cooperation	-	0.3	0.3	0.1	-	-	0.1	0.1	0.1	3.6%	-
United Nations Voluntary Fund for Disability	-	-	0.1	0.1	-	-	0.1	0.1	0.1	3.8%	-
United Nations Children's Fund	-	-	0.2	0.2	-	-	0.2	0.2	0.3	3.5%	-
United Nations Convention on the Law of Sea	-	-	-	0.6	-	-	0.6	0.6	0.6	3.5%	0.1%
Perez-Guerrero Trust Fund	0.1	0.1	0.1	0.1	0.6%	-	0.1	0.1	0.1	3.7%	-

## Expenditure trends

The major spending focus over the medium term will be on making transfers to the African Renaissance and International Cooperation Fund and timeous payment of South Africa's membership fees to international organisations.

The allocation of R518 million for the African Renaissance and International Cooperation Fund includes an additional allocation of R73 million appropriated during the 2012 adjusted estimates of national expenditure process for the recapitalisation of the fund in relation to socioeconomic programmes. The transfers to foreign governments and international organisations are expected to increase from R380.6 million in 2012/13 to R441.8 million in 2015/16, due to inflationary increases.

This programme does not have any personnel as its objective is to facilitate transfers to a public entity and international organisations.

## Public entities and other agencies

### African Renaissance and International Cooperation Fund

The African Renaissance and International Cooperation Fund was established under the African Renaissance and International Cooperation Fund Act (2001). The fund is mandated to:

- enhance cooperation between South Africa and other countries, in particular African countries
- promote democracy and good governance
- work for the prevention and resolution of conflicts
- promote socioeconomic development and integration
- provide humanitarian assistance and human resource development.

The fund's strategic goals over the medium term are to:

- continue to develop operational policy and guidelines
- continue to build capacity to deal with urgent cases requiring humanitarian and/or emergency assistance
- address concerns relating to the question of supply chain management and procurement, including finalising a database of approved service providers
- address concerns relating to the monitoring and review of the implementation of projects, including increasing visits to projects in the countries concerned, and making more use of the department's bilateral desks for implementing projects, and the respective missions in the monitoring and follow up process
- support projects that contribute to South Africa's foreign policy priorities, particularly in relation to the consolidation of the African Agenda.

### Selected performance indicators

Table 5.14 African Renaissance and International Cooperation Fund

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of funds approved for promoting democracy and good governance per year	African monitor	393 611	141 000	110 380	159 000	107 617	97 211	118 550
Value of funds approved for the prevention and resolution of conflicts per year	African monitor	100 742	90 072	80 000	110 149	100 000	124 487	125 000
Value of funds approved for humanitarian assistance and disaster relief per year	African monitor	10 000	10 000	15 000	15 000	16 942	15 000	15 500
Value of funds approved for cooperation between South Africa and other countries per year	Zimbabwe projects	72 018	70 000	130 000	134 738	144 479	151 963	152 000
Value of funds approved for human resources development per year	Africa's Musical Instruments International Vocational Innovation Centre	25 000	80 000	54 990	49 095	55 404	58 174	58 500
Value of funds approved for socioeconomic development and integration per year	African monitor	30 000	10 000	60 000	50 000	52 500	55 125	55 500

## Programmes/activities/objectives

Table 5.15 African Renaissance and International Cooperation Fund

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Maloti-Drakenstein transfrontier	–	60.0	–	–	–	3.7%	–	–	–	–	–
Zimbabwe projects	300.0	–	–	–	-100.0%	22.7%	–	–	–	–	–
African monitor	–	–	25.0	30.0	–	3.1%	45.0	47.7	49.9	18.5%	8.8%
Africa's Musical Instruments	–	50.0	75.0	75.5	–	11.5%	40.5	42.9	44.9	-15.9%	10.6%
International Vocational Innovation Centre	–	–	–	–	–	–	–	–	–	–	–
Pan African Women's Organisation	–	60.0	160.0	195.0	–	23.6%	220.0	233.2	243.9	7.7%	45.7%
Sudan elections	–	4.0	–	–	–	0.2%	–	–	–	–	–
Other objectives	31.0	227.1	190.4	144.5	67.0%	35.2%	171.4	178.1	186.3	8.8%	34.8%
<b>Total expense</b>	<b>331.0</b>	<b>401.1</b>	<b>450.4</b>	<b>445.0</b>	<b>10.4%</b>	<b>100.0%</b>	<b>476.9</b>	<b>502.0</b>	<b>525.1</b>	<b>5.7%</b>	<b>100.0%</b>

## Expenditure estimates

Table 5.16 African Renaissance and International Cooperation Fund

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>33.9</b>	<b>60.8</b>	<b>77.2</b>	<b>68.8</b>	26.6%	11.6%	<b>72.2</b>	<b>76.5</b>	<b>80.1</b>	5.2%	13.2%
<i>Other non-tax revenue</i>	33.9	60.8	77.2	68.8	26.6%	11.6%	72.2	76.5	80.1	5.2%	13.2%
<b>Transfers received</b>	<b>631.4</b>	<b>401.1</b>	<b>450.4</b>	<b>445.0</b>	-11.0%	88.4%	<b>476.9</b>	<b>502.0</b>	<b>525.1</b>	5.7%	86.8%
<b>Total revenue</b>	<b>665.3</b>	<b>461.8</b>	<b>527.5</b>	<b>513.8</b>	-8.3%	100.0%	<b>549.2</b>	<b>578.5</b>	<b>605.1</b>	5.6%	100.0%
<b>Expenses</b>											
<b>Transfers and subsidies</b>	<b>331.0</b>	<b>401.1</b>	<b>450.4</b>	<b>445.0</b>	10.4%	100.0%	<b>476.9</b>	<b>502.0</b>	<b>525.1</b>	5.7%	100.0%
<b>Total expenses</b>	<b>331.0</b>	<b>401.1</b>	<b>450.4</b>	<b>445.0</b>	10.4%	100.0%	<b>476.9</b>	<b>502.0</b>	<b>525.1</b>	5.7%	100.0%
<b>Surplus/(Deficit)</b>	<b>334.0</b>	<b>61.0</b>	<b>77.0</b>	<b>69.0</b>	-40.9%		<b>72.0</b>	<b>77.0</b>	<b>80.0</b>	5.1%	
<b>Statement of financial position</b>											
Receivables and prepayments	44.3	70.6	66.9	70.6	16.8%	4.2%	70.6	70.6	70.6	–	2.9%
Cash and cash equivalents	1 032.0	1 430.8	1 727.6	1 565.1	14.9%	95.8%	2 654.6	2 787.4	2 915.6	23.0%	97.1%
<b>Total assets</b>	<b>1 076.3</b>	<b>1 501.4</b>	<b>1 794.5</b>	<b>1 635.7</b>	15.0%	100.0%	<b>2 725.3</b>	<b>2 858.0</b>	<b>2 986.2</b>	22.2%	100.0%
Accumulated surplus/(deficit)	598.2	1 056.0	1 384.6	1 190.3	25.8%	69.0%	–	–	–	-100.0%	–
Trade and other payables	478.1	445.4	409.9	445.4	-2.3%	31.0%	–	–	–	-100.0%	–
<b>Total equity and liabilities</b>	<b>1 076.3</b>	<b>1 501.4</b>	<b>1 794.5</b>	<b>1 635.7</b>	15.0%	100.0%	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>

## Expenditure trends

The African Renaissance and International Cooperation Fund derives its revenue from a transfer payment from the Department of International Relations and Cooperation and interest income generated by its deposits in the South African Reserve Bank's Corporation for Public Deposits. Between 2009/10 and 2012/13, there was a decrease in transfers from the department because of an additional allocation in 2012/13 of R73 million from the Department of Trade and Industry for recapitalisation projects for socioeconomic development.

Spending on other projects, which included humanitarian assistance in response to crises such as the famine experienced in countries in the Sahel region, increased by 67 per cent between 2009/10 and 2012/13. In 2011/12, the fund approved R125.2 million for providing electoral assistance to the Democratic Republic of the Congo in line with its objective to promote democracy and good governance. The fund also approved R13.6 million for the international diplomatic training programme to address capacity challenges in the field of diplomacy in developing countries.

The spending focus over the medium term will be on projects relating to the promotion of peace and stability in Africa, reconstruction and development, socioeconomic development and integration, and support for urgent humanitarian needs, specifically to the Pan African Women's Organisation and African monitor projects. This will help the fund promote the African Agenda and democracy, good governance, and the prevention and resolution of conflict. Spending on Africa's Musical Instruments International Vocational Innovation Centre will decrease by 15.9 per cent over the MTEF period due to the reprioritisation of funds to the Pan African Women's Organisation and African Monitor projects.

The fund's activities are administered and managed by its advisory committee, which comprises representatives from the Department of International Relations and Cooperation, and National Treasury. This committee makes recommendations to the two ministers for concurrence to fund all its projects. In its current format, the fund does not have any personnel and allocations are earmarked for the funding of projects. The fund is completely supported and administered by the department. Plans to set up an agency to administer the fund's operation, including the monitoring of its projects are well under way.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
<b>Departmental infrastructure</b>										
New Delhi: Construction of chancery and official residence	Functional and effective office accommodation and official residence	Feasibility	370.0	-	34.0	-	-	-	-	-
Head office campus	Functional and effective office accommodation	Hand over	965.5	-	-	-	-	-	-	-
Dares Salaam: Construction of chancery	Functional and effective office accommodation	Construction	49.5	9.0	28.0	0.9	-	30.0	24.5	-
Lilongwe: Construction of chancery and staff housing	Functional and effective office accommodation and staff housing	Construction	68.8	5.6	19.5	0.1	-	26.0	16.0	-
Standard chancery and official residence design project concept	Once off project with an aim to design a standard concept for the chancery and official residence	Design	0.8	-	-	-	0.8	-	-	-
Kigali: Construction of chancery and official residence	Functional and effective office accommodation and official residence	Design	49.5	3.7	5.5	-	-	-	4.5	32.0
Mbabane: Construction of staff housing	Functional and effective staff housing	Feasibility	70.0	7.5	22.0	-	-	-	-	33.0
Mbabane: Construction of chancery	Functional and effective office accommodation	Feasibility	39.0	2.5	3.5	-	-	-	6.0	25.0
Riyadh: Construction of chancery and official residence	Functional and effective office accommodation and official residence	Feasibility	75.0	1.8	2.7	-	-	-	-	-
Dakar: Construction of chancery	Functional and effective office accommodation	Feasibility	48.0	0.8	2.2	-	-	-	-	-
Bamako: Construction of chancery, official residence and staff housing	Functional and effective office accommodation, official residence and staff housing	Feasibility	48.0	0.8	2.2	-	-	-	-	-
Montevideo: Construction of staff housing	Functional and effective staff housing	Feasibility	4.5	0.8	-	-	-	-	-	-
Luanda: Property acquisition	Functional and effective office accommodation	Identification	120.0	1.5	2.5	-	-	-	-	-
Lagos: Property acquisition	Functional and effective office accommodation	Identification	60.0	-	-	-	-	-	65.0	-
Gaborone: Construction of official residence	Functional and effective official residence	Feasibility	21.0	3.5	-	-	-	-	-	-
Beijing: Property acquisition	Functional and effective office accommodation	Identification	125.0	-	-	-	-	-	-	24.0
Mumbai: Property acquisition	Functional and effective office accommodation	Identification	105.0	-	-	-	-	-	-	-
Nairobi: Property acquisition	Functional and effective office accommodation	Identification	70.0	-	-	-	-	-	-	-
Cairo: Property acquisition	Functional and effective office accommodation	Identification	45.0	-	-	-	-	-	-	-

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation 2012/13	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
London: Property acquisition of 100 year lease for the chancery	Functional and effective office accommodation	Identification	100.0	-	-	-	-	-	-	-
London: Highveld Refurbishment of official residence	Refurbishment of infrastructure	Tender	48.0	-	-	46.4	0.5	-	-	-
Washington: Refurbishment of chancery	Refurbishment of infrastructure	Construction	153.0	79.2	41.0	39.4	133.9	32.0	-	-
Juba: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	91.9	-	-	-	-	-	16.5	-
Copenhagen: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	35.0	-	-	0.2	-	-	-	-
Paris: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Tender	75.0	-	-	0.2	0.8	1.5	22.0	53.0
The Hague: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	132.0	-	-	3.6	3.5	76.0	20.0	-
Brasilia: Refurbishment of chancery and staff housing	Refurbishment of infrastructure	Feasibility	20.0	-	-	-	-	-	12.0	-
Madrid: Refurbishment of chancery and official residence	Refurbishment of infrastructure	Feasibility	11.5	-	-	-	-	-	3.0	8.5
Sao Paulo: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	7.5	-	-	-	-	-	-	7.5
Tokyo: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	42.0	-	-	-	-	-	-	-
Rome: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	4.7	-	-	-	-	-	3.0	-
London: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	100.0	-	-	-	-	-	2.5	2.5
Kinshasa: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	20.0	-	-	-	-	-	10.5	13.0
New York: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	5.0	-	-	-	-	-	-	5.0
Buenos Aires: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	25.0	-	-	-	-	-	-	0.5
Harare: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	10.0	-	-	-	-	-	1.5	9.5
Maputo: Refurbishment of chancery, official residence and staff housing	Refurbishment of infrastructure	Feasibility	50.0	-	-	-	-	-	5.5	9.3
Lisbon: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	15.0	-	-	-	-	-	-	0.5
Teheran: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	2.5	-	-	-	-	-	-	-
Brasilia: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	2.5	-	-	-	-	-	-	-

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome					Adjusted appropriation 2012/13	Medium-term expenditure estimate			
				2009/10	2010/11	2011/12	2013/14	2014/15		2015/16			
R million													
Vienna: Refurbishment of chancery	Refurbishment of infrastructure	Feasibility	10.0	-	-	-	-	-	-	-	-	-	0.5
Abuja: Construction of chancery and official residence	Functional and effective office accommodation and official residence	Handed over	0.1	42.6	19.4	10.8	-	-	-	-	-	-	-
Pan African Parliament: Office accommodation	Functional and effective office accommodation and Parliament	Feasibility	-	-	30.0	-	-	-	-	-	-	-	-
Maseru: Office accommodation	Functional and effective office accommodation	Identification	105.2	-	-	0.4	-	-	-	-	-	-	-
Tokyo: Refurbishment of official residence	Refurbishment of infrastructure	Feasibility	-	-	-	1.2	-	-	-	33.0	-	-	-
Refurbishment at various missions	Refurbishment of infrastructure	Various	60.2	6.0	55.4	1.3	-	-	-	4.4	1.5	-	-
London : Acquisition of Cavendish Close	Functional and effective office accommodation	Identification	45.0	-	-	5.8	-	-	-	-	-	-	-
Geneva (Acquisition of Chancery)	Functional and effective office accommodation	Various	-	-	-	95.0	-	-	-	-	-	-	-
<b>Total</b>			<b>3 505.7</b>	<b>165.3</b>	<b>267.9</b>	<b>205.2</b>	<b>207.0</b>	<b>202.9</b>	<b>214.0</b>	<b>223.8</b>			





# Vote 6

## Performance Monitoring and Evaluation

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	56.9	50.4	–	6.5	55.9	55.5
Outcomes Monitoring and Evaluation	61.2	60.0	–	1.3	69.9	77.3
Monitoring and Evaluation Systems	17.3	17.0	–	0.3	17.5	17.9
Coordination and Support						
Public Sector Oversight	57.3	56.5	–	0.9	58.8	60.0
<b>Total expenditure estimates</b>	<b>192.7</b>	<b>183.8</b>	<b>–</b>	<b>8.9</b>	<b>202.0</b>	<b>210.7</b>

Executive authority Minister in the Presidency: Performance Monitoring and Evaluation as well as Administration

Accounting officer Director General of Performance Monitoring and Evaluation

Website address [www.thepresidency-dpme.gov.za](http://www.thepresidency-dpme.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Improve government service delivery through performance monitoring and evaluation.*

### Mandate

Established in January 2010, the Department of Performance Monitoring and Evaluation is specifically mandated to:

- facilitate the development plan or delivery agreements for the cross cutting priorities or outcomes of government, and monitor and evaluate the implementation of these delivery agreements
- monitor the performance of individual national and provincial government departments and municipalities, and monitor frontline service delivery
- manage the presidential hotline
- carry out evaluations
- promote good monitoring and evaluation practices in government
- provide support to delivery institutions to address blockages in delivery.

### Strategic goals

The department's work is organised around three core goals: to advance the strategic agenda of government through the development and implementation of the delivery agreements for the outcomes, monitoring and reporting on progress and evaluating impact; to promote monitoring and evaluation practice through a coordinated policy platform, quality capacity building and credible data systems; and to monitor the quality of management practices in departments and the quality of front line service delivery.

The department's strategic goals over the medium term are to:

- monitor and evaluate the implementation of the delivery agreements

- implement the national evaluation policy framework and develop evaluation practice notes to enhance monitoring and evaluation standards and capacity in government
- support departments in carrying out evaluations
- implement performance assessments of individual departments and municipalities
- develop and implement a range of mechanisms for monitoring the quality of frontline service delivery including site visits, citizen based monitoring and managing the presidential hotline
- review the data architecture of government to facilitate its availability to inform policy and management decisions, and help departments analyse and use data to improve service delivery
- provide secretariat support and system support to the director general in the Presidency who, in collaboration with the Department of Public Service and Administration, manages the performance assessments of heads of departments.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide strategic management and administrative support to the accounting officer and the department.

### Programme 2: Outcomes Monitoring and Evaluation

**Purpose:** Advance the strategic agenda of government by developing and implementing the outcomes approach, monitoring and reporting on its progress, and evaluating its impact.

### Programme 3: Monitoring and Evaluation Systems Coordination and Support

**Purpose:** Coordinate and support an integrated government wide performance monitoring and evaluation system through policy development, capacity building and improving data quality and analysis.

### Programme 4: Public Sector Oversight

**Purpose:** Conduct institutional performance monitoring and frontline service delivery monitoring.

## Selected performance indicators

**Table 6.1 Performance Monitoring and Evaluation**

Indicator	Programme	Outcome to which it contributes	Past <sup>1</sup>			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of signed and reviewed delivery agreements per year <sup>1</sup>	Outcomes Monitoring and Evaluation	All outcomes	-1	12	12	12	12	12	12
Number of quarterly progress reports on monitoring and evaluation of strategic priorities per year <sup>1</sup>	Outcomes Monitoring and Evaluation		-1	-1	24	48	48	48	48
Number of evaluation reports per year	Outcomes Monitoring and Evaluation		-1	-1	-1	8	15	20	20
Number of operational data forums per year for each of the outcomes to support data driven and evidence based monitoring and reporting	Monitoring and Evaluation Systems Coordination and Support		-1	-1	12	12	12	12	12

**Table 6.1 Performance Monitoring and Evaluation (continued)**

Indicator	Programme	Outcome to which it contributes	Past <sup>1</sup>			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of institutional performance assessments carried out and reports issued per year	Public Sector Oversight	Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	-1	3 national departments (pilot)	5 national departments and 20 provincial departments	All national and provincial departments	All national and provincial departments	All national and provincial departments	All national and provincial departments
Number of service delivery monitoring visits conducted at national provincial and local government level and reports issued per year	Public Sector Oversight		-1	-1	60	120	160	160	160

1. As the department was established with effect from 1 January 2010, performance indicators were introduced in phases between 2010/11 and 2011/12.

## The national development plan

The work of the Department of Performance Monitoring and Evaluation supports the national development plan's objective of a government that is accountable and transparent. The department's focus is on strengthening accountability and improving coordination. The department will work with the National Planning Commission to facilitate and monitor the implementation of the national development plan. The focus in 2013 will be on translating the plan into the medium term strategic framework. This will also involve a review of the delivery agreements and the 12 outcomes.

## Expenditure estimates

**Table 6.2 Performance Monitoring and Evaluation**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
Administration	-	-	33.1	59.8	53.3	-	27.5%	56.9	55.9	55.5	1.4%	29.0%
Outcomes Monitoring and Evaluation	-	-	22.6	48.5	46.0	-	21.8%	61.2	69.9	77.3	18.9%	33.3%
Monitoring and Evaluation Systems Coordination and Support	10.4	40.5	9.4	13.4	12.5	6.3%	23.2%	17.3	17.5	17.9	12.8%	8.5%
Public Sector Oversight	3.0	6.8	30.5	52.4	46.1	148.8%	27.5%	57.3	58.8	60.0	9.2%	29.1%
<b>Total</b>	<b>13.4</b>	<b>47.3</b>	<b>95.6</b>	<b>174.2</b>	<b>157.9</b>	<b>127.6%</b>	<b>100.0%</b>	<b>192.7</b>	<b>202.0</b>	<b>210.7</b>	<b>10.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				-	(16.3)			(0.7)	(2.5)	(3.1)		

### Economic classification

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Average growth rate (%)	Expenditure/total: Average (%)
<b>Current payments</b>	<b>11.8</b>	<b>40.2</b>	<b>89.8</b>	<b>158.6</b>	<b>146.3</b>	<b>131.5%</b>	<b>91.7%</b>	<b>183.8</b>	<b>195.3</b>
Compensation of employees	6.2	26.1	54.4	89.0	84.9	139.3%	54.6%	108.5	114.9
Goods and services	5.6	14.1	35.3	69.6	61.4	122.2%	37.1%	75.4	80.3
of which:									
Communication	0.1	0.8	7.8	3.5	(3.4)	-484.6%	1.7%	5.1	5.6
Computer services	0.2	5.7	11.8	17.6	16.8	356.5%	11.0%	15.7	16.3
Consultants and professional services: Business and advisory services	3.0	1.5	2.4	18.5	18.3	82.4%	8.0%	22.1	25.2
Travel and subsistence	0.3	1.9	4.6	10.9	10.9	218.0%	5.7%	10.0	11.0

Table 6.2 Performance Monitoring and Evaluation (continued)

	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R million													
<b>Payments for capital assets</b>	1.6	7.1	5.8	15.6	11.6	93.0%	8.3%	8.9	6.7	5.4	-22.3%	4.3%	
Buildings and other fixed structures	–	–	0.1	–	–		0.0%	–	–	–			
Machinery and equipment	1.6	7.1	4.7	10.3	10.3	85.6%	7.6%	6.1	4.9	3.9	-27.8%	3.3%	
Software and other intangible assets	–	–	1.1	5.3	1.3		0.7%	2.9	1.9	1.6	7.0%	1.0%	
<b>Total</b>	<b>13.4</b>	<b>47.3</b>	<b>95.6</b>	<b>174.2</b>	<b>157.9</b>	<b>127.6%</b>	<b>100.0%</b>	<b>192.7</b>	<b>202.0</b>	<b>210.7</b>	<b>10.1%</b>	<b>100.0%</b>	

## Personnel information

Table 6.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Performance Monitoring and Evaluation</b>																			
<b>Salary Level</b>	197	6	147	54.4	0.4	199	84.9	0.4	223	108.5	0.5	235	114.9	0.5	236	118.1	0.5	5.8%	100.0%
1 – 6	19	2	18	2.7	0.2	21	3.2	0.2	22	3.5	0.2	22	3.5	0.2	22	3.5	0.2	1.6%	9.7%
7 – 10	80	–	63	13.7	0.2	74	19.4	0.3	89	25.3	0.3	93	26.9	0.3	93	27.0	0.3	7.9%	39.1%
11 – 12	53	1	31	10.1	0.3	55	25.7	0.5	60	32.2	0.5	62	33.4	0.5	62	33.9	0.5	4.1%	26.8%
13 – 16	45	3	35	27.9	0.8	49	36.6	0.7	52	47.5	0.9	58	51.2	0.9	59	53.8	0.9	6.4%	24.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on: developing norms and standards, building capacity, and improving the quality and analysis of data to allow the department to coordinate and support an integrated government wide performance monitoring and evaluation system; and conducting institutional and frontline performance and service delivery monitoring. To support this, the department will also focus on building its own administrative capacity over the medium term.

The department was a chief directorate within the policy coordination and advisory services unit of the Presidency until March 2011. Spending therefore increases from that date onwards. The increased expenditure between 2009/10 and 2012/13 was mainly for compensation of employees, goods and services, and payments for capital assets. 149 posts were filled between 2009/10 and 2012/13.

Over the medium term, spending in the *Outcomes Monitoring and Evaluation* and the *Monitoring and Evaluation Systems Coordination and Support* programmes is expected to increase significantly between 2012/13 and 2015/16. This is due to an expected increase in evaluation projects, as the department embeds the outcomes approach and entrenches a culture of performance monitoring and evaluation across government. Spending on consultants over this period is expected to increase as consultants will be required to perform internal audit functions, support evaluations in the *Outcomes Monitoring and Evaluation* programme, and support institutional performance and frontline service delivery monitoring in the *Public Sector Oversight* programme.

The 2013 Budget sets out additional allocations to the department over the medium term of R1.3 million in 2013/14, R1.6 million in 2014/15 and R3.3 million in 2015/16 for improved conditions of service.

As part of Cabinet approved budget reductions, the department has effected reductions of R1.9 million, R4.1 million and R6.4 million over the medium term in the *Public Oversight* programme, on expenditure on goods and services, mainly computer services.

The department has a funded establishment of 197, of which 30 posts were vacant at the end of September 2012. These vacancies are as a result of normal staff turnover and the creation of new posts. Over the medium term, the number of posts is expected to increase to 236 in 2015/16 as the department continues to build capacity. The ratio of support to line function staff is 1:5.

## Departmental receipts

Table 6.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R thousand												
<b>Departmental receipts</b>	-	-	119	54	69	-	100.0%	22	24	26	-27.8%	100.0%
<b>Sales of goods and services produced by department</b>	-	-	7	44	48	-	29.3%	22	24	26	-18.5%	85.1%
Sales by market establishments of which:	-	-	7	44	48	-	29.3%	22	24	26	-18.5%	85.1%
Transport for employees to work	-	-	-	22	-	-	-	-	-	-	-	-
Parking fees	-	-	7	22	48	-	29.3%	22	24	26	-18.5%	85.1%
<b>Sales of scrap, waste, arms and other used current goods</b>	-	-	9	6	6	-	8.0%	-	-	-	-100.0%	4.3%
of which:												
Sales by market establishments	-	-	9	6	6	-	8.0%	-	-	-	-100.0%	4.3%
<b>Transactions in financial assets and liabilities</b>	-	-	103	4	15	-	62.8%	-	-	-	-100.0%	10.6%
<b>Total</b>	-	-	119	54	69	-	100.0%	22	24	26	-27.8%	100.0%

## Programme 1: Administration

### Expenditure estimates

Table 6.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
Departmental Management	-	-	6.2	9.4	-	16.8%	7.9	8.1	8.4	-3.9%	14.9%	
Corporate and Financial Services	-	-	11.9	21.6	-	36.1%	24.3	24.8	25.3	5.4%	42.1%	
Information Technology Support	-	-	11.7	26.5	-	41.2%	22.3	20.5	19.2	-10.2%	38.8%	
Internal Audit	-	-	3.2	2.3	-	5.9%	2.4	2.5	2.6	4.2%	4.3%	
<b>Total</b>	-	-	33.1	59.8	-	100.0%	56.9	55.9	55.5	-2.5%	100.0%	
Change to 2012 Budget estimate				-			(9.7)	(12.8)	(16.4)			
<b>Economic classification</b>												
<b>Current payments</b>	-	-	27.6	46.3	-	79.6%	50.4	50.6	51.2	3.4%	87.0%	
Compensation of employees	-	-	17.0	23.3	-	43.4%	27.4	27.9	28.5	6.9%	46.9%	
Goods and services	-	-	10.6	23.0	-	36.2%	23.0	22.7	22.7	-0.5%	40.1%	
of which:												
Communication	-	-	0.4	0.7	-	1.1%	1.3	1.3	1.2	19.4%	2.0%	
Computer services	-	-	1.9	4.0	-	6.3%	3.7	3.9	4.1	0.6%	6.8%	
Consultants and professional services: Business and advisory services	-	-	1.4	2.9	-	4.6%	1.8	1.9	2.0	-12.6%	3.7%	
Travel and subsistence	-	-	0.9	2.7	-	3.9%	1.7	1.8	1.9	-10.9%	3.6%	
<b>Payments for capital assets</b>	-	-	5.5	13.5	-	20.4%	6.5	5.3	4.3	-31.8%	13.0%	
Machinery and equipment	-	-	4.4	9.9	-	15.4%	5.7	4.5	3.5	-29.0%	10.4%	
Software and other intangible assets	-	-	1.0	3.6	-	5.0%	0.8	0.8	0.8	-40.9%	2.6%	
<b>Total</b>	-	-	33.1	59.8	-	100.0%	56.9	55.9	55.5	-2.5%	100.0%	
<b>Proportion of total programme expenditure to vote expenditure</b>	0.0%	0.0%	34.6%	34.4%			29.5%	27.7%	26.3%			

## Personnel information

Table 6.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
<b>Administration</b>																			
Salary Level	66	2	53	17.8	0.3	72	22.8	0.3	74	26.1	0.4	74	26.1	0.4	74	26.6	0.4	0.9%	100.0%
1 – 6	16	1	15	2.2	0.1	19	2.9	0.2	19	3.0	0.2	19	3.0	0.2	19	3.0	0.2	–	25.9%
7 – 10	32	–	25	6.6	0.3	34	8.9	0.3	36	10.0	0.3	36	10.0	0.3	36	10.1	0.3	1.9%	48.3%
11 – 12	10	1	6	2.8	0.5	11	4.8	0.4	11	5.7	0.5	11	5.7	0.5	11	5.8	0.5	–	15.0%
13 – 16	8	–	7	6.3	0.9	8	6.2	0.8	8	7.4	0.9	8	7.4	0.9	8	7.7	1.0	–	10.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The bulk of spending goes towards growing the programme's capacity to provide corporate and IT support services to the department. This is the main reason for expenditure increases over the seven-year period, as the programme builds capacity by appointing more staff, acquires furniture and equipment, centralises the departmental bursaries budget in the human resources directorate, covers staff resettlement costs and leases additional office space to accommodate additional personnel. In 2011/12, 12 employees were moved to this programme from the *Monitoring and Evaluation Systems Coordination and Support* programme, as the IT functions they perform are more appropriately aligned with the purpose of this programme. This realignment is also responsible for the 32 per cent increase in expenditure on goods and services in 2012/13.

Between 2012/13 and 2015/16, R24 million is reprioritised from this programme to the *Outcomes Monitoring and Evaluation* and *Public Sector Oversight* programmes to cater for new policy initiatives such as the local government performance assessment, citizens based monitoring, and monitoring and evaluation systems. The decrease in expenditure in the *Information Technology Support* subprogramme over the medium term is due to the completion of ICT related projects. This decrease is also evident in lower expenditure on payments for capital assets over the medium term.

Spending on consultants increased from R1.4 million in 2011/12 to R3.1 million in 2012/13 due to ICT infrastructure projects, and is expected to decrease to R2.3 million over the medium term as these projects come to an end.

The programme has a funded establishment of 66, of which 4 posts were vacant at the end of September 2012. The vacancies are a result of normal staff turnover. Over the medium term, the number of posts is expected to increase to 74 in 2015/16 as the department continues to build capacity.

## Programme 2: Outcomes Monitoring and Evaluation

### Objectives

- Advance government strategic priorities by:
  - embedding the outcomes approach by developing, coordinating and monitoring the implementation of delivery agreements on an ongoing basis, and conducting regular implementation forums and related initiatives
  - monitoring and evaluating the implementation of strategic priorities and providing 1 quarterly report per outcome to Cabinet on the progress of agreed outputs and targets for each outcome, and evaluating the developmental impact

- increasing accountability and transparency of government’s commitment to the 12 outcomes by updating the current programme of action web portal hosted by the department on an ongoing basis.

## Subprogrammes

- *Programme Management for Outcomes Monitoring and Evaluation* provides programme management and administrative support. This subprogramme had a staff complement of 2 in 2012/13.
- *Outcomes Support* facilitates and monitors the implementation of the outcomes approach. To monitor progress against targets, outputs and outcomes contained in the 12 delivery agreements, 4 quarterly reports per outcome are prepared for presentation to Cabinet per year. This subprogramme had a staff complement of 24 in 2012/13.
- *Evaluation and Research* conducts evaluations of government policies and programmes. In 2012/13, 8 evaluation projects were under way, 80 per cent of which will be completed by the end of the year. Further evaluations will be carried out over the medium term, with R12 million in 2013/14, R15 million in 2014/15 and R20 million in 2015/16 allocated for this purpose. This subprogramme had a staff complement of 4 in 2012/13.

## Expenditure estimates

**Table 6.7 Outcomes Monitoring and Evaluation**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Programme Management for Outcomes Monitoring and Evaluation	–	–	2.0	3.0	–	7.1%	3.1	3.2	3.3	3.0%	4.9%
Outcomes Support	–	–	18.5	28.5	–	66.2%	38.0	42.6	43.9	15.5%	59.6%
Evaluation and Research	–	–	2.0	17.0	–	26.7%	20.1	24.1	30.1	21.0%	35.5%
<b>Total</b>	<b>–</b>	<b>–</b>	<b>22.6</b>	<b>48.5</b>	<b>–</b>	<b>100.0%</b>	<b>61.2</b>	<b>69.9</b>	<b>77.3</b>	<b>16.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate	–	–	22.6	11.0	–		16.3	20.9	26.1		
<b>Economic classification</b>											
<b>Current payments</b>	<b>–</b>	<b>–</b>	<b>22.5</b>	<b>47.8</b>	<b>–</b>	<b>98.8%</b>	<b>60.0</b>	<b>69.3</b>	<b>76.8</b>	<b>17.1%</b>	<b>98.8%</b>
Compensation of employees	–	–	18.2	29.1	–	66.6%	38.4	43.5	45.3	15.8%	60.9%
Goods and services	–	–	4.2	18.6	–	32.2%	21.5	25.7	31.5	19.1%	37.9%
<i>of which:</i>											
Communication	–	–	0.3	0.5	–	1.1%	0.7	0.9	0.9	20.7%	1.2%
Consultants and professional services: Business and advisory services	–	–	0.6	11.7	–	17.3%	13.2	16.2	21.2	21.9%	24.2%
Travel and subsistence	–	–	2.6	4.2	–	9.5%	4.5	5.2	5.8	11.7%	7.7%
<b>Payments for capital assets</b>	<b>–</b>	<b>–</b>	<b>0.1</b>	<b>0.8</b>	<b>–</b>	<b>1.2%</b>	<b>1.3</b>	<b>0.6</b>	<b>0.5</b>	<b>-11.9%</b>	<b>1.2%</b>
Buildings and other fixed structures	–	–	0.1	–	–	0.1%	–	–	–	–	–
Machinery and equipment	–	–	0.0	0.1	–	0.1%	0.1	0.1	0.1	28.2%	0.2%
Software and other intangible assets	–	–	–	0.7	–	1.0%	1.2	0.5	0.4	-17.0%	1.1%
<b>Total</b>	<b>–</b>	<b>–</b>	<b>22.6</b>	<b>48.5</b>	<b>–</b>	<b>100.0%</b>	<b>61.2</b>	<b>69.9</b>	<b>77.3</b>	<b>16.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>			<b>23.6%</b>	<b>27.9%</b>			<b>31.8%</b>	<b>34.6%</b>	<b>36.7%</b>		

**Table 6.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit						
Outcomes Monitoring and Evaluation	49	1	47	17.6	0.4	55	28.6	0.5	62	39.2	0.6	72	44.3	0.6	72	46.2	0.6	9.4%	100.0%
Salary Level																			
1 – 6	1	1	3	0.5	0.2	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	15	–	18	4.0	0.2	16	3.6	0.2	19	6.0	0.3	23	7.4	0.3	23	7.4	0.3	12.9%	31.0%
11 – 12	16	–	14	4.1	0.3	18	8.1	0.5	20	11.2	0.6	22	12.4	0.6	22	12.7	0.6	6.9%	31.4%
13 – 16	17	–	12	9.0	0.7	21	16.9	0.8	23	22.0	1.0	27	24.4	0.9	27	26.0	1.0	8.7%	37.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on evaluating the projects of national departments against the outcomes and outputs contained in the delivery agreements the departments entered into. Building the programme's capacity to conduct the evaluations, conduct local government performance assessments and improve data support is also the main reason for the spending increases over the medium term, with the bulk of the increase relating mostly to spending on compensation of employees for an additional 18 personnel to be hired for evaluations and local government performance assessments.

In addition, the programme of action data support function and its related expenditure is to be moved from the *Monitoring and Evaluation Systems Coordination and Support* programme to this programme over the medium term as this function mostly supports the programme of action.

R66.2 million has been reprioritised to this programme from other programmes to cater for evaluations and new policy initiatives, such as local government performance assessments, and monitoring and evaluation systems. Total budget allocations over the medium term will increase the number of quarterly progress reports on the monitoring and evaluation of strategic priorities submitted from 24 to 48 per year. The number of signed and reviewed delivery agreements per year will remain at 12 over the medium term.

The programme has a funded establishment of 49, of which 8 posts were vacant at the end of September 2012. These vacancies are a result of the creation of additional posts for local government performance assessment, and evaluation and research. Over the medium term, the number of posts is expected to increase to 72 in 2015/16 as the department continues to build capacity.

Spending on consultants who provide professional services for evaluations and research is expected to increase to R21.2 million in 2015/16. The services provided by consultants are highly specialised and differ from project to project. It is not practical to appoint permanent staff in this case.

## Programme 3: Monitoring and Evaluation Systems Coordination and Support

### Objectives

- Create a policy platform for monitoring and evaluating by issuing monitoring and evaluation guidelines and practice notes as and when required.
- Facilitate the consolidation and standardisation of monitoring and evaluation practices across government by conducting 10 data forum meetings quarterly.
- Provide leadership and facilitate the creation of monitoring and evaluation capacity across government by conducting quarterly monitoring and evaluation forums, and developing appropriate course material to facilitate dedicated training programmes over the MTEF period.



- Support activities in the *Public Sector Oversight* programme by providing quality and timely data support for institutional performance assessments and frontline service delivery projects on an ongoing basis.

## Subprogrammes

- *Programme Management for Monitoring and Evaluation Systems Coordination and Support* provides overall management and administrative support to the programme. This subprogramme had a staff complement of 2 in 2012/13.
- *Monitoring and Evaluation Policy and Capacity Building* coordinates the implementation of monitoring and evaluation policies, as well as systems and capacity building programmes. In 2012/13, the learning network task team was established and programmes were initiated to improve data quality and usage in monitoring and evaluation. This subprogramme had a staff complement of 7 in 2012/13.
- *Monitoring and Evaluation Data Support* provides performance data analysis and support services to the department and its clients. In 2012/13, terms of reference for data forums were developed and data forums were established for 10 outcomes. In 2013/14, R8.2 million has been allocated for consultants and advisory services for the development of monitoring and evaluation data related to norms and standards. This subprogramme had a staff complement of 8 in 2012/13.

## Expenditure estimates

**Table 6.9 Monitoring and Evaluation Systems Coordination and Support**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Programme Management for Monitoring and Evaluation Systems Coordination and Support	10.4	40.5	2.1	2.7	-36.6%	75.6%	1.8	1.9	1.9	-10.5%	12.4%
Monitoring and Evaluation Policy and Capacity Building	-	-	0.9	6.3	-	9.8%	7.2	7.3	7.6	6.4%	42.9%
Monitoring and Evaluation Data Support	-	-	6.4	4.4	-	14.7%	8.2	8.3	8.5	24.0%	44.6%
<b>Total</b>	<b>10.4</b>	<b>40.5</b>	<b>9.4</b>	<b>13.4</b>	<b>8.7%</b>	<b>100.0%</b>	<b>17.3</b>	<b>17.5</b>	<b>17.9</b>	<b>10.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(5.6)			(3.3)	(4.3)	(4.9)		

### Economic classification

<b>Current payments</b>	<b>8.8</b>	<b>33.4</b>	<b>9.3</b>	<b>13.3</b>	<b>14.5%</b>	<b>87.9%</b>	<b>17.0</b>	<b>17.4</b>	<b>17.9</b>	<b>10.4%</b>	<b>99.3%</b>
Compensation of employees	3.4	22.5	8.1	9.9	42.2%	59.6%	8.8	8.9	9.1	-2.6%	55.6%
Goods and services	5.4	10.9	1.1	3.4	-14.2%	28.3%	8.2	8.5	8.7	36.7%	43.7%
<i>of which:</i>											
Communication	0.0	0.7	0.2	0.2	83.3%	1.6%	0.2	0.2	0.2	-1.8%	1.3%
Computer services	0.2	2.5	0.2	-	-100.0%	4.0%	-	-	-	-	-
Consultants and professional services: Business and advisory services	3.0	1.5	-	1.5	-20.9%	8.2%	5.0	5.0	5.0	49.6%	25.0%
Travel and subsistence	0.3	1.9	0.3	0.5	23.1%	4.1%	0.7	0.8	0.9	19.2%	4.4%
<b>Payments for capital assets</b>	<b>1.6</b>	<b>7.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-63.6%</b>	<b>12.1%</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>0.7%</b>
Machinery and equipment	1.6	7.1	0.1	0.1	-63.6%	12.1%	0.1	0.1	0.1	-9.8%	0.4%
Software and other intangible assets	-	-	-	-	-	-	0.2	0.0	0.0	-	0.4%
<b>Total</b>	<b>10.4</b>	<b>40.5</b>	<b>9.4</b>	<b>13.4</b>	<b>8.7%</b>	<b>100.0%</b>	<b>17.3</b>	<b>17.5</b>	<b>17.9</b>	<b>10.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>77.7%</b>	<b>85.6%</b>	<b>9.8%</b>	<b>7.7%</b>			<b>9.0%</b>	<b>8.7%</b>	<b>8.5%</b>		

Table 6.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Monitoring and Evaluation Systems Coordination and Support</b>																			
Salary Level	17	1	11	7.9	0.7	15	8.4	0.6	20	10.4	0.5	22	12.0	0.5	23	12.7	0.6	15.3%	100.0%
1 – 6	1	–	–	–	–	1	0.2	0.2	2	0.3	0.2	2	0.3	0.2	2	0.3	0.2	26.0%	8.8%
7 – 10	5	–	3	0.9	0.3	3	0.7	0.2	6	1.6	0.3	6	1.6	0.3	6	1.6	0.3	26.0%	26.3%
11 – 12	5	–	1	0.5	0.5	5	2.9	0.6	5	2.7	0.5	5	2.7	0.5	5	2.7	0.5	–	25.0%
13 – 16	6	1	7	6.5	0.9	6	4.7	0.8	7	5.8	0.8	9	7.4	0.8	10	8.1	0.8	18.6%	40.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on developing monitoring and evaluation norms, standards and systems, and building capacity to analyse data and provide support services to the department and its clients. This mainly reflects in spending on compensation of employees and spending on consultants for the development of monitoring and evaluation data related norms and standards. These two items are also the main drivers of spending over the medium term, as spending in the *Monitoring and Evaluation Policy and Capacity Building* subprogramme is expected to increase at an average annual rate of 24 per cent to further increase the programme's capacity to develop, implement and support government wide monitoring and evaluation systems and processes.

Spending decreased between 2009/10 and 2012/13 in the *Programme Management for Monitoring and Evaluation Systems Coordination and Support* subprogramme due to the moving of the ICT function and the 7 staff members that performed it from this programme to the *Administration* programme.

Over the medium term, R12.5 million has been reprioritised from this programme to the *Outcomes Monitoring and Evaluation* programme to cater for new policy initiatives, such as performance assessments for local government.

The programme has a funded establishment of 17, and there were no vacancies at the end of September 2012. Over the medium term, the number of posts is expected to increase to 23 in 2015/16 as the department continues to build capacity. Spending on consultants who provide skills specific professional services for conducting the norms and standards for concurrent evaluation functions and related monitoring processes is expected to increase to R5 million in 2015/16.

## Programme 4: Public Sector Oversight

### Objectives

- Evaluate departmental strategic plans to establish their alignment with government priorities, and conduct annual management performance assessments on all national and provincial government departments over the MTEF period.
- Improve frontline service delivery by:
  - monitoring 300 sites in collaboration with the offices of premiers in all provinces over the MTEF period
  - continually using the presidential hotline as a monitoring and evaluation tool.

## Subprogrammes

- *Programme Management for Public Sector Oversight* provides programme management and administrative support. This subprogramme had a staff complement of 2 in 2012/13.
- *Institutional Performance Monitoring* coordinates and facilitates institutional performance monitoring and evaluation in government. In 2011/12, the management performance assessment tool was successfully developed and launched, and has since been rolled out to all national and provincial government departments. This subprogramme had a staff complement of 12 in 2012/13.
- *Frontline Service Delivery Monitoring* monitors, evaluates and facilitates the improvement of frontline service delivery, including the presidential hotline. In 2012/13, 120 frontline service delivery site visits took place. This will gradually increase over the medium term to 140 site visits per year. R8 million has been allocated over the MTEF period for the payment of telecommunications service providers to the presidential hotline, and a further R37.1 million for State Information and Technology Agency for the hotline call centre. This subprogramme had a staff complement of 26 in 2012/13.

## Expenditure estimates

**Table 6.11 Public Sector Oversight**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Programme Management for Public Sector Oversight	–	–	1.7	1.5	–	3.5%	2.0	2.1	2.1	11.8%	3.4%
Institutional Performance Monitoring	–	–	1.1	15.4	–	17.8%	16.6	16.4	16.7	2.7%	28.5%
Frontline Service Delivery Monitoring	3.0	6.8	27.7	35.5	128.1%	78.7%	38.8	40.3	41.2	5.1%	68.2%
<b>Total</b>	<b>3.0</b>	<b>6.8</b>	<b>30.5</b>	<b>52.4</b>	<b>159.7%</b>	<b>100.0%</b>	<b>57.3</b>	<b>58.8</b>	<b>60.0</b>	<b>4.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(5.4)			(3.9)	(6.2)	(7.9)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>2.9</b>	<b>6.8</b>	<b>30.4</b>	<b>51.2</b>	<b>159.2%</b>	<b>98.5%</b>	<b>56.5</b>	<b>58.0</b>	<b>59.4</b>	<b>5.1%</b>	<b>98.5%</b>
Compensation of employees	2.8	3.6	11.1	26.7	113.0%	47.5%	33.9	34.5	35.2	9.7%	57.0%
Goods and services	0.2	3.2	19.3	24.5	414.4%	50.9%	22.6	23.4	24.2	-0.4%	41.5%
<i>of which:</i>											
<i>Communication (G&amp;S)</i>	0.0	0.0	7.0	2.1	350.2%	9.9%	2.9	3.2	3.4	17.8%	5.1%
<i>Computer services</i>	–	3.1	9.7	13.6	–	28.5%	12.0	12.4	12.7	-2.3%	22.2%
<i>Consultants and professional services: Business and advisory services</i>	–	–	0.4	2.4	–	3.0%	2.2	2.2	2.2	-2.4%	3.9%
<i>Travel and subsistence</i>	0.1	0.0	0.8	3.5	286.0%	4.7%	3.1	3.2	3.3	-1.7%	5.7%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>1.3</b>	<b>185.4%</b>	<b>1.5%</b>	<b>0.9</b>	<b>0.8</b>	<b>0.6</b>	<b>-23.1%</b>	<b>1.5%</b>
Machinery and equipment	0.1	0.0	0.1	0.3	77.7%	0.5%	0.2	0.2	0.2	-17.5%	0.4%
Software and other intangible assets	–	–	0.0	1.0	–	1.0%	0.7	0.6	0.4	-25.1%	1.2%
<b>Total</b>	<b>3.0</b>	<b>6.8</b>	<b>30.5</b>	<b>52.4</b>	<b>159.7%</b>	<b>100.0%</b>	<b>57.3</b>	<b>58.8</b>	<b>60.0</b>	<b>4.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>22.3%</b>	<b>14.4%</b>	<b>31.9%</b>	<b>30.1%</b>			<b>29.8%</b>	<b>29.1%</b>	<b>28.5%</b>		

Table 6.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16					
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost				
Public Sector Oversight			65	2		36	11.1	0.3	57	25.0	0.4	67	32.9	0.5	67	32.6	0.5	67	32.6	0.5	5.5%	100.0%
Salary Level																						
1 – 6	1	–	–	–	–	1	0.1	0.1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	–	1.6%
7 – 10	28	–	17	2.2	0.1	21	6.1	0.3	28	7.8	0.3	28	7.9	0.3	28	7.9	0.3	28	7.9	0.3	10.1%	40.7%
11 – 12	22	–	10	2.7	0.3	21	9.9	0.5	24	12.6	0.5	24	12.6	0.5	24	12.6	0.5	24	12.6	0.5	4.6%	36.0%
13 – 16	14	2	9	6.2	0.7	14	8.9	0.6	14	12.3	0.9	14	12.0	0.9	14	12.0	0.9	14	12.0	0.9	–	21.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on monitoring frontline service delivery and maintaining the presidential hotline function. This is reflected in the increased spending in the *Frontline Service Delivery Monitoring* subprogramme between 2012/13 and 2015/16, which will allow the programme to increase the number of institutional performance assessments carried out and reports issued from 5 national departments and 20 provincial departments to all national and provincial departments.

Significant spending increases are evident between 2011/12 and 2012/13 in the *Frontline Service Delivery Monitoring* subprogramme, mainly due to expenditure on the presidential hotline, which was previously located in the Presidency but was underfunded. When the function moved to the Department of Performance Monitoring and Evaluation, funding was made available to address the shortfall. Over the medium term, significant spending is evident in the *Programme Management for Public Sector Oversight* subprogramme, mainly due to increased spending on compensation of employees relating to an additional 10 posts to be filled over the medium term.

As part of the Cabinet approved budget reduction, the department will reduce spending by R12.4 million over the medium term. These reductions are to be effected in spending on goods and services, mainly computer services. R14.7 million has been reprioritised from this programme to the *Outcomes Monitoring and Evaluation* programme to cater for new policy initiatives.

The programme has a funded establishment of 65, of which 18 posts were vacant at the end of September 2012. These vacancies are due to delays in the filling of funded vacant positions. Over the medium term, the number of posts is expected to increase to 67 by 2015/16 as the department continues to build capacity.

Spending on consultants increased from R417 000 in 2011/12 to R2.6 million in 2012/13, and is expected to decrease to R2.2 million over the medium term. Consultants provide professional services to support the verification of management performance assessment tool results and to improve technology used for the presidential hotline.

# Vote 7

## Public Works

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	1 148.2	1 116.9	1.2	30.1	1 148.4	1 150.7
Immovable Asset Management	2 984.0	1 383.5	855.1	745.5	3 260.6	3 575.4
Expanded Public Works Programme	1 948.0	282.8	1 662.6	2.6	2 076.4	2 155.7
Property and Construction Industry Policy Regulations	39.2	38.9	0.2	0.1	41.5	43.4
Auxiliary and Associated Services	50.7	27.4	23.3	–	52.8	54.8
<b>Total expenditure estimates</b>	<b>6 170.0</b>	<b>2 849.4</b>	<b>2 542.3</b>	<b>778.4</b>	<b>6 579.7</b>	<b>6 979.9</b>

Executive authority Minister of Public Works  
Accounting officer Director General of Public Works  
Website address [www.publicworks.gov.za](http://www.publicworks.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Provide for and manage the accommodation, housing, land and infrastructure needs of national departments. Lead and direct the implementation of the national expanded public works programme. Promote growth, job creation and transformation in the construction and property industries.*

### Mandate

As set out in the Government Immovable Asset Management Act (2007), the Department of Public Works is mandated to be the custodian and portfolio manager of national government's immovable assets. This includes the provision of office accommodation and expert built environment services to client departments at the national level; as well as the planning, acquiring, managing and disposing of immovable assets under the custody of the department. The department is further mandated to coordinate and provide strategic leadership in job creation initiatives through the implementation of the expanded public works programme, and to regulate the construction and property industries. Public works is constitutionally designated as a concurrent function exercised by both the national and provincial spheres of government.

### Strategic goals

The department aims to promote government's policy objectives by providing and managing the accommodation, housing, land and infrastructure related needs of national government; coordinating the national expanded public works programme; and driving the transformation of the construction and property industries.

The department's strategic goals over the medium term are to:

- provide strategic leadership and ensure effective and efficient immovable asset management in the delivery of infrastructure programmes

- contribute to the building of a developmental state and a comprehensive rural development framework through effective and efficient utilisation of state assets
- ensure improved service delivery in all departmental programmes to meet clients' expectations and improve stakeholder relations
- promote an enabling environment for the creation of both short and sustainable work opportunities, to contribute to the national goal of job creation and poverty alleviation through the expanded public works programme
- ensure the transformation and regulation of the construction and property industries to facilitate economic growth and development
- ensure effective corporate governance and sound resource management in the department.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide strategic leadership and support services, including for the accommodation needs and overall management of the department.

### Programme 2: Immovable Asset Management

**Purpose:** Provide and manage government's immovable property portfolio in support of government's social, economic, functional and political objectives.

### Programme 3: Expanded Public Works Programme

**Purpose:** Ensure the creation of work opportunities and the provision of training for unskilled, marginalised and unemployed people in South Africa by coordinating the implementation of the expanded public works programme.

### Programme 4: Property and Construction Industry Policy Regulations

**Purpose:** Promote the growth and transformation of the construction and property industries. Promote uniformity and best practice in construction and immovable asset management in the public sector.

### Programme 5: Auxiliary and Associated Services

**Purpose:** Provide for various services, including compensation for losses on the government assisted housing scheme and assistance to organisations for the preservation of national memorials. Meet the protocol responsibilities for state functions.

## Selected performance indicators

Table 7.1 Selected performance and operations indicators

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of state owned buildings rehabilitated per year <sup>1</sup>	Immovable Asset Management	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	5	7	11	7	15	8	16
Number of state owned buildings to be made accessible to people with disabilities per year	Immovable Asset Management		200	64	51	100	100	100	100

Table 7.1 Selected performance and operations indicators (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total number of municipalities reporting on expanded public works programme targets	Expanded Public Works Programme	Outcome 4: Decent employment through inclusive growth	127/283	200/283	245/278	250/278	255/278	260/278	265/278
Total number of expanded public works programme work opportunities created <sup>2</sup>	Expanded Public Works Programme		625 859	643 116	843 459	1 210 000	1 230 000	1 230 000	1 230 000
Percentage of asset register with information fields populated with essential data (out of the present 109 293 properties) <sup>3</sup>	Immovable Asset Management	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	50% <sup>4</sup> (54 281)	70% <sup>4</sup> (75 993)	86% (93 692)	95% (103 828)	100% 109 293	— <sup>3</sup>	— <sup>3</sup>
Number of youth participating in the national youth service programme in the department per year	Expanded Public Works Programme	Outcome 4: Decent employment through inclusive growth	2 884	1 156	2 765	3 500	3 500	3 500	4 000
Total number of expanded public works programme opportunities created on provincial access roads	Expanded Public Works Programme		83 586	104 519	119 878	130 000	140 000	150 000	160 000

1. The medium term targets take into account the project lifecycle and duration of various projects in the department.

2. The expanded public works programme targets are in line with the projections in the business plan for phase two, which was approved by Cabinet.

3. This phase of the asset register project is projected to be completed by 31 March 2014.

4. The percentages for 2009/10 and 2010/11 were calculated using the number of actual properties at the time, which was 108 562 properties.

## The national development plan

The department will contribute to the priorities of the national development plan through the implementation of initiatives that relate to job creation, the transition to a low cost carbon economy, the development of an inclusive and integrated rural economy, and the fight against corruption. Through its coordination of the expanded public works programme, the department aims to create 3.7 million work opportunities by the end of 2016. The department's other job creation programmes include the young professionals programme, the internship programme and the learnership programme for graduates from sectors relevant to the department's core business, and the resuscitation of regional workshops through the artisan training programme. The department will continue to implement the energy and water efficiency programmes, as well as the green buildings framework over the medium term in line with South Africa's strategies to manage the effects of global warming. The department's rural development programme focuses on the disposal of state owned immovable assets in rural areas for developmental purposes and facilitates the creation of remote area precincts. The department is committed to improving internal controls aimed at rooting out fraud and corruption.

## Expenditure estimates

**Table 7.2 Public Works**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million												
Administration	773.4	679.5	837.1	1 047.8	1 047.8	10.7%	12.4%	1 148.2	1 148.4	1 150.7	3.2%	16.4%
Immovable Asset Management	4 265.1	4 968.5	5 001.7	5 038.3	4 876.3	4.6%	70.9%	2 984.0	3 260.6	3 575.4	-9.8%	53.5%
Expanded Public Works Programme	429.5	914.9	1 163.0	1 728.8	1 728.8	59.1%	15.7%	1 948.0	2 076.4	2 155.7	7.6%	28.8%
Property and Construction	26.0	28.0	34.4	37.4	37.4	12.9%	0.5%	39.2	41.5	43.4	5.0%	0.6%
Industry Policy Regulations	39.6	24.1	25.2	38.8	38.8	-0.6%	0.5%	50.7	52.8	54.8	12.2%	0.7%
Auxiliary and Associated Services												
<b>Total</b>	<b>5 533.6</b>	<b>6 615.1</b>	<b>7 061.4</b>	<b>7 891.2</b>	<b>7 729.2</b>	<b>11.8%</b>	<b>100.0%</b>	<b>6 170.0</b>	<b>6 579.7</b>	<b>6 979.9</b>	<b>-3.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(102.5)	(264.6)			(2 696.2)	(2 849.9)	(2 716.0)		

**Economic classification**

<b>Current payments</b>	<b>1 873.5</b>	<b>1 917.1</b>	<b>2 304.1</b>	<b>2 582.2</b>	<b>2 582.2</b>	<b>11.3%</b>	<b>32.2%</b>	<b>2 849.4</b>	<b>2 931.6</b>	<b>2 995.5</b>	<b>5.1%</b>	<b>41.4%</b>
Compensation of employees	976.1	1 089.7	1 269.6	1 330.0	1 330.0	10.9%	17.3%	1 468.2	1 584.9	1 679.0	8.1%	22.1%
Goods and services	894.4	818.6	1 032.9	1 242.5	1 242.5	11.6%	14.8%	1 371.5	1 336.0	1 305.3	1.7%	19.1%
<i>of which:</i>												
<i>Agency and support / outsourced services</i>	76.0	41.9	76.6	312.7	312.7	60.2%	1.9%	391.9	309.1	231.5	-9.5%	4.5%
<i>Operating leases</i>	180.8	209.1	213.9	253.6	253.6	11.9%	3.2%	244.1	258.7	270.6	2.2%	3.7%
<i>Property payments</i>	263.1	140.7	255.0	243.1	243.1	-2.6%	3.3%	278.9	295.0	308.6	8.3%	4.1%
<i>Travel and subsistence</i>	53.8	51.0	86.6	76.2	76.2	12.3%	1.0%	89.8	86.0	89.4	5.5%	1.2%
Interest and rent on land	3.0	8.8	1.6	9.8	9.8	48.8%	0.1%	9.6	10.7	11.2	4.7%	0.2%
<b>Transfers and subsidies</b>	<b>2 323.9</b>	<b>3 302.5</b>	<b>3 656.2</b>	<b>4 201.1</b>	<b>4 201.1</b>	<b>21.8%</b>	<b>50.1%</b>	<b>2 542.3</b>	<b>2 705.1</b>	<b>2 809.7</b>	<b>-12.5%</b>	<b>44.6%</b>
Provinces and municipalities	1 566.4	2 383.9	2 593.0	3 091.0	3 091.0	25.4%	35.8%	1 224.2	1 276.3	1 328.1	-24.5%	25.2%
Departmental agencies and accounts	679.3	710.3	732.5	753.0	753.0	3.5%	10.7%	803.7	853.8	894.5	5.9%	12.0%
Foreign governments and international organisations	14.8	13.9	13.0	18.9	18.9	8.6%	0.2%	20.5	21.7	22.7	6.3%	0.3%
Public corporations and private enterprises	9.8	0.1	150.0	50.8	50.8	73.1%	0.8%	50.0	50.0	50.0	-0.5%	0.7%
Non-profit institutions	49.1	188.8	163.8	282.7	282.7	79.3%	2.5%	438.3	497.5	508.3	21.6%	6.3%
Households	4.5	5.6	4.0	4.7	4.7	1.5%	0.1%	5.6	5.9	6.1	9.0%	0.1%
<b>Payments for capital assets</b>	<b>1 296.0</b>	<b>1 340.6</b>	<b>1 099.1</b>	<b>1 108.0</b>	<b>945.9</b>	<b>-10.0%</b>	<b>17.4%</b>	<b>778.4</b>	<b>942.9</b>	<b>1 174.8</b>	<b>7.5%</b>	<b>14.0%</b>
Buildings and other fixed structures	1 253.6	1 255.9	1 011.4	999.3	837.2	-12.6%	16.2%	676.2	839.4	1 066.0	8.4%	12.5%
Machinery and equipment	41.1	82.5	81.2	83.0	83.0	26.4%	1.1%	91.2	97.2	102.2	7.2%	1.4%
Software and other intangible assets	1.3	2.2	6.6	25.7	25.7	171.1%	0.1%	11.0	6.3	6.6	-36.3%	0.2%
<b>Payments for financial assets</b>	<b>40.3</b>	<b>54.8</b>	<b>2.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>5 533.6</b>	<b>6 615.1</b>	<b>7 061.4</b>	<b>7 891.2</b>	<b>7 729.2</b>	<b>11.8%</b>	<b>100.0%</b>	<b>6 170.0</b>	<b>6 579.7</b>	<b>6 979.9</b>	<b>-3.3%</b>	<b>100.0%</b>



## Personnel information

Table 7.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Public Works</b>																			
<b>Salary level</b>	5 984	531	5 984	228.0	0.2	5 984	286.7	0.2	5 984	417.7	0.2	5 984	528.7	0.3	5 984	619.8	0.3	-	100.0%
1 – 6	3 195	384	3 195	322.8	0.1	3 195	340.0	0.1	3 195	371.7	0.1	3 195	400.5	0.1	3 195	423.5	0.1	-	53.4%
7 – 10	1 923	111	1 923	460.8	0.2	1 923	481.7	0.3	1 923	531.9	0.3	1 923	573.0	0.3	1 923	606.9	0.3	-	32.1%
11 – 12	759	32	759	365.2	0.5	759	382.2	0.5	759	422.0	0.6	759	455.9	0.6	759	484.3	0.6	-	12.7%
13 – 16	107	4	107	79.2	0.7	107	82.8	0.8	107	92.1	0.9	107	99.2	0.9	107	105.1	1.0	-	1.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on: providing and managing the accommodation, housing, land and infrastructure needs of national departments; rehabilitating 39 state owned buildings and ensuring that at least 100 buildings in each year of the MTEF period are made accessible to people with disabilities; and leading and improving the coordination of the expanded public works programme to achieve the department's target of 3.7 million work opportunities by the end of March 2016.

The increased spending in the *Immovable Asset Management* programme between 2009/10 and 2012/13 was mainly because of the additional funding allocated for infrastructure and the devolution of the property rates fund grant to provinces. The additional funding for infrastructure was to provide for the implementation of various infrastructure projects, such as ministerial residential accommodation, and the upgrading of buildings and security at ministers' residences under the prestige management project following the expansion of Cabinet after the 2009 general elections. As a result, there were increased payments for capital assets, specifically for buildings and other fixed structures over the same period. The additional funding for the devolution of the property rates fund grant to provinces was to provide for increased expenditure relating to property rates.

The increased spending evident in the *Expanded Public Works Programme* programme between 2009/10 and 2012/13 was due to the implementation of the second phase of the expanded public works programme, which started in 2009/10 and will continue until 31 March 2014. To support the introduction of phase two, additional funding was provided for the introduction of performance based incentives to provinces and municipalities to incentivise them for work opportunities created. This, together with the additional allocation for the devolution of the property rates fund grant to provinces, contributed to the increased spending in transfers and subsidies between 2009/10 and 2012/13.

Expenditure over the medium term is expected to decrease by 3.3 per cent mainly because of the phasing out of the devolution of the property rates fund grant to provinces within the *Immovable Asset Management* programme, as it will form part of the provincial equitable share from the beginning of 2013/14; as well as Cabinet approved budget reductions of R532.4 million in 2013/14, R529.2 million in 2014/15 and R458.8 million in 2015/16 on the department's infrastructure budget. As a result, spending in the *Immovable Asset Management* programme and on transfers to provinces and municipalities is expected to decline over the MTEF period by an average annual rate of 9.8 per cent in 2014/15 and 24.5 per cent in 2015/16.

The Cabinet approved budget reductions are to be effected over the medium term as follows:

- a reduction of R532.4 million in 2013/14, R529.2 million in 2014/15 and R458.8 million in 2015/16 in the *Infrastructure* subprogramme within the *Immovable Asset Management* programme
- a reduction of R11.1 million in 2013/14, R23.9 million in 2014/15 and R37.5 million in 2015/16 in the expanded public works programme integrated grant for municipalities

- a reduction of R5.7 million in 2013/14, R12.3 million in 2014/15 and R19.3 million in 2015/16 in the expanded public works programme integrated grant for provinces
- a reduction of R2.1 billion in 2013/14, R2.2 billion in 2014/15 and R2.3 billion in 2015/16 to accommodate the phasing out of the devolution of property rates fund grant to provinces into the equitable share
- a shift of R130 million in 2013/14 and R160 million in 2014/15 from the department's infrastructure budget to the Department of Home Affairs for border management infrastructure.

Adjustments to the department's baseline are to be effected over the medium term as follows:

- a reprioritisation of R357.5 million in 2013/14, R279.4 million in 2014/15 and R200.6 million from the department's infrastructure budget to the *Administration* and the *Immovable Asset Management* programmes to provide for the implementation of a turnaround programme in the department
- a reprioritisation of R8.5 million in 2013/14, R10.2 million in 2014/15 and R11.3 million in 2015/16 from the infrastructure budget to the Council for the Built Environment for the acceleration of transformation in the built environment sector
- a reprioritisation of R50 million in 2013/14, R50 million in 2014/15 and R50 million in 2015/16 from the infrastructure budget to the Independent Development Trust for the implementation of a transformation programme within the entity
- a reprioritisation of R80.2 million in 2013/14, R87.7 million in 2014/15 and R79.7 million in 2015/16 from the expanded public works programme integrated grant for municipalities to the expanded public works programme for the non-state sector to provide for the creation of additional work opportunities

Additional funds of R31.4 million in 2013/14, R39.2 million in 2014/15 and R62.8 million in 2015/16 are provided for improved conditions of service, including additional allocations to the Council for the Built Environment and the Construction Industry Development Board.

The department has an approved establishment of 6 818 posts, of which 5 984 are filled. The number of funded posts, including posts additional to the establishment, has remained stable at 5 984 between 2011/12 and 2012/13. Personnel numbers are expected to remain at this level over the medium term. The ratio of support staff to line staff is 1:3.

Spending on consultants increased between 2009/10 and 2012/13 due to a shortage of technical skills in the department, specifically in the areas of property and project management, to enable the department to deliver on its core mandate. A gradual decrease in spending on consultants is expected over the medium term as the department sources the required skills and technical expertise, and strengthens the skills and experience of its existing staff as part of the turnaround programme.

### Infrastructure spending

Spending on infrastructure decreased from R1.3 billion in 2009/10 to R999 million in 2012/13, at an average annual rate of 7.3 per cent. The reduction was due to the surrendering of R110 million initially allocated for the construction, maintenance and refurbishment of border management infrastructure used by the Department of Home Affairs. The funds were surrendered due to delays in the implementation of projects planned for 2012/13. The reduced spending was also due to an in-year reprioritisation of infrastructure funds declared as a saving during the adjusted estimates of national expenditure in order to provide funding for the turnaround programme.

Overall, the department's infrastructure budget has been reduced by R1.1 billion in 2013/14, R1 billion in 2014/15 and R721 million in 2015/16 mainly to provide for the Cabinet approved reductions and a reprioritisation of funds for the turnaround. Consequently, infrastructure spending will minimally increase to R1.1 billion in 2015/16 at an average annual rate of 2.2 per cent to provide for inflation related adjustments to existing infrastructure projects.

#### *Small infrastructure projects*

The capital works implementation programme, which is allocated R2.6 billion over the medium term, is organised into six categories of projects, which are at various stages of completion. These are:

- departmental projects, which deal with the construction and maintenance of client departments' buildings and are allocated R585.4 million over the medium term

- dolomite projects, which deal with the management of risk in dolomitic areas and are allocated R483.8 million over the medium term
- accessibility projects, which make public buildings more accessible to disabled people and are allocated R46.6 million over the medium term
- border control operational coordinating council projects, which are for the construction, maintenance and upgrading of land ports of entry, and are allocated R761.6 million over the medium term
- prestige management projects, which are for the management of government's prestige portfolio and are allocated R538.8 million over the medium term
- inner city regeneration projects, which are for facilitating inner city regeneration around the Tshwane area and are allocated R165.2 million over the medium term.

Under the above category of projects, the department has approximately 601 small projects for the upgrading, construction and acquisition of sites.

The new operational facilities for the Skilpadshek border post in North West on the Botswana border and the upgrading of a housing component for staff members will be completed in 2013/14, as will the refurbishment of the department's building on 38 Church Square, Pretoria. The refurbishment and future use of the HG De Wit and Public Works House buildings is currently under review as the needs of identified client departments are being considered. This review will inform the scope of reconstruction and the treatment of the precinct in line with the City of Tshwane inner city regeneration programme.

The department aims to spend R179 million at Salvokop over the MTEF period. This funding will mainly be spent on the supply of bulk services as well as the establishment and upgrading of water and electricity reticulation and road infrastructure. The department has entered into 23 infrastructure and maintenance service contracts at land ports of entry and the estimated period for the completion of the projects is 36 months. The implementation of the identified infrastructure and maintenance services projects will begin in April 2013 and the projects are scheduled for completion in 2015/16.

The upgrading and restoration of the Durban heritage building will resume in 2013/14 and will be completed in 2015/16. The estimated cost of the project is R76 million over the MTEF period. The accessibility programme has been allocated R94 million over the MTEF period to prioritise improving accessibility to government buildings by building passageways, ramps, lifts and ablution facilities for disabled people. The department has identified 100 projects to be implemented each year of the MTEF period.

## Departmental receipts

Table 7.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12			2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
R thousand												
<b>Departmental receipts</b>	39 592	40 042	75 195	36 445	36 445	-2.7%	100.0%	38 023	39 902	41 895	4.8%	100.0%
<b>Sales of goods and services produced by department</b>	30 018	33 743	36 353	31 445	31 445	1.6%	68.8%	32 772	34 390	36 107	4.7%	86.2%
Sales by market establishments of which:	401	414	411	414	414	1.1%	0.9%	414	414	434	1.6%	1.1%
Market establishment: Rental parking: Covered and open	401	414	411	414	414	1.1%	0.9%	414	414	434	1.6%	1.1%
Administration fees of which:	-	-	2	481	481	-	0.3%	505	530	556	4.9%	1.3%
Servitude rights	-	-	2	1	1	-	-	1	1	1	-	-
Commission insurance	-	-	-	480	480	-	0.3%	504	529	555	5.0%	1.3%
Other sales of which:	29 617	33 329	35 940	30 550	30 550	1.0%	67.7%	31 853	33 446	35 117	4.8%	83.8%
Tender documents	29 617	33 329	35 940	6 149	6 149	-40.8%	54.9%	6 457	6 779	7 117	5.0%	17.0%
Rental of capital assets	-	-	-	24 401	24 401	-	12.8%	25 396	26 667	28 000	4.7%	66.9%

Table 7.4 Receipts (continued)

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R thousand												
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>13</b>	<b>-</b>	<b>35</b>	<b>467</b>	<b>467</b>	<b>230.0%</b>	<b>0.3%</b>	<b>490</b>	<b>515</b>	<b>540</b>	<b>5.0%</b>	<b>1.3%</b>
<i>of which:</i>												
Scrap	13	-	-	347	347	198.9%	0.2%	364	383	402	5.0%	1.0%
Waste paper	-	-	35	120	120	-	0.1%	126	132	138	4.8%	0.3%
Fines, penalties and forfeits	4	19	12	17	17	62.0%	-	18	19	20	5.6%	-
Interest, dividends and rent on land	2 656	192	103	546	546	-41.0%	1.8%	574	601	632	5.0%	1.5%
Interest	2 646	192	103	512	512	-42.2%	1.8%	538	565	593	5.0%	1.4%
Rent on land	10	-	-	34	34	50.4%	-	36	36	39	4.7%	0.1%
Sales of capital assets	3 062	1 071	3 154	1 454	1 454	-22.0%	4.6%	1 527	1 603	1 683	5.0%	4.0%
Transactions in financial assets and liabilities	3 839	5 017	35 538	2 516	2 516	-13.1%	24.5%	2 642	2 774	2 913	5.0%	6.9%
<b>Total</b>	<b>39 592</b>	<b>40 042</b>	<b>75 195</b>	<b>36 445</b>	<b>36 445</b>	<b>-2.7%</b>	<b>100.0%</b>	<b>38 023</b>	<b>39 902</b>	<b>41 895</b>	<b>4.8%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 7.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Ministry	29.3	29.4	25.3	30.1	0.8%	3.4%	29.6	31.3	32.6	2.8%	2.7%
Management	51.0	60.0	52.0	129.1	36.3%	8.8%	152.7	134.2	112.0	-4.6%	11.7%
Corporate Services	282.0	276.9	375.4	419.6	14.2%	40.6%	460.9	447.7	446.2	2.1%	39.5%
Office Accommodation	411.2	313.1	384.4	469.1	4.5%	47.3%	504.9	535.2	559.8	6.1%	46.0%
<b>Total</b>	<b>773.4</b>	<b>679.5</b>	<b>837.1</b>	<b>1 047.8</b>	<b>10.7%</b>	<b>100.0%</b>	<b>1 148.2</b>	<b>1 148.4</b>	<b>1 150.7</b>	<b>3.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				153.8			200.8	143.6	26.2		

#### Economic classification

<b>Current payments</b>	<b>733.2</b>	<b>653.2</b>	<b>787.6</b>	<b>1 002.9</b>	<b>11.0%</b>	<b>95.2%</b>	<b>1 116.9</b>	<b>1 121.9</b>	<b>1 123.0</b>	<b>3.8%</b>	<b>97.1%</b>
Compensation of employees	154.2	169.1	199.4	226.4	13.7%	22.4%	227.4	259.3	284.7	7.9%	22.2%
Goods and services	578.6	483.8	587.9	773.8	10.2%	72.6%	886.8	859.1	834.7	2.6%	74.6%
<i>of which:</i>											
Agency and support / outsourced services	41.7	21.8	28.6	129.8	46.0%	6.6%	206.9	139.9	82.4	-14.1%	12.4%
Operating leases	166.3	187.1	193.0	241.2	13.2%	23.6%	240.3	254.6	266.4	3.4%	22.3%
Property payments	262.4	140.0	198.6	241.9	-2.7%	25.3%	277.7	293.8	307.3	8.3%	24.9%
Travel and subsistence	17.6	18.6	17.5	19.6	3.5%	2.2%	18.0	16.8	17.6	-3.5%	1.6%
Interest and rent on land	0.5	0.4	0.2	2.7	76.7%	0.1%	2.8	3.4	3.6	10.2%	0.3%

Table 7.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Transfers and subsidies</b>	<b>0.5</b>	<b>2.4</b>	<b>0.6</b>	<b>1.2</b>	<b>37.4%</b>	<b>0.1%</b>	<b>1.2</b>	<b>1.2</b>	<b>1.2</b>	<b>1.4%</b>	<b>0.1%</b>
Households	0.5	2.4	0.6	1.2	37.0%	0.1%	1.1	1.2	1.2	1.4%	0.1%
<b>Payments for capital assets</b>	<b>4.3</b>	<b>23.8</b>	<b>49.0</b>	<b>43.8</b>	<b>117.6%</b>	<b>3.6%</b>	<b>30.1</b>	<b>25.3</b>	<b>26.4</b>	<b>-15.5%</b>	<b>2.8%</b>
Machinery and equipment	4.2	22.2	42.5	18.3	62.9%	2.6%	19.3	19.1	20.0	3.1%	1.7%
Software and other intangible assets	0.0	1.6	6.5	25.5	847.4%	1.0%	10.8	6.2	6.4	-36.8%	1.1%
<b>Payments for financial assets</b>	<b>35.5</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>1.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>773.4</b>	<b>679.5</b>	<b>837.1</b>	<b>1 047.8</b>	<b>10.7%</b>	<b>100.0%</b>	<b>1 148.2</b>	<b>1 148.4</b>	<b>1 150.7</b>	<b>3.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>14.0%</b>	<b>10.3%</b>	<b>11.9%</b>	<b>13.3%</b>			<b>18.6%</b>	<b>17.5%</b>	<b>16.5%</b>		

## Details of selected transfers and subsidies

Households											
Social benefits											
Current											
	<b>0.4</b>	<b>2.4</b>	<b>0.3</b>	<b>1.2</b>	<b>47.5%</b>	<b>0.1%</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>1.4%</b>	<b>0.1%</b>
Employee social benefits	0.4	2.4	0.3	1.2	47.5%	0.1%	1.1	1.2	1.2	1.4%	0.1%

## Personnel information

Table 7.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>Administration</b>																			
<b>Salary level</b>	<b>632</b>	<b>81</b>	<b>632</b>	<b>196.6</b>	<b>0.3</b>	<b>632</b>	<b>205.9</b>	<b>0.3</b>	<b>632</b>	<b>226.4</b>	<b>0.4</b>	<b>632</b>	<b>243.5</b>	<b>0.4</b>	<b>632</b>	<b>257.7</b>	<b>0.4</b>	<b>-</b>	<b>100.0%</b>
1 – 6	127	44	127	15.9	0.1	127	16.7	0.1	127	18.4	0.1	127	19.8	0.2	127	20.9	0.2	-	20.1%
7 – 10	336	31	336	81.9	0.2	336	85.7	0.3	336	94.0	0.3	336	101.0	0.3	336	106.9	0.3	-	53.2%
11 – 12	102	3	102	50.1	0.5	102	52.5	0.5	102	57.5	0.6	102	61.9	0.6	102	65.7	0.6	-	16.1%
13 – 16	67	3	67	48.8	0.7	67	51.0	0.8	67	56.5	0.8	67	60.7	0.9	67	64.3	1.0	-	10.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on continuing to cover operating lease and property management costs associated with the department's property portfolio, and appointing contract and permanent staff to provide the capacity needed to stabilise the department and implement the turnaround programme.

Due to the turnaround programme requiring a complete transformation of the department's structure, personnel establishment and systems, in line with the new business model, spending increased on computer services and agency support and outsourced services in 2012/13 following the appointment of a core turnaround support team in the department. This trend is expected to continue over the medium term and is also responsible for increased spending on contractors, software and other intangible assets over this period because of the planned acquisition of a financial system for the Property management trading entity. Most of this spending will be in the *Management and Corporate Services* subprogrammes.

The department's turnaround programme was funded mostly from funds reprioritised to this programme from the *Immovable Assets Management* programme, and were reallocated as follows: R114 million over the MTEF period for the clean audit and business process review projects, R80.7 million over the MTEF period for services rendered by the Special Investigating Unit, R62 million over the MTEF period for the appointment of

the core turnaround support team; R47 million over the MTEF period for a review of supply chain management practices in the department; R37 million over the MTEF period for the appointment of the internal audit support team; and R3 million in 2012/13 for services rendered by the technical assistance unit.

The programme has an approved establishment of 804 posts, of which 632 are filled. The number of funded posts, inclusive of posts additional to the establishment, has remained stable at 632 between 2011/12 and 2012/13. Personnel numbers are expected to remain at this level over the medium term.

## **Programme 2: Immovable Asset Management**

### **Objectives**

- Enhance the value of the state's immovable asset portfolio and improve the condition of state buildings by rehabilitating 39 buildings over the MTEF period to ensure that service delivery to client departments is improved.
- Ensure that all state owned buildings are accessible to all, including people with disabilities, by building basic requirements such as ramps, parking facilities, appropriate ablution facilities, doorways, lifts and signage for 100 buildings for each year over the MTEF period.
- Ensure that the department's immovable assets register is fully compliant with the requirements of the Government Immovable Asset Management Act (2007) by completing the physical verification of 54 646 properties by 31 March 2014.

### **Subprogrammes**

- *Infrastructure (Public Works)* is discussed in more detail below.
- *Property Management* funds the allocation for the devolution of the property rates funds grant to provinces to facilitate the transfer of property rates expenditure responsibilities to provinces. This is a conditional grant allocated to all provincial public works departments to cover the cost of property rates charges of all provincial government buildings. In 2012/13, funds were allocated per province based on the department's calculations, which are informed by its property register and based on inputs from provinces. A key output in 2012/13 was the payment of property rates for provincially owned and deemed to be owned properties within 30 days of receipt of verified invoices submitted by municipalities. This subprogramme has no staff complement.
- *Strategic Asset Investment Analysis* provides for the strategic management of immovable assets owned or used for delivering various government services that are expected to yield functional, economic and social benefits to the state. A key activity is ensuring efficient and effective management of immovable assets throughout their lifecycle. This subprogramme had a staff complement of 218 in 2012/13.
- *Operation Management* funds the human resources and related goods and services required for the acquisition and construction of infrastructure for the department and client departments. A key output is ensuring that all departmental projects and services, such as municipal services and leasing of properties, are implemented so as to improve service delivery by client departments. This subprogramme had a staff complement of 4 838 in 2012/13.
- *Prestige Management* funds the allocation for activities relating to parliamentarians', ministers', deputy ministers', the deputy president's and the president's residences. In 2012/13, R11 million was spent on payments for machinery and equipment for ministers and deputy ministers. Over the medium term, the department will upgrade and construct 85 prestige structures against a target of 154 in the prestige accommodation category, including the implementation of the maintenance plan for prestige assets. This subprogramme had a staff complement of 30 in 2012/13.
- *Special Projects* funds the implementation of non-recurring and technical projects in the department. This entails ensuring that the department delivers timeously and efficiently on all planned infrastructure projects, such as project management in the design and construction of the Pan African Parliament and previously for infrastructure projects related to the 2010 FIFA World Cup. Over the medium term, the subprogramme will facilitate the development of a town planning scheme for the construction of government precincts in

Pretoria and in a number of prioritised rural towns. This subprogramme had a staff complement of 136 in 2012/13.

- *Construction Industry Development Board* transfers funds to the Construction Industry Development Board, which is an entity of the department. This subprogramme's total budget is transferred in full to the board. This subprogramme has no staff complement.
- *Council for the Built Environment* transfers funds to the Council for the Built Environment, which is an entity of the department. This subprogramme's total budget is transferred in full to the council. This subprogramme has no staff complement.
- *Parliamentary Village Management Board* provides for the transportation and related costs of parliamentarians and related officials. This subprogramme's total budget is transferred in full to the Parliamentary Villages Management Board to fund its operations. The purpose of the subprogramme is to ensure efficient and effective provision of transport to officials residing at the parliamentary village. This subprogramme has no staff complement.
- *Augmentation of the Property Management Trading Entity* transfers funds to the Property management trading entity. This subprogramme's total budget is transferred in full to fund the entity's operations. This subprogramme has no staff complement.
- *Independent Development Trust* transfers funds to the Independent Development Trust, an entity of the department established in 1990 as a schedule 2 public entity with a once-off R2 billion government endowment. However, financial constraints necessitated additional funding of R150 million in 2011/12 and R50.8 million in 2012/13 to ensure that it remains a going concern and that it is able to develop a business case articulating its transformation. Over the medium term, the entity will receive a transfer of R50 million in 2013/14, R50 million in 2014/15 and R50 million in 2015/16 to advance its transformation. This subprogramme has no staff complement.

## Expenditure estimates

**Table 7.7 Immovable Asset Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R million											
Infrastructure (Public Works)	1 253.6	1 255.9	1 011.4	999.3	-7.3%	23.5%	676.2	839.4	1 066.0	2.2%	24.1%
Property Management	1 351.7	1 865.2	1 803.2	1 918.7	12.4%	36.0%	-	-	-	-100.0%	12.9%
Strategic Asset Investment Analysis	123.3	165.9	161.7	208.9	19.2%	3.4%	144.9	146.5	154.1	-9.6%	4.4%
Operation Management	835.3	883.6	1 000.3	984.1	5.6%	19.2%	1 130.6	1 188.8	1 246.9	8.2%	30.6%
Prestige Management	-	70.6	67.3	56.2	-	1.0%	52.3	62.5	65.3	5.2%	1.6%
Special Projects	22.8	18.2	75.5	70.1	45.5%	1.0%	129.1	122.5	101.6	13.2%	2.8%
Construction Industry Development Board	59.3	63.7	66.0	67.6	4.5%	1.3%	72.4	77.2	81.4	6.4%	2.0%
Council for the Built Environment	24.2	25.5	28.7	28.1	5.2%	0.6%	38.0	41.6	44.3	16.3%	1.0%
Parliamentary Village Management Board	6.6	7.0	7.4	7.8	5.6%	0.1%	8.2	8.7	9.1	5.4%	0.2%
Augmentation of the Property Management Trading Entity	588.4	613.0	630.2	646.8	3.2%	12.9%	682.4	723.4	756.6	5.4%	18.9%
Independent Development Trust	-	-	150.0	50.8	-	1.0%	50.0	50.0	50.0	-0.5%	1.4%
<b>Total</b>	<b>4 265.1</b>	<b>4 968.5</b>	<b>5 001.7</b>	<b>5 038.3</b>	<b>5.7%</b>	<b>100.0%</b>	<b>2 984.0</b>	<b>3 260.6</b>	<b>3 575.4</b>	<b>-10.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(325.7)			(2 897.5)	(2 976.0)	(2 563.2)		

### Economic classification

	937.6	1 023.3	1 265.5	1 252.6	10.1%	23.2%	1 383.5	1 440.6	1 484.1	5.8%	37.4%
<b>Current payments</b>											
Compensation of employees	761.2	850.1	970.3	988.5	9.1%	18.5%	1 116.5	1 193.2	1 253.2	8.2%	30.6%
Goods and services	174.0	169.3	293.9	257.2	13.9%	4.6%	260.1	240.3	223.5	-4.6%	6.6%
of which:											
Agency and support / outsourced services	18.4	6.7	1.1	83.2	65.4%	0.6%	93.8	73.3	48.8	-16.3%	2.0%
Operating leases	14.0	20.5	19.9	11.8	-5.6%	0.3%	3.1	3.4	3.6	-32.9%	0.1%
Property payments	0.6	0.7	56.4	1.3	27.3%	0.3%	1.2	1.3	1.3	1.5%	-
Travel and subsistence	25.0	18.3	41.2	38.6	15.6%	0.6%	48.9	44.0	45.5	5.6%	1.2%
Interest and rent on land	2.4	4.0	1.3	7.0	43.6%	0.1%	6.8	7.2	7.5	2.4%	0.2%
<b>Transfers and subsidies</b>	<b>2 032.5</b>	<b>2 577.6</b>	<b>2 688.8</b>	<b>2 723.2</b>	<b>10.2%</b>	<b>52.0%</b>	<b>855.1</b>	<b>905.2</b>	<b>945.9</b>	<b>-29.7%</b>	<b>36.5%</b>
Provinces and municipalities	1 350.0	1 865.2	1 803.2	1 918.7	12.4%	36.0%	0.0	0.0	0.0	-98.0%	12.9%
Departmental agencies and accounts	678.4	709.1	732.2	750.4	3.4%	14.9%	800.9	850.8	891.4	5.9%	22.2%
Public corporations and private enterprises	-	-	150.0	50.8	-	1.0%	50.0	50.0	50.0	-0.5%	1.4%
Households	4.0	3.2	3.3	3.4	-5.8%	0.1%	4.1	4.3	4.5	10.1%	0.1%

**Table 7.7 Immovable Asset Management (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Payments for capital assets</b>	<b>1 290.2</b>	<b>1 313.0</b>	<b>1 047.5</b>	<b>1 062.5</b>	<b>-6.3%</b>	<b>24.5%</b>	<b>745.5</b>	<b>914.7</b>	<b>1 145.3</b>	<b>2.5%</b>	<b>26.0%</b>
Buildings and other fixed structures	1 253.6	1 255.9	1 011.4	999.3	-7.3%	23.5%	676.2	839.4	1 066.0	2.2%	24.1%
Machinery and equipment	35.3	57.1	36.0	63.1	21.3%	1.0%	69.2	75.2	79.1	7.8%	1.9%
Software and other intangible assets	1.3	0.1	0.1	0.2	-49.8%	-	0.2	0.2	0.2	5.4%	-
<b>Payments for financial assets</b>	<b>4.8</b>	<b>54.6</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4 265.1</b>	<b>4 968.5</b>	<b>5 001.7</b>	<b>5 038.3</b>	<b>5.7%</b>	<b>100.0%</b>	<b>2 984.0</b>	<b>3 260.6</b>	<b>3 575.4</b>	<b>-10.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>77.1%</b>	<b>75.1%</b>	<b>70.8%</b>	<b>63.8%</b>			<b>48.4%</b>	<b>49.6%</b>	<b>51.2%</b>		

**Details of selected transfers and subsidies**

Households											
Social benefits											
Current	4.0	3.2	3.3	3.4	-5.8%	0.1%	4.1	4.3	4.5	10.1%	0.1%
Employee social benefits	4.0	3.2	3.3	3.4	-5.8%	0.1%	4.1	4.3	4.5	10.1%	0.1%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	678.4	709.1	732.2	750.4	3.4%	14.9%	800.9	850.8	891.4	5.9%	22.2%
Construction Industry Development Board	59.3	63.7	66.0	67.6	4.5%	1.3%	72.4	77.2	81.4	6.4%	2.0%
Council for the Built Environment	24.2	25.5	28.7	28.1	5.2%	0.6%	38.0	41.6	44.3	16.3%	1.0%
Parliamentary Villages Management Board	6.6	7.0	7.4	7.8	5.6%	0.1%	8.2	8.7	9.1	5.4%	0.2%
Property Management Trading Entity	588.4	613.0	630.2	646.8	3.2%	12.9%	682.4	723.4	756.6	5.4%	18.9%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current	-	-	150.0	50.8	-	1.0%	50.0	50.0	50.0	-0.5%	1.4%
Independent Development Trust	-	-	150.0	50.8	-	1.0%	50.0	50.0	50.0	-0.5%	1.4%
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current	1 350.0	1 865.2	1 803.2	1 918.7	12.4%	36.0%	-	-	-	-100.0%	12.9%
Devolution of property rate funds grant	1 350.0	1 865.2	1 803.2	1 918.7	12.4%	36.0%	-	-	-	-100.0%	12.9%

**Personnel information****Table 7.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16												
		Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit							
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost						
<b>Immovable Asset Management</b>																			
<b>Salary level</b>	<b>5 098</b>	<b>411</b>	<b>5 098</b>	<b>944.6</b>	<b>0.2</b>	<b>5 098</b>	<b>990.0</b>	<b>0.2</b>	<b>5 098</b>	<b>090.9</b>	<b>0.2</b>	<b>5 098</b>	<b>176.8</b>	<b>0.2</b>	<b>5 098</b>	<b>247.0</b>	<b>0.2</b>	-	<b>100.0%</b>
1 - 6	3 037	301	3 037	303.5	0.1	3 037	319.6	0.1	3 037	349.3	0.1	3 037	376.4	0.1	3 037	398.0	0.1	-	59.6%
7 - 10	1 485	80	1 485	355.4	0.2	1 485	371.4	0.3	1 485	410.7	0.3	1 485	442.7	0.3	1 485	469.0	0.3	-	29.1%
11 - 12	544	29	544	261.8	0.5	544	274.0	0.5	544	302.9	0.6	544	327.4	0.6	544	347.9	0.6	-	10.7%
13 - 16	32	1	32	23.9	0.7	32	25.0	0.8	32	28.0	0.9	32	30.3	0.9	32	32.1	1.0	-	0.6%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

The spending focus over the medium term will be on funding the acquisition and construction of infrastructure for the department and client departments, the prestige portfolio and border control operations. This spending is reflected in the *Operation Management and Infrastructure (Public Works)* subprogrammes, the latter of which is discussed in further detail in the section that follows. Spending in these subprogrammes is also responsible for significant shifts in the programme's expenditure over the medium term.



The decrease in transfers and subsidies over the medium term is due to the discontinuation of the devolution of property rates fund grant to provinces as the allocated funding for property rates will be phased into the equitable share. The *Property Management* subprogramme, which was responsible for facilitating the transfer of property rates expenditure to provinces, will cease to exist from 2013/14. Before this, between 2009/10 and 2012/13, spending in this subprogramme increased due to additional allocations to fund increased spending on property rates, particularly those paid by provinces. The trends in payments for capital assets will be discussed in further detail in the section that follows.

Some of the department's key outputs in 2011/12 include the release of 1.7 hectares of land to the Department of Human Settlements in line with the requirements of providing sustainable human settlements and improved quality of household life (outcome 8), the completion of 162 capital and refurbishment projects as part of the department's capital works programme at a total cost of R2.4 billion, and the signing of 22 service level agreements with client departments against a target of 30 departments.

Spending on consultants and other outsourced services increased significantly in 2012/13 as the department appointed service providers to perform the physical verification of capital assets and populate key fields in the asset register as part of the department's turnaround process. This will allow the department to create a baseline asset register, which is a key priority in remediating the negative audit findings the department has received in the last two years.

The department has reprioritised funds from the *Infrastructure (Public Works)* subprogramme to provide for the turnaround programme as follows: R158 million over the MTEF period for the completion of the immovable asset register project, R305 million over the MTEF period for the appointment of line function stabilisation and project management staff, R150 million over the MTEF period for the transformation of the Independent Development Trust, and R30 million over the MTEF period to the Council for the Built Environment to facilitate transformation of the built environment industry.

As part of the Cabinet approved budget reductions on infrastructure, the department is to effect reduced spending by R662.4 million in 2013/14, R689.2 million in 2014/15 and R458.8 million in 2015/16. These reductions include R130 million in 2013/14 and R160 million in 2014/15, which were shifted to the Department of Home Affairs for border management infrastructure. Over the medium term, the department will implement various border related infrastructure projects on behalf of the Department of Home Affairs and recover the total cost for these projects from that department.

The programme has an approved establishment of 5 707 posts, of which 5 098 were filled as at 30 September 2012. The number of funded posts, inclusive of posts additional to the establishment, has remained stable at 5 098 between 2011/12 and 2012/13. Personnel numbers are expected to remain at this level over the medium term.

### **Subprogramme: Infrastructure (Public Works)**

This subprogramme funds the acquisition of infrastructure for the department, the prestige portfolio and the infrastructure component of the mandate of the border control operational coordinating committee. In 2012/13, R274.4 million was spent on constructing, upgrading and refurbishing residential accommodation under the prestige portfolio.

**Table 7.9 Infrastructure (Public Works)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Average Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million											
<b>Payments for capital assets</b>	<b>1 253.6</b>	<b>1 255.9</b>	<b>1 011.4</b>	<b>999.3</b>	<b>-7.3%</b>	<b>100.0%</b>	<b>676.2</b>	<b>839.4</b>	<b>1 066.0</b>	<b>2.2%</b>	<b>100.0%</b>
Buildings and other fixed structures	1 253.6	1 255.9	1 011.4	999.3	-7.3%	100.0%	676.2	839.4	1 066.0	2.2%	100.0%
<b>Total</b>	<b>1 253.6</b>	<b>1 255.9</b>	<b>1 011.4</b>	<b>999.3</b>	<b>-7.3%</b>	<b>100.0%</b>	<b>676.2</b>	<b>839.4</b>	<b>1 066.0</b>	<b>2.2%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>29.4%</b>	<b>25.3%</b>	<b>20.2%</b>	<b>19.8%</b>			<b>22.7%</b>	<b>25.7%</b>	<b>29.8%</b>		

### Expenditure trends

This subprogramme is a crucial component of the department's core business as it funds the acquisition of infrastructure for use in the implementation of the department's projects. The decrease in expenditure in 2011/12 was due to the non-completion of various projects that were scheduled for completion in that year. Spending decreased further in 2012/13 as R273.5 million was shifted from this subprogramme to provide funding for the implementation of the turnaround programme.

As part of the Cabinet approved budget reductions, the department is to reduce spending by R662.4 million in 2013/14, R689.2 million in 2014/15 and R458.8 million in 2015/16. The bulk of the department's spending over the medium term is nonetheless on infrastructure, and spending on infrastructure will increase at an average annual rate of 2.2 per cent over the MTEF period to provide for inflationary adjustments and project cost escalations. R837.5 million has been reprioritised over the medium term for the turnaround programme.

Spending on infrastructure in 2011/12 facilitated the refurbishment of 51 buildings to make them more accessible to disabled people. Of the 20 buildings identified for rehabilitation, the department had completed 11 buildings by the end of 2011/12.

## Programme 3: Expanded Public Works Programme

### Objectives

- Create 1 230 000 work opportunities (664 348 full time equivalents) through the expanded public works programme by upscaling the programme and improving coordination and performance in all 4 participating sectors in 2013/14.
- Ensure that employees from designated groups are participating in the expanded public works programme by confirming that 55 per cent of the participants are women, 40 per cent are youth and 2 per cent are people with disabilities in 2013/14.
- Advance the expanded public works programme in municipalities by increasing the number of public bodies reporting on the implementation of the expanded public works programme from 250 in 2012/13 to 255 in 2013/14.
- Increase the department's participation in the expanded public works programme by ensuring that at least 3 500 youth participate in the national youth service programme in 2013/14.

### Subprogrammes

- *Expanded Public Works Programme* is discussed in more detail below.
- *Performance Based Incentive Allocations* disburses funds to provinces, municipalities and non-governmental organisations based on set job creation targets to ensure the creation of work opportunities in the infrastructure, environment and culture, social, and non-state sectors. This entails incentivising eligible public bodies and non-governmental organisations to increase job creation efforts in these sectors through the use of labour intensive methods in line with expanded public works programme guidelines. Projects include municipal and provincial expanded public works programme projects for collecting refuse, beach cleaning, clearing alien vegetation, pothole or road mending and painting

government buildings. These performance based incentives have contributed to the expanded public works programme's overall performance of having created approximately 2 112 434 work opportunities against a target of 2 060 000, and 595 036 full time equivalents against a target of 833 478 between 2009/10 and 2011/12. This subprogramme has no staff complement.

## Expenditure estimates

Table 7.10 Expanded Public Works Programme

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Expanded Public Works Programme	148.3	206.0	209.7	264.2	21.2%	19.5%	275.4	291.9	308.1	5.3%	14.4%
Performance Based Incentive Allocations	281.2	709.0	953.3	1 464.7	73.3%	80.5%	1 672.6	1 784.5	1 847.7	8.1%	85.6%
<b>Total</b>	<b>429.5</b>	<b>914.9</b>	<b>1 163.0</b>	<b>1 728.8</b>	<b>59.1%</b>	<b>100.0%</b>	<b>1 948.0</b>	<b>2 076.4</b>	<b>2 155.7</b>	<b>7.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				69.8			(13.0)	(31.5)	7.6		
<b>Economic classification</b>											
<b>Current payments</b>	<b>161.3</b>	<b>212.9</b>	<b>216.3</b>	<b>272.2</b>	<b>19.0%</b>	<b>20.4%</b>	<b>282.8</b>	<b>299.8</b>	<b>316.3</b>	<b>5.1%</b>	<b>14.8%</b>
Compensation of employees	54.9	64.1	91.9	102.5	23.2%	7.4%	111.0	118.2	126.4	7.2%	5.8%
Goods and services	106.3	144.4	124.3	169.6	16.8%	12.9%	171.7	181.5	189.8	3.8%	9.0%
<i>of which:</i>											
Agency and support / outsourced services	15.4	13.4	45.7	89.2	79.6%	3.9%	80.0	84.0	87.9	-0.5%	4.3%
Operating leases	0.1	1.3	0.9	0.4	53.5%	0.1%	0.5	0.5	0.6	9.1%	-
Travel and subsistence	10.4	14.1	26.8	16.2	16.0%	1.6%	20.9	23.1	24.1	14.2%	1.1%
Interest and rent on land	0.1	4.5	0.1	0.1	-15.2%	0.1%	0.1	0.1	0.1	3.5%	-
<b>Transfers and subsidies</b>	<b>266.7</b>	<b>698.6</b>	<b>944.1</b>	<b>1 455.1</b>	<b>76.0%</b>	<b>79.4%</b>	<b>1 662.6</b>	<b>1 773.9</b>	<b>1 836.5</b>	<b>8.1%</b>	<b>85.1%</b>
Provinces and municipalities	216.4	518.7	789.7	1 172.3	75.6%	63.7%	1 224.2	1 276.2	1 328.1	4.2%	63.2%
Public corporations and private enterprises	9.8	0.1	-	-	-100.0%	0.2%	-	-	-	-	-
Non-profit institutions	40.5	179.8	154.4	282.7	91.1%	15.5%	438.3	497.5	508.3	21.6%	21.8%
Households	-	0.0	0.0	0.1	-	-	0.2	0.2	0.2	44.9%	-
<b>Payments for capital assets</b>	<b>1.5</b>	<b>3.5</b>	<b>2.6</b>	<b>1.6</b>	<b>1.4%</b>	<b>0.2%</b>	<b>2.6</b>	<b>2.8</b>	<b>2.9</b>	<b>22.9%</b>	<b>0.1%</b>
Machinery and equipment	1.5	3.0	2.6	1.6	1.4%	0.2%	2.6	2.8	2.9	22.9%	0.1%
Software and other intangible assets	-	0.5	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>429.5</b>	<b>914.9</b>	<b>1 163.0</b>	<b>1 728.8</b>	<b>59.1%</b>	<b>100.0%</b>	<b>1 948.0</b>	<b>2 076.4</b>	<b>2 155.7</b>	<b>7.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>7.8%</b>	<b>13.8%</b>	<b>16.5%</b>	<b>21.9%</b>			<b>31.6%</b>	<b>31.6%</b>	<b>30.9%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>100.5</b>	<b>279.6</b>	<b>363.9</b>	<b>662.1</b>	<b>87.5%</b>	<b>33.2%</b>	<b>610.7</b>	<b>632.3</b>	<b>661.0</b>	<b>-0.1%</b>	<b>32.4%</b>
Expanded public works programme integrated grant for municipalities	100.5	279.6	363.9	662.1	87.5%	33.2%	610.7	632.3	661.0	-0.1%	32.4%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>9.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Public corporation	9.8	-	-	-	-100.0%	0.2%	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>40.5</b>	<b>179.8</b>	<b>154.4</b>	<b>282.7</b>	<b>91.1%</b>	<b>15.5%</b>	<b>438.3</b>	<b>497.5</b>	<b>508.3</b>	<b>21.6%</b>	<b>21.8%</b>
Non-state sector	40.5	179.8	154.4	282.7	91.1%	15.5%	438.3	497.5	508.3	21.6%	21.8%
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>115.9</b>	<b>239.0</b>	<b>425.8</b>	<b>510.2</b>	<b>63.9%</b>	<b>30.5%</b>	<b>613.5</b>	<b>643.9</b>	<b>667.1</b>	<b>9.4%</b>	<b>30.8%</b>
Expanded public works programme integrated grant for provinces	115.9	182.4	225.5	292.8	36.2%	19.3%	355.9	370.9	381.6	9.2%	17.7%
Social sector expanded public works programme incentive grant for provinces.	-	56.6	200.4	217.4	-	11.2%	257.6	273.0	285.5	9.5%	13.1%

## Expenditure trends

The spending focus over the medium term will be on creating work opportunities and providing training for unskilled, marginalised and unemployed people in South Africa. This entails improving the coordination and performance of the expanded public works programme, which is discussed in further detail in the section that

follows. The bulk of the programme's budget goes towards the payment of performance based incentives to eligible provinces, municipalities and non-profit organisations to incentivise them to increase job creation efforts in expanded public works programmes by shifting towards more labour intensive methods of construction.

The increase in spending between 2009/10 and 2012/13 was due to the allocation of additional funding in the form of performance incentives to eligible provinces, municipalities and non-profit organisations for job creation efforts in support of the introduction of phase 2 of the programme. Approximately 2.1 million work opportunities were created in this period in line with the business plan for phase 2 of the programme. Spending increases in this programme expected over the MTEF period are due to increased funding for the non-state sector to subsidise the sector for additional work opportunities to be created. The next phase of the programme, which will continue to increase spending on transfers and subsidies over the medium term, aims to create 3.7 million work opportunities (approximately 2 million full time equivalents).

The department has reprioritised R248 million over the MTEF period from transfers to provinces and municipalities to the transfers to the non-state sector as follows: R80.2 million in 2013/14, R87.7 million in 2014/15 and R79.7 million in 2015/16. As part of the Cabinet approved budget reductions, the department has effected a baseline reduction on the integrated grants for provinces and municipalities as follows: R11.1 million in 2013/14, R23.9 million in 2014/15 and R37.5 million in 2015/16 on the expanded public works programme incentive grant for municipalities; and R5.7 million in 2013/14, R12.3 million in 2014/15 and R19.3 million in 2015/16 on the expanded public works programme incentive grant for provinces.

### Subprogramme: Expanded Public Works Programme

This subprogramme promotes the use of government expenditure to create additional employment opportunities by introducing labour intensive delivery methods and additional employment and skills programmes for the participation of the unemployed in delivering needed services. Between 2009/10 and March 2014, the programme aims to coordinate the creation of 4.5 million work opportunities for unemployed people through the use of labour intensive methods. An example is the Zibambele programme, an initiative of the KwaZulu-Natal department of transport, which contracts households to maintain rural roads by ensuring good roadside visibility, maintaining the road drainage system and road surfaces, and clearing road verges of litter.

### Expenditure estimates

Table 7.11 Expanded Public Works Programme

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate		
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million												
<b>Current payments</b>	<b>146.8</b>	<b>202.4</b>	<b>207.1</b>	<b>262.5</b>	<b>21.4%</b>	<b>98.9%</b>	<b>272.6</b>	<b>289.0</b>	<b>305.0</b>	<b>5.1%</b>	<b>99.1%</b>	
Compensation of employees	54.9	64.1	91.9	102.5	23.2%	37.8%	111.0	118.2	126.4	7.2%	40.2%	
Goods and services	91.8	133.8	115.1	160.0	20.3%	60.5%	161.5	170.7	178.6	3.7%	58.9%	
Interest and rent on land	0.1	4.5	0.1	0.1	-15.2%	0.6%	0.1	0.1	0.1	3.5%	-	
<b>Transfers and subsidies</b>	<b>-</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>44.9%</b>	<b>-</b>	
Public corporations and private enterprises	-	0.1	-	-	-	-	-	-	-	-	-	
Households	-	0.0	0.0	0.1	-	-	0.2	0.2	0.2	44.9%	-	
<b>Payments for capital assets</b>	<b>1.5</b>	<b>3.5</b>	<b>2.6</b>	<b>1.6</b>	<b>1.4%</b>	<b>1.1%</b>	<b>2.6</b>	<b>2.8</b>	<b>2.9</b>	<b>22.9%</b>	<b>0.9%</b>	
Machinery and equipment	1.5	3.0	2.6	1.6	1.4%	1.0%	2.6	2.8	2.9	22.9%	0.9%	
Software and other intangible assets	-	0.5	-	-	-	0.1%	-	-	-	-	-	
<b>Total</b>	<b>148.3</b>	<b>206.0</b>	<b>209.7</b>	<b>264.2</b>	<b>21.2%</b>	<b>100.0%</b>	<b>275.4</b>	<b>291.9</b>	<b>308.1</b>	<b>5.3%</b>	<b>100.0%</b>	
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>34.5%</b>	<b>22.5%</b>	<b>18.0%</b>	<b>15.3%</b>			<b>14.1%</b>	<b>14.1%</b>	<b>14.3%</b>			

## Personnel information

Table 7.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)			
		2011/12			2012/13			2013/14			2014/15			2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Expanded Public Works Programme		260	39	260	95	0.4	260	99	0.4	260	110	0.4	260	119	0.5	260	126	0.5	-	100.0%	
Salary level																					
1 – 6	31	39	31	3	0.1	31	4	0.1	31	4	0.1	31	4	0.1	31	5	0.1	-	11.9%		
7 – 10	93	-	93	21.3	0.2	93	22.3	0.2	93	24.6	0.3	93	26.6	0.3	93	28.2	0.3	-	35.8%		
11 – 12	105	-	105	49.5	0.5	105	51.8	0.5	105	57.3	0.5	105	61.9	0.6	105	65.8	0.6	-	40.4%		
13 – 16	31	-	31	20.5	0.7	31	21.4	0.7	31	24.0	0.8	31	26.0	0.8	31	27.5	0.9	-	11.9%		

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The bulk of spending in this subprogramme goes towards administrative costs related to the expanded public works programme such as compensation of employees and related goods and services, particularly spending on consultants and agency and outsourced services.

Spending on consultants and agency and outsourced services increased between 2009/10 to 2012/13 due to the appointment of service providers to provide technical support to provinces and municipalities on the design of infrastructure projects and reporting. This was done to facilitate the implementation of the expanded public works programme projects by participating provinces and municipalities. Over the MTEF period, expenditure on consultancy and agency and outsourced services will continue to increase as part of the department's drive to build capacity in provinces and municipalities so they are able to improve their job creation initiatives.

The subprogramme has an approved establishment of 282 posts, of which 260 are filled. The number of funded posts, including posts additional to the establishment, has remained stable at 260 between 2011/12 and 2012/13. Personnel numbers are expected to remain at this level over the medium term.

## Programme 4: Property and Construction Industry Policy Regulations

### Objectives

- Provide strategic leadership in effective and efficient immovable asset management and the delivery of infrastructure programmes in national and provincial government through the development of best practice guidelines by March 2015.
- Review legislation to regulate the construction and property industries by:
  - tabling the Expropriation Bill in Parliament by December 2013 to align it with the Constitution in order to provide a common framework to guide the processes and procedures for the expropriation of property by all organs of state
  - tabling the Agrément South Africa Bill in Parliament by November 2013 and establishing it as a juristic person, thereby improving its corporate governance and accountability.
- Promote the green economy and ensure environmental sustainability in the construction and property sectors by developing a comprehensive policy framework including implementing the green building framework, creating green jobs and developing related policies and strategies by March 2015.

### Subprogrammes

- *Construction Industry Development Programme* creates an enabling environment for transforming the construction and development industry by developing appropriate legislation and implementing monitoring mechanisms for the sector. The subprogramme aims to ensure the transformation and regulation of the construction and property industries to ensure economic growth and development. Over the medium term,

the department will facilitate the development and completion of the green buildings framework document. This subprogramme had a staff complement of 13 in 2012/13.

- *Property Industry Development Programme* provides leadership and guidance on the transformation of the property industry, promotes uniformity and best practice on immovable asset management in the public sector through policy development, sets best practice standards for compiling and maintaining immovable asset registers, and administers rights over state and private land through its guidelines. The subprogramme aims to ensure effective and efficient strategic leadership in immovable asset management and the delivery of infrastructure programmes through reviewing the ministerial handbook, submitting the Agrément South Africa Bill and the Expropriation Bill to Parliament; and developing lifecycle property management policies, as well as a regulatory framework extending the principles of the Government Immovable Asset Management Act (2007) to local government over the medium term. This subprogramme had a staff complement of 10 in 2012/13.

## Expenditure estimates

**Table 7.13 Property and Construction Industry Policy Regulations**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Construction Industry Development Programme	14.7	16.0	21.5	21.0	12.8%	58.1%	22.0	23.5	24.6	5.4%	56.5%
Property Industry Development Programme	11.3	12.0	12.9	16.4	13.1%	41.9%	17.1	18.0	18.8	4.6%	43.5%
<b>Total</b>	<b>26.0</b>	<b>28.0</b>	<b>34.4</b>	<b>37.4</b>	<b>12.9%</b>	<b>100.0%</b>	<b>39.2</b>	<b>41.5</b>	<b>43.4</b>	<b>5.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				-			-	-	-		

### Economic classification

<b>Current payments</b>	<b>17.4</b>	<b>18.8</b>	<b>22.7</b>	<b>37.2</b>	<b>28.9%</b>	<b>76.4%</b>	<b>38.9</b>	<b>41.1</b>	<b>43.0</b>	<b>5.0%</b>	<b>99.2%</b>
Compensation of employees	5.8	6.4	7.9	12.6	29.6%	26.1%	13.3	14.1	14.8	5.4%	33.9%
Goods and services	11.6	12.4	14.8	24.6	28.4%	50.3%	25.5	27.0	28.2	4.8%	65.2%
<i>of which:</i>											
<i>Agency and support / outsourced services</i>	0.1	-	1.2	10.5	344.0%	9.4%	11.2	11.9	12.4	5.7%	28.5%
<i>Operating leases</i>	0.1	0.2	0.1	0.1	2.2%	0.4%	0.2	0.2	0.2	5.2%	0.4%
<i>Travel and subsistence</i>	0.7	0.1	1.1	1.8	36.1%	2.9%	1.9	2.1	2.2	6.4%	5.0%
Interest and rent on land	0.0	0.0	0.0	0.0	42.9%	0.1%	0.0	0.0	0.0	4.6%	0.1%
<b>Transfers and subsidies</b>	<b>8.6</b>	<b>9.0</b>	<b>9.5</b>	<b>0.1</b>	<b>-77.3%</b>	<b>21.6%</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>26.0%</b>	<b>0.4%</b>
Non-profit institutions	8.6	9.0	9.4	-	-100.0%	21.4%	-	-	-	-	-
Households	-	-	0.1	0.1	-	0.1%	0.2	0.2	0.2	26.0%	0.4%
<b>Payments for capital assets</b>	<b>0.0</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>36.3%</b>	<b>0.4%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>3.9%</b>	<b>0.3%</b>
Machinery and equipment	0.0	0.2	0.1	0.1	36.3%	0.4%	0.1	0.1	0.1	3.9%	0.3%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>2.0</b>	<b>-</b>	<b>-</b>	<b>1.6%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>26.0</b>	<b>28.0</b>	<b>34.4</b>	<b>37.4</b>	<b>12.9%</b>	<b>100.0%</b>	<b>39.2</b>	<b>41.5</b>	<b>43.4</b>	<b>5.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.5%</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.5%</b>			<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</b>		

### Details of selected transfers and subsidies

<b>Non-profit institutions</b>											
<b>Current</b>	<b>8.6</b>	<b>9.0</b>	<b>9.4</b>	<b>-</b>	<b>-100.0%</b>	<b>21.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Agrément Board	8.6	9.0	9.4	-	-100.0%	21.4%	-	-	-	-	-

## Personnel information

**Table 7.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost								
Property and Construction Industry Policy Regulations		20	8.4	0.4	20	8.8	0.4	20	9.8	0.5	20	10.5	0.5	20	11.2	0.6	-	100.0%	
Salary level		20			20			20			20			20					
7 – 10	9	-	9	2.2	0.2	9	2.3	0.3	9	2.5	0.3	9	2.7	0.3	9	2.9	0.3	-	45.0%
11 – 12	8	-	8	3.7	0.5	8	3.9	0.5	8	4.3	0.5	8	4.7	0.6	8	4.9	0.6	-	40.0%
13 – 16	3	-	3	2.5	0.8	3	2.6	0.9	3	2.9	1.0	3	3.1	1.0	3	3.3	1.1	-	15.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on tabling the Expropriation Bill and the Agrément South Africa Bill in Parliament, and promoting growth and transformation in the construction and property industries through the development of lifecycle asset management policies.

Between 2009/10 and 2012/13, the significant growth in expenditure was mainly because of increases in the allocations for compensation of employees and goods and services, specifically travel and subsistence, agency and support and outsourced services, professional services, and advertising. This was due to the appointment of additional staff to oversee the development of lifecycle asset management policies and the appointment of a service provider with legal expertise to assist in the development of the Expropriation Bill and the Agrément South Africa Bill. Over the medium term, the department will continue to utilise the services of a consultant to finalise the two bills, which is expected to drive spending on consultants and agency support and outsourced services over the MTEF period.

The programme has an approved establishment of 25 posts, of which 20 are filled. Personnel numbers are expected to remain at this level over the medium term.

## Programme 5: Auxiliary and Associated Services

### Subprogrammes

- *Compensation for Losses* provides compensation for losses in the state housing guarantee scheme when public servants fail to fulfil their obligations. This subprogramme has no staff complement.
- *Assistance to Organisations* for Preservation of National Memorials provides funding to the Commonwealth War Graves Commission and to the United Nations (UN) for maintaining national memorials. In 2012/13, this subprogramme's budget was transferred to foreign governments and international organisations for maintaining national memorials. This subprogramme has no staff complement.
- *State Functions* provides for the acquisition of logistical facilities for state functions, with the aim of ensuring effective and efficient delivery of infrastructure for all state function activities. This subprogramme has no staff complement.
- *Sector Education and Training Authority* aims to influence training and skills development throughout the construction industry. In 2012/13, this subprogramme's total budget was transferred to the Construction Education and Training Authority. This subprogramme has no staff complement.

## Expenditure estimates

**Table 7.15 Auxiliary and Associated Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million					2009/10 - 2012/13		2013/14	2014/15	2015/16		2012/13 - 2015/16
Compensation for Losses	–	0.3	–	2.2	–	1.9%	0.3	0.4	0.5	-37.4%	1.7%
Assistance to Organisations for Preservation of National Memorials	14.8	13.9	13.0	18.9	8.6%	47.4%	20.5	21.7	22.7	6.3%	42.6%
State Functions	23.9	8.8	12.0	15.1	-14.2%	46.8%	27.1	27.7	28.5	23.5%	49.9%
Sector Education and Training Authority	0.9	1.2	0.3	2.6	43.2%	3.9%	2.8	2.9	3.0	5.4%	5.7%
<b>Total</b>	<b>39.6</b>	<b>24.1</b>	<b>25.2</b>	<b>38.8</b>	<b>-0.6%</b>	<b>100.0%</b>	<b>50.7</b>	<b>52.8</b>	<b>54.8</b>	<b>12.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(0.5)			10.0	10.0	10.0		

**Economic classification**

<b>Current payments</b>	<b>23.9</b>	<b>8.8</b>	<b>12.0</b>	<b>17.3</b>	<b>-10.3%</b>	<b>48.5%</b>	<b>27.4</b>	<b>28.2</b>	<b>29.0</b>	<b>18.8%</b>	<b>51.7%</b>
Goods and services	23.9	8.8	12.0	17.3	-10.3%	48.5%	27.4	28.2	29.0	18.8%	51.7%
<b>Transfers and subsidies</b>	<b>15.7</b>	<b>15.1</b>	<b>13.2</b>	<b>21.5</b>	<b>11.2%</b>	<b>51.3%</b>	<b>23.3</b>	<b>24.7</b>	<b>25.8</b>	<b>6.2%</b>	<b>48.3%</b>
Departmental agencies and accounts	0.9	1.2	0.3	2.6	43.2%	3.9%	2.8	2.9	3.0	5.4%	5.7%
Foreign governments and international organisations	14.8	13.9	13.0	18.9	8.6%	47.4%	20.5	21.7	22.7	6.3%	42.6%
<b>Payments for financial assets</b>	<b>–</b>	<b>0.3</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.2%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>39.6</b>	<b>24.1</b>	<b>25.2</b>	<b>38.8</b>	<b>-0.6%</b>	<b>100.0%</b>	<b>50.7</b>	<b>52.8</b>	<b>54.8</b>	<b>12.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.7%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.5%</b>			<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>		

**Details of selected transfers and subsidies**

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>0.9</b>	<b>1.2</b>	<b>0.3</b>	<b>2.6</b>	<b>43.2%</b>	<b>3.9%</b>	<b>2.8</b>	<b>2.9</b>	<b>3.0</b>	<b>5.4%</b>	<b>5.7%</b>
Sector Education and Training Authority	0.9	1.2	0.3	2.6	43.2%	3.9%	2.8	2.9	3.0	5.4%	5.7%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>14.8</b>	<b>13.9</b>	<b>13.0</b>	<b>18.9</b>	<b>8.6%</b>	<b>47.4%</b>	<b>20.5</b>	<b>21.7</b>	<b>22.7</b>	<b>6.3%</b>	<b>42.6%</b>
Commonwealth War Graves Commission	14.8	13.9	13.0	18.9	8.6%	47.4%	20.5	21.7	22.7	6.3%	42.6%

## Expenditure trends

The spending focus over the medium term will be on providing assistance to the Commonwealth War Graves Commission and the UN for the preservation of national memorials and seeing to the logistics of facilities required for state functions. The bulk of spending in this programme goes towards these functions.

The department generally outsources infrastructure provision for state functions. Between 2009/10 and 2012/13, the decrease in expenditure on contractors was due to a once-off allocation of funds in 2009/10 to provide for the presidential inauguration. Over the medium term, expenditure for state functions is expected to increase, at an average annual rate of 23.5 per cent, mainly to provide for the next presidential inauguration ceremony in 2014. This will also lead to increased spending on contractors. The programme has no staff and consultants are used mainly to rent and procure infrastructure for state functions.



## Public entities and other agencies

### Property management trading entity

#### Mandate and goals

The property management trading entity was established following the decision in 2006 that accommodation related costs be devolved from the Department of Public Works to client departments. The budget devolution was aimed at ensuring the long term sustainability of the department and its immovable assets, and ensuring compliance with the Public Finance Management Act (1999), specifically the requirement that the full cost of a service be reflected on each of the departments' budgets. On a cost recovery basis, the entity finances the purchase, construction, refurbishment and maintenance of nationally owned government properties. The entity also pays for municipal services on behalf of national departments on a commission basis.

The entity's strategic goals over the medium term are to improve internal financial management practices by re-evaluating its current policies and procedures, and to implement an adequate IT system to support operations.

#### Selected performance indicators

**Table 7.16 Property Management Trading Entity**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue collected per year	All	R5.4bn	R4.9bn	R4.7bn	R6.6bn	R7.3bn	R8.1bn	R9bn
Average number of days to collect revenue	All	60	60	60	60	60	60	60
Amount invoiced outstanding at the end of the year	All	R109m	R100m	R 95m	R100m	R100m	R100m	R100m

#### Programmes/activities/objectives

**Table 7.17 Property Management Trading Entity**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Maintenance and repair of buildings	626.8	812.9	2 286.3	2 505.7	58.7%	25.8%	2 759.3	2 846.5	3 413.1	10.9%	37.9%
Operating leases	2 431.2	2 954.3	3 867.5	3 224.7	9.9%	56.6%	3 425.0	3 699.0	3 994.9	7.4%	47.3%
Property rates	549.5	583.1	513.8	716.9	9.3%	11.0%	788.6	867.4	950.0	9.8%	10.9%
Cleaning and gardening services	225.4	392.4	165.4	223.8	-0.2%	4.9%	235.0	247.0	260.0	5.1%	3.2%
Corporate services	141.1	120.4	4.6	65.8	-22.5%	1.8%	56.9	41.9	20.4	-32.3%	0.6%
<b>Total expense</b>	<b>3 974.1</b>	<b>4 863.1</b>	<b>6 837.6</b>	<b>6 736.8</b>	<b>19.2%</b>	<b>100.0%</b>	<b>7 264.8</b>	<b>7 701.8</b>	<b>8 638.4</b>	<b>8.6%</b>	<b>100.0%</b>

#### Expenditure estimates

**Table 7.18 Property Management Trading Entity**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>3 210.8</b>	<b>4 438.7</b>	<b>6 485.0</b>	<b>6 090.0</b>	23.8%	88.5%	<b>6 582.3</b>	<b>6 978.4</b>	<b>7 881.8</b>	9.0%	90.7%
Sale of goods and services other than capital assets	3 210.8	4 438.0	6 450.9	6 072.2	23.7%	88.3%	6 563.6	6 958.7	7 858.1	9.0%	90.5%
of which:											
Sales by market establishment	2 385.0	3 430.3	3 866.9	3 337.0	11.8%	58.6%	3 548.8	3 835.5	4 145.3	7.5%	49.0%
Other sales	825.8	1 007.7	2 584.0	2 735.2	49.1%	29.7%	3 014.8	3 123.2	3 712.7	10.7%	41.4%
Other non-tax revenue	-	0.7	34.1	17.8	-	0.2%	18.7	19.7	23.7	10.0%	0.3%
<b>Transfers received</b>	<b>588.4</b>	<b>613.0</b>	<b>630.2</b>	<b>646.8</b>	<b>3.2%</b>	<b>11.5%</b>	<b>682.4</b>	<b>723.4</b>	<b>756.6</b>	<b>5.4%</b>	<b>9.3%</b>
<b>Total revenue</b>	<b>3 799.2</b>	<b>5 051.7</b>	<b>7 115.1</b>	<b>6 736.8</b>	<b>21.0%</b>	<b>100.0%</b>	<b>7 264.8</b>	<b>7 701.8</b>	<b>8 638.4</b>	<b>8.6%</b>	<b>100.0%</b>

**Table 7.18 Property Management Trading Entity (continued)**

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Expenses</b>											
<b>Current expenses</b>	<b>3 424.6</b>	<b>4 280.0</b>	<b>6 324.8</b>	<b>6 020.0</b>	<b>20.7%</b>	<b>89.0%</b>	<b>6 476.2</b>	<b>6 834.3</b>	<b>7 688.4</b>	<b>8.5%</b>	<b>89.1%</b>
Goods and services	3 424.6	4 267.5	6 313.4	6 005.2	20.6%	88.8%	6 456.3	6 813.1	7 665.6	8.5%	88.8%
Interest, dividends and rent on land	-	12.5	11.4	14.8	-	0.2%	19.9	21.2	22.8	15.5%	0.3%
<b>Transfers and subsidies</b>	<b>549.5</b>	<b>583.1</b>	<b>512.9</b>	<b>716.9</b>	<b>9.3%</b>	<b>11.0%</b>	<b>788.6</b>	<b>867.4</b>	<b>950.0</b>	<b>9.8%</b>	<b>10.9%</b>
<b>Total expenses</b>	<b>3 974.1</b>	<b>4 863.1</b>	<b>6 837.6</b>	<b>6 736.8</b>	<b>19.2%</b>	<b>100.0%</b>	<b>7 264.8</b>	<b>7 701.8</b>	<b>8 638.4</b>	<b>8.6%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(175.0)</b>	<b>189.0</b>	<b>278.0</b>	<b>-</b>	<b>-100.0%</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## Expenditure trends

The property management trading entity's revenue is generated mainly from management fees earned through administrative services provided on behalf of client departments, such as the payment of municipal charges on behalf of client departments at a management fee of 5 per cent, and on rental income collected on both government owned buildings rented to client departments and privately owned buildings rented on behalf of government departments from private landlords. Between 2009/10 and 2012/13, revenue increased significantly due to increases in accommodation charges and cost escalations from leases. Over the MTEF period, revenue is expected to increase to R8.6 billion in 2015/16 due to annual escalations in lease contracts, which range between 8 per cent and 10 per cent, and an inflationary increase in estimates for day-to-day maintenance.

The spending focus over the medium term will be on the acquisition and implementation of a system to improve the entity's invoicing processes, which should also lead to improved revenue collection and therefore more funds being available for the implementation of capital projects.

The increases in expenditure between 2009/10 and 2012/13 and over the MTEF period are in line with the growth in the entity's revenue. In addition, expenditure increased over this period due to the reclassification of some repair and maintenance projects from capital to current expenditure during the same period. This is also the reason for the average annual growth rate of 20.6 per cent in expenditure on goods and services, and the 19.2 per cent increase in total expenditure in the same period.

The entity has no staff of its own and uses the department's staff to carry out its mandate. The entity does not have budgets for spending on items such as compensation of employees or goods and services, as the department still provides these services to the entity.

Since its inception in 2006, the entity has financed the refurbishment of the Civitas building, which currently houses the Department of Health; acquired the Salvokop precinct in Tshwane for the construction of a number of buildings for the headquarters of a number of departments; and repaired and maintained infrastructure at various ports of entry across the country.

## Other public entities and agencies

Comprehensive coverage of the following public entities is provided with the more the detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- **The Construction Industry Development Board** provides leadership to stakeholders, stimulates the growth, reform and improvement of the construction sector, and enhances the industry's role in the South African economy. The board's total budget for 2013/14 is R122.9 million.
- **The Council for the Built Environment** oversees and regulates the six professional councils responsible for regulating built environment professionals such as architects, engineers, quantity surveyors, landscape architects, property valuers, and project and construction managers. The council's total budget for 2013/14 is R39.8 million.
- **The Independent Development Trust** has evolved from being a grant making organisation to being a responsive development agency with a well established footprint across South Africa. The trust's total budget for 2013/14 is R413.8 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate			
				2009/10	2010/11		2011/12	2013/14	2014/15	2015/16
R million										
<b>Departmental infrastructure</b>										
Inner city regeneration: Prebrija, Agrivaal building	Rehabilitation	Construction	615.7	11.3	18.4	8.8	137.0	–	–	–
Departmental: Various centres	Upgrading and construction of an estimated 157 departmental accommodation sites	Various	3 051.8	62.8	261.2	285.3	201.6	131.8	181.5	272.1
Dolomite: Various centres	Management of an estimated 40 dolomite risk areas	Various	1 065.1	21.2	11.9	32.2	62.6	195.5	147.2	141.1
Accessibility: Various centres	Upgrading of an estimated 179 disabled facilities	Various	122.4	14.6	19.0	11.4	23.6	25.1	14.0	7.5
Border control operational coordination committee: Various centres	Redevelopment of an estimated 134 border post centres	Various	3 874.2	643.3	372.0	274.6	277.1	147.7	229.2	384.8
Prestige: Various centres	Upgrading and construction of an estimated 85 prestige accommodation sites	Various	2 874.6	399.6	446.4	365.9	274.4	106.0	252.3	180.5
Inner city regeneration: Various centres	Development of an estimated 6 national government precincts	Various	385.9	100.7	127.0	33.3	23.0	70.1	15.2	79.9
<b>Total</b>			<b>11 989.7</b>	<b>1 253.6</b>	<b>1 255.9</b>	<b>1 011.4</b>	<b>999.3</b>	<b>676.2</b>	<b>839.4</b>	<b>1 066.0</b>



# Vote 8

## Women, Children and People with Disabilities

### Budget Summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	91.6	88.9	0.0	2.7	97.5	102.9
Women, Empowerment and Gender Equality	82.9	19.4	63.1	0.4	91.7	96.3
Children's Rights and Responsibilities	9.9	9.7	–	0.2	12.2	13.5
Rights of People with Disabilities	13.9	13.6	–	0.3	17.1	17.6
<b>Total expenditure estimates</b>	<b>198.3</b>	<b>131.6</b>	<b>63.1</b>	<b>3.6</b>	<b>218.5</b>	<b>230.2</b>
Executive authority	Minister of Women, Children and People with Disabilities					
Accounting officer	Director General of Women, Children and People with Disabilities					
Website address	www.wcpd.gov.za					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Drive, accelerate and oversee government's equity, equality and empowerment agenda on women, children and people with disabilities, especially in poor and rural communities.*

### Mandate

The mandate of the Department of Women, Children and People with Disabilities is to promote, facilitate, coordinate and monitor the realisation of the rights of women, children and people with disabilities. The mandate is derived from elements of a range of legislation, including but not limited to the Promotion of Equality and Prevention of Unfair Discrimination Act (1996), the Children's Act (2005), and the Commission on Gender Equality Act (1996).

### Strategic goals

The department's strategic goals over the medium term are to:

- coordinate and facilitate the process of establishing the National Council Against Gender Based Violence
- mainstream women empowerment and gender equality, children's rights and disability considerations into government's policies and governance processes
- monitor and evaluate the mainstreaming of women's empowerment and gender equality, children's rights and disability considerations into government's policies and governance processes
- coordinate institutional support and capacity development programmes for the promotion, protection and advancement of women, children and people with disabilities.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide effective leadership, management and administrative support services to the minister and other branches in the department.

### Programme 2: Women, Empowerment and Gender Equality

**Purpose:** Facilitate the translation of national and international instruments into empowerment and socioeconomic development programmes. Oversee and comprehensively report on the national realisation of women's rights and the progressive realisation of equality.

### Programme 3: Children's Rights and Responsibilities

**Purpose:** Oversee the consolidation of the children's rights agenda and the alignment of the conceptual frameworks and strategies across the three spheres of government to advance delivery in line with constitutional and international instruments.

### Programme 4: Rights of People with Disabilities

**Purpose:** Facilitate the translation of national and international instruments into empowerment and socioeconomic development programmes. Oversee and comprehensively report on the national realisation of the rights of people with disabilities and the progressive realisation of equality.

## Selected performance indicators

**Table 8.1 Women, Children and People with Disabilities**

Indicator <sup>1</sup>	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of reports submitted to Cabinet on mainstreaming, advocacy and monitoring of rights of women, children and people with disabilities per year	Women Empowerment and Gender Equality, Children's rights and Responsibilities, and Rights of People with Disabilities	Outcome 2: A long and healthy life for all South Africans	- <sup>1</sup>	- <sup>1</sup>	3	7	4	5	6
Number of advocacy and mainstreaming programmes on the realisation of the rights of women, children and people with disabilities per year	Women Empowerment and Gender Equality, Children's rights and Responsibilities, and Rights of People with Disabilities	Outcome 5: A skilled and capable workforce to support an inclusive growth path Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	- <sup>1</sup>	- <sup>1</sup>	5	17	6	7	8
Number of awareness campaigns promoting the realisation and protection of the rights of women, children and people with disabilities per year	Women Empowerment and Gender Equality, Children's rights and Responsibilities, and Rights of People with Disabilities		- <sup>1</sup>	- <sup>1</sup>	16	28	10	11	12

Table 8.1 Women, Children and People with Disabilities (continued)

Indicator <sup>1</sup>	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of reports on the extent to which government prioritises the 12 outcomes to mainstream gender imperatives per year	Women Empowerment and Gender Equality		-1	-1	2	2	2	2	2
Number of programmes on access to development opportunities for vulnerable groups per year	Women Empowerment and Gender Equality, Children's rights and Responsibilities, and Rights of People with Disabilities	Outcome 2: A long and healthy life for all South Africans Outcome 5: A skilled and capable workforce to support an inclusive growth path Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	-1	-1	3	3	3	4	5
Number of reports submitted to the Southern African Development Community, African Union, and United Nations on the elimination of discrimination against women per year	Women Empowerment and Gender Equality		-1	-1	6	8	4	4	4

1. The department began measuring these indicators in 2011/12.

## The national development plan

The priorities of the national development plan are to eliminate poverty through economic growth, jobs, education, and skills development, and to build a capable and developmental state. According to the plan, a developmental state builds the capabilities of people to improve their own lives, while intervening to protect the rights of the most vulnerable citizens. The department and its entity, the Commission for Gender Equality, have a special role to play in contributing to these priorities. In this regard, the department and the commission will be setting clear targets to ensure that the rights of women, children and people with disabilities are protected and advanced at all levels of society so that they may live the lives to which they aspire.

## Expenditure estimates

Table 8.2 Women, Children and People with Disabilities

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million						2009/10 - 2012/13					2012/13 - 2015/16	
Administration	1.7	37.5	67.1	83.4	81.4	261.5%	34.6%	91.6	97.5	102.9	8.1%	44.7%
Women, Empowerment and Gender Equality	57.0	60.8	77.2	80.2	79.3	11.6%	50.6%	82.9	91.7	96.3	6.7%	41.9%
Children's Rights and Responsibilities	7.7	8.7	12.0	13.5	12.9	18.5%	7.6%	9.9	12.2	13.5	1.5%	5.8%
Rights of People with Disabilities	11.0	2.9	9.6	15.7	15.1	11.1%	7.1%	13.9	17.1	17.6	5.2%	7.6%
<b>Total</b>	<b>77.5</b>	<b>109.9</b>	<b>165.9</b>	<b>192.8</b>	<b>188.7</b>	<b>34.5%</b>	<b>100.0%</b>	<b>198.3</b>	<b>218.5</b>	<b>230.2</b>	<b>6.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				20.7	16.5			2.8	3.7	5.5		

**Table 8.2 Women, Children and People with Disabilities (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million	28.4	57.7	104.6	130.5	126.4	64.4%	58.5%	131.6	147.3	155.2	7.1%	67.1%
<b>Current payments</b>												
Compensation of employees	9.8	22.7	47.8	70.0	65.9	88.6%	27.0%	80.3	84.6	89.3	10.7%	38.3%
Goods and services	18.6	35.0	56.8	60.5	60.5	48.2%	31.5%	51.3	62.6	65.9	2.8%	28.8%
<i>of which:</i>												
<i>Audit cost: External</i>	–	–	2.5	1.7	1.7		0.8%	3.0	3.5	3.6	27.8%	1.4%
<i>Property payments</i>	–	–	3.2	15.0	15.0		3.4%	13.3	14.0	14.5	-1.3%	6.8%
<i>Travel and subsistence</i>	4.0	16.1	18.9	25.7	25.7	85.3%	11.9%	16.0	24.2	25.6	-0.1%	10.9%
<i>Venues and facilities</i>	3.1	4.5	2.6	4.1	4.1	9.4%	2.6%	3.4	3.6	3.8	-2.5%	1.8%
<b>Transfers and subsidies</b>	<b>49.1</b>	<b>52.0</b>	<b>55.3</b>	<b>59.2</b>	<b>59.2</b>	<b>6.4%</b>	<b>39.8%</b>	<b>63.1</b>	<b>67.2</b>	<b>70.8</b>	<b>6.2%</b>	<b>31.1%</b>
Departmental agencies and accounts	49.1	51.9	55.2	59.1	59.1	6.3%	39.7%	63.1	67.2	70.8	6.2%	31.1%
Households	–	0.0	0.1	0.1	0.1		0.0%	–	–	–	-100.0%	0.0%
<b>Payments for capital assets</b>	<b>–</b>	<b>0.2</b>	<b>6.0</b>	<b>3.1</b>	<b>3.1</b>		<b>1.7%</b>	<b>3.6</b>	<b>4.0</b>	<b>4.2</b>	<b>10.4%</b>	<b>1.8%</b>
Machinery and equipment	–	0.2	6.0	3.1	3.1		1.7%	3.6	4.0	4.2	10.4%	1.8%
<b>Total</b>	<b>77.5</b>	<b>109.9</b>	<b>165.9</b>	<b>192.8</b>	<b>188.7</b>	<b>34.5%</b>	<b>100.0%</b>	<b>198.3</b>	<b>218.5</b>	<b>230.2</b>	<b>6.9%</b>	<b>100.0%</b>

## Personnel information

**Table 8.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit	2012/13		Unit	2013/14		Unit	2014/15		Unit			2015/16		Unit	
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
<b>Women, Children and People with Disabilities</b>																			
Salary level	145	18	136	47.8	0.4	144	66.5	0.5	149	80.3	0.5	161	84.6	0.5	162	89.3	0.6	4.0%	100.0%
1 – 6	30	1	30	2.8	0.1	30	5.1	0.2	31	5.7	0.2	34	6.3	0.2	35	6.8	0.2	5.3%	21.1%
7 – 10	41	5	39	6.3	0.2	41	10.7	0.3	41	12.0	0.3	45	13.0	0.3	45	13.6	0.3	3.2%	27.9%
11 – 12	26	5	22	9.5	0.4	26	11.4	0.4	29	15.4	0.5	30	16.3	0.5	31	17.7	0.6	6.0%	18.8%
13 – 16	48	7	45	29.1	0.6	47	39.4	0.8	48	47.3	1.0	52	49.0	0.9	51	51.3	1.0	2.8%	32.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the department's turnaround strategy to improve performance. As part of this strategy, the department will address its programme structure, which was revised in 2012/13 on instruction from Parliament as a response to the financial mismanagement that had allowed overspending on the budget in 2010/11 and 2011/12. The spending focus is also on supporting, planning and facilitating the mainstreaming and oversight of national programmes dealing with women, and ensuring their access to and participation in the social, political and economic environment. Spending over the medium term will thus increase in the *Administration* and *Women, Empowerment and Gender Equality* programmes to provide the department with the capacity to implement these priorities.

The bulk of spending between 2009/10 and 2012/13 went to the transformation of the department from a unit in the Presidency to a stand-alone department. Growth over this period was pronounced in the *Administration* programme, as this function had previously been provided by the administration staff of the Presidency. From



2009/10, the department began to build capacity to provide administrative support services to its programmes, which included the appointment of a deputy minister and capacitating this office. Spending in the *Children's Rights and Responsibilities* programme also grew significantly between 2009/10 and 2012/13 due to the additional funding provided in 2011/12 for children's rights awareness campaigns.

Spending on compensation of employees increases over the medium term as the department builds capacity in the finance and supply chain unit. The budget allocation for compensation of employees increases by 14.8 per cent in 2013/14, and at an average rate of 8.5 per cent over the medium term. The department receives additional funding of R19.1 million in the 2013 Budget for improved conditions of service and to fill critical vacancies in line function programmes. The establishment is expected to increase from 145 posts in 2011/12 to 162 posts in 2015/16 for capacity building.

The department's establishment currently comprises 145 funded posts, and 18 posts are filled in addition to the approved establishment. These posts were created to provide support to the deputy minister. The department had 7 vacancies as at 30 September 2012. The funded vacancies have been advertised and are in the process of being filled.

The ratio of support to line function staff is 2.9:1, as several functions that relate to the core departmental functions, such as research and policy development, intersectoral coordination and international relations, are structured as support functions.

R4.4 million is allocated over the medium term for consultants to assist with the mainstreaming frameworks while capacity constraints in the department persist.

## Departmental receipts

Table 8.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R thousand												
<b>Departmental receipts</b>	–	2	9	10	10	–	100.0%	11	12	12	6.3%	100.0%
<b>Sales of goods and services produced by department</b>	–	2	9	10	10	–	100.0%	11	12	12	6.3%	100.0%
Administration fees	–	–	–	2	2	–	9.5%	2	2	2	–	17.8%
of which:												
Parking fees	–	–	–	2	2	–	9.5%	2	2	2	–	17.8%
Other sales	–	2	9	8	8	–	90.5%	9	10	10	7.7%	82.2%
of which:												
Services rendered: Commission on insurance and garnishee	–	2	9	8	8	–	90.5%	9	10	10	7.7%	82.2%
<b>Total</b>	–	2	9	10	10	–	100.0%	11	12	12	6.3%	100.0%

## Programme 1: Administration

### Expenditure estimates

Table 8.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Ministry	1.7	31.7	16.1	22.1	133.9%	37.7%	21.2	22.4	23.3	1.8%	23.7%
Management	–	0.6	13.4	14.4	–	15.0%	22.2	23.6	24.6	19.6%	22.6%
Corporate Services	–	0.4	31.5	31.9	–	33.7%	35.0	37.5	40.3	8.1%	38.5%
Office Accommodation	–	4.7	6.1	15.0	–	13.7%	13.3	14.0	14.7	-0.8%	15.2%
<b>Total</b>	<b>1.7</b>	<b>37.5</b>	<b>67.1</b>	<b>83.4</b>	<b>264.4%</b>	<b>100.0%</b>	<b>91.6</b>	<b>97.5</b>	<b>102.9</b>	<b>7.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				19.7			17.6	13.9	–		

#### Economic classification

<b>Current payments</b>	<b>1.7</b>	<b>37.2</b>	<b>61.0</b>	<b>80.7</b>	<b>260.4%</b>	<b>95.2%</b>	<b>88.9</b>	<b>94.6</b>	<b>99.8</b>	<b>7.3%</b>	<b>96.9%</b>
Compensation of employees	1.7	16.8	29.8	46.7	200.4%	50.1%	57.5	60.7	64.3	11.2%	61.0%
Goods and services	–	20.5	31.2	34.0	–	45.2%	31.4	33.9	35.5	1.4%	35.9%
<i>of which:</i>											
<i>Audit cost: External</i>	–	–	2.5	1.7	–	2.3%	3.0	3.5	3.6	27.8%	3.2%
<i>Property payments</i>	–	–	3.0	15.0	–	9.5%	13.3	14.0	14.7	-0.8%	15.2%
<i>Travel and subsistence</i>	–	8.4	10.6	10.4	–	15.5%	7.8	8.7	9.1	-4.6%	9.6%
<i>Venues and facilities</i>	–	3.5	0.8	0.8	–	2.7%	0.5	0.3	0.4	-22.1%	0.5%
<b>Transfers and subsidies</b>	<b>–</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>–</b>	<b>0.1%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-57.8%</b>	<b>–</b>
Households	–	0.0	0.1	0.1	–	0.1%	–	–	–	-100.0%	–
<b>Payments for capital assets</b>	<b>–</b>	<b>0.2</b>	<b>6.0</b>	<b>2.6</b>	<b>–</b>	<b>4.6%</b>	<b>2.7</b>	<b>3.0</b>	<b>3.1</b>	<b>5.3%</b>	<b>3.0%</b>
Machinery and equipment	–	0.2	6.0	2.6	–	4.6%	2.7	3.0	3.1	5.3%	3.0%
<b>Total</b>	<b>1.7</b>	<b>37.5</b>	<b>67.1</b>	<b>83.4</b>	<b>264.4%</b>	<b>100.0%</b>	<b>91.6</b>	<b>97.5</b>	<b>102.9</b>	<b>7.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>2.2%</b>	<b>34.1%</b>	<b>40.5%</b>	<b>43.3%</b>			<b>46.2%</b>	<b>44.6%</b>	<b>44.7%</b>		

### Personnel information

Table 8.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate <sup>3</sup>			Medium-term expenditure estimate					Average growth rate (%)	Salary level/total: Average (%)						
		2011/12	Unit	2012/13	Unit	2013/14	Unit	2014/15	Unit	2015/16	Unit			2012/13 - 2015/16					
		Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost	Cost					
<b>Administration</b>																			
<b>Salary level</b>	<b>110</b>	<b>15</b>	<b>101</b>	<b>33.7</b>	<b>0.3</b>	<b>108</b>	<b>48.0</b>	<b>0.4</b>	<b>110</b>	<b>58.2</b>	<b>0.5</b>	<b>116</b>	<b>60.3</b>	<b>0.5</b>	<b>117</b>	<b>63.8</b>	<b>0.5</b>	<b>2.7%</b>	<b>100.0%</b>
1 – 6	25	1	25	2.3	0.1	24	3.9	0.2	25	4.4	0.2	24	4.3	0.2	25	4.7	0.2	1.4%	21.7%
7 – 10	32	5	31	4.9	0.2	32	8.5	0.3	32	9.5	0.3	36	10.6	0.3	36	11.1	0.3	4.0%	30.2%
11 -12	18	5	13	5.8	0.4	18	7.8	0.4	18	10.5	0.6	20	11.5	0.6	21	12.5	0.6	5.3%	17.1%
13 -16	35	4	32	20.7	0.6	34	27.8	0.8	35	33.8	1.0	36	34.0	0.9	35	35.5	1.0	1.0%	31.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term is on building capacity for the department to implement the turnaround strategy established in 2012/13. Therefore, the increase in overall spending over the medium term will be mainly on compensation of employees.

The significant increase in expenditure in the *Ministry* subprogramme between 2009/10 and 2012/13 was due to capacity building in the minister's office and the accommodation needs of the deputy minister's office. Over the medium term, the largest increase is in spending on compensation of employees, which goes up by 23.1 per cent in 2013/14, and at an average annual rate of 11.2 per cent over the three-year period.

Funds over the medium term have been reprioritised from non-core items like entertainment, travelling, venues and facilities in this programme and other programmes to fund the programme's expansion. In the *Management* subprogramme additional funds of R6.5 million have been allocated for improving efficiency in financial and supply chain management.

The programme has an establishment of 110 funded posts, 15 of which were additional to the approved establishment. As at 30 September 2012, 2 posts were vacant due to resignations. The number of filled posts is expected to increase from the current 108 to 117 over the medium term.

R1.9 million is allocated over the medium term for consultants to assist with support functions, such as internal auditing.

## Programme 2: Women, Empowerment and Gender Equality

### Objectives

- Promote gender equality and the empowerment of women by:
  - advancing advocacy and mainstreaming activities to align with the national policy and gender mainstreaming strategy
  - increasing the representation and participation of women in various socioeconomic, cultural and political spheres to 50 per cent by 2014/15.
- Monitor and evaluate the mainstreaming of women's empowerment and gender equality outcomes, ensuring that policy and programme implementation are directed to common goals in line with government priorities by:
  - developing and maintaining an evaluation framework over the MTEF period
  - establishing a database with gender responsive indicators and gender disaggregated data in 2014/15.
- Ensure the alignment of international and regional instruments on women's empowerment and gender equality initiatives with government's gender targets, by reviewing related legislation and government policies by 2014/15.

### Subprogrammes

- *Advocacy and Mainstreaming for Gender Equality* promotes the mainstreaming of women's empowerment and gender equality considerations into government policies and processes of governance. A key output in 2012/13 was the hosting and coordinating of national gender machinery sessions on the Women Empowerment and Gender Equality Bill, and the Traditional Courts Bill. In 2013/14, the focus will be on ensuring the promulgation of the Women Empowerment and Gender Equality Bill. This subprogramme had a staff complement of 5 in 2012/13.
- *Institutional Support and Capacity Building for Gender Equality* coordinates institutional support and capacity development by integrating activities and synergy among government departments, civil society and the private sector. In 2012/13, the Techno-Girl project, which aims to encourage girls to enter science, maths and technology work streams, was facilitated, and the institutional framework to facilitate alignment of gender issues across the government and private sectors was drafted. In 2013/14, the framework will be submitted for Cabinet approval. This subprogramme had a staff complement of 3 in 2012/13.

- *Monitoring and Evaluation for Gender Equality* tracks delivery on constitutional, regional and international mandates by implementing the sector specific performance tracking system, verifying sectoral performance evaluation and comprehensive reporting systems, and monitoring compliance with national and international instruments. In 2012/13, the national gender mainstreaming strategy was developed to ensure the alignment of goals for collective accountability on the impact of women empowerment and gender equality initiatives. In 2013/14, the focus will be on ensuring Cabinet approval of the monitoring and evaluation framework and drafting the gender responsive budget framework. This subprogramme had a staff complement of 7 in 2012/13.
- *Commission for Gender Equality* was established in terms of the Constitution and is mandated to promote the protection, development and attainment of gender equality. This subprogramme's total budget is transferred in full to the Commission for Gender Equality on a monthly basis. This subprogramme has no staff complement.

## Expenditure estimates

**Table 8.7 Women, Empowerment and Gender Equality**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Advocacy and Mainstreaming for Gender Equality	–	8.6	10.6	9.3	–	10.4%	8.7	11.3	11.9	8.4%	11.7%
Institutional Support and Capacity Building for Gender Equality	7.9	0.2	7.2	6.0	-9.1%	7.7%	4.8	6.0	6.3	1.7%	6.6%
Monitoring and Evaluation for Gender Equality	–	0.1	4.2	5.9	–	3.7%	6.3	7.2	7.4	7.9%	7.6%
Commission for Gender Equality	49.1	51.9	55.2	59.1	6.3%	78.2%	63.1	67.2	70.8	6.2%	74.1%
<b>Total</b>	<b>57.0</b>	<b>60.8</b>	<b>77.2</b>	<b>80.2</b>	<b>12.0%</b>	<b>100.0%</b>	<b>82.9</b>	<b>91.7</b>	<b>96.3</b>	<b>6.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				0.7			(3.5)	(1.5)	–		
<b>Economic classification</b>											
<b>Current payments</b>	<b>7.9</b>	<b>8.9</b>	<b>22.0</b>	<b>20.9</b>	<b>38.2%</b>	<b>21.7%</b>	<b>19.4</b>	<b>24.0</b>	<b>25.0</b>	<b>6.1%</b>	<b>25.5%</b>
Compensation of employees	2.4	(0.4)	7.2	8.5	51.4%	6.4%	9.1	9.5	9.9	5.4%	10.6%
Goods and services	5.5	9.3	14.8	12.5	31.5%	15.3%	10.3	14.5	15.1	6.6%	14.9%
<i>of which:</i>											
Property payments	–	–	0.2	–	–	0.1%	–	–	(0.2)	–	-0.1%
Travel and subsistence	–	5.0	4.3	7.0	–	5.9%	3.2	6.6	7.2	1.0%	6.8%
Venues and facilities	–	–	1.0	1.2	–	0.8%	1.3	1.5	1.6	7.9%	1.6%
<b>Transfers and subsidies</b>	<b>49.1</b>	<b>51.9</b>	<b>55.2</b>	<b>59.1</b>	<b>6.3%</b>	<b>78.2%</b>	<b>63.1</b>	<b>67.2</b>	<b>70.8</b>	<b>6.2%</b>	<b>74.1%</b>
Departmental agencies and accounts	49.1	51.9	55.2	59.1	6.3%	78.2%	63.1	67.2	70.8	6.2%	74.1%
<b>Payments for capital assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.2</b>	<b>–</b>	<b>0.1%</b>	<b>0.4</b>	<b>0.5</b>	<b>0.4</b>	<b>38.7%</b>	<b>0.4%</b>
Machinery and equipment	–	–	–	0.2	–	0.1%	0.4	0.5	0.4	38.7%	0.4%
<b>Total</b>	<b>57.0</b>	<b>60.8</b>	<b>77.2</b>	<b>80.2</b>	<b>12.0%</b>	<b>100.0%</b>	<b>82.9</b>	<b>91.7</b>	<b>96.3</b>	<b>6.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>73.6%</b>	<b>55.3%</b>	<b>46.5%</b>	<b>41.6%</b>			<b>41.8%</b>	<b>42.0%</b>	<b>41.8%</b>		

### Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	49.1	51.9	55.2	59.1	6.3%	78.2%	63.1	67.2	70.8	6.2%	74.1%
Commission for Gender Equality	49.1	51.9	55.2	59.1	6.3%	78.2%	63.1	67.2	70.8	6.2%	74.1%

## Personnel information

Table 8.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
Women, Empowerment and Gender Equality		16																	
Salary level																			
1 – 6	3	–	2	0.1	0.1	4	0.8	0.2	4	0.9	0.2	4	0.9	0.2	4	0.9	0.2	–	21.6%
7 – 10	3	–	2	0.3	0.1	3	0.7	0.2	3	0.8	0.3	3	0.8	0.3	3	0.8	0.3	–	16.2%
11 – 12	5	–	5	2.0	0.4	5	2.0	0.4	6	2.8	0.5	6	2.7	0.5	6	2.9	0.5	6.3%	31.1%
13 – 16	5	–	4	2.6	0.6	5	4.0	0.8	4	4.9	1.2	7	6.6	0.9	7	6.9	1.0	11.9%	31.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on increasing the number of awareness campaigns and consultative meetings to engage stakeholders on advocating and mainstreaming women's empowerment and gender equality. The bulk of this programme's budget over the medium term goes to the *Advocacy and Mainstreaming for Gender Equality* subprogramme and on the transfer to the Commission for Gender Equality. The transfer to the commission increases by 6.2 per cent over the medium term due to an additional allocation for improved conditions of service. The funds will be used to support the commission in creating and implementing a legislative framework to promote gender equality.

The budget allocation for the *Advocacy and Mainstreaming for Gender Equality* programme increases by 30 per cent in 2014/15, and at an average annual rate of 8.4 per cent over the medium term. Funds will be used to increase the number of advocacy and mainstreaming programmes on the realisation of the rights of women, children and people with disabilities from six in 2013/14 to eight in 2015/16. Significant spending between 2009/10 and 2012/13 is evident across all subprogrammes due to the higher number of stakeholder consultations on the Women Empowerment and Gender Bill, Traditional Courts Bill, and campaigns convened and led by the department in partnership with stakeholders. Additional funding was provided in 2010/11 and 2011/12 to provide for these initiatives, which explains the increases in goods and services and compensation of employees in these years. Spending also increased in this period as a result of the department participating in international collaborations, such as the 50th anniversary of the Pan African Women's Organisation and the 11th meeting of the conference of the parties to the Convention on Biological Diversity (COP 11).

More travelling over the medium term is anticipated for the department to consult on legislation and policies under review and to participate in international women empowerment events and forums. This will result in an increase in spending on travel.

The programme has an establishment of 16 funded posts as at 30 September 2012. Only 1 post was vacant.

The programme uses contractors on a needs basis, depending on the project. R3.9 million over the medium term is allocated for contractors to assist with the Women Empowerment and Gender Equality Bill and to review legislation for matters related to the bill.

## Programme 3: Children's Rights and Responsibilities

### Objectives

- Promote children's rights and responsibilities in government policies, programmes and governance processes by:
  - developing a national and provincial plan of action for children's rights by March 2015

- facilitating social campaigns and programmes for the survival, protection and development of children and for child participation on an ongoing basis
- developing and implementing a national monitoring and evaluation strategy to monitor government and civil society's progress on the realisation of children's rights on an ongoing basis
- developing and implementing capacity building and support strategy for government and civil society stakeholders in the children's rights sector over the medium term.

## Subprogrammes

- *Advocacy and Mainstreaming for the Promotion and Protection of Children's Rights* aligns and advocates for the realisation of children's rights and responsibilities across the three spheres of government. In 2012/13, 5 national child advocacy events were conducted; and the national plan of action for children was finalised after public consultations. In 2013/14, the following will be facilitated: National Children's Day; the promotion of access to education for all children; Child Protection Week; International Day of the Girl Child; the Google online child safety campaign; and the Sanitary Dignity campaign in partnership with other government departments, provincial government, civil society and United Nations (UN) agencies. The national plan of action for children will be tabled in Parliament and a provincial plan of action for children will be finalised in 2013/14. This subprogramme had a staff complement of 4 in 2012/13.
- *Institutional Support and Capacity Building for the Promotion and Protection of Children's Rights* coordinates and supports capacity building actions on children's rights and creates synergy among government departments, civil society organisations and the private sector. In 2012/13, consultations on key policy documents for child rights machinery were held. The consultations included national and provincial stakeholders from government and civil society organisations. In 2013/14, the strengthening and piloting of a model for child friendly cities will be facilitated, capacity will be built for the national plan of action for children, and a monitoring and evaluation tool and institutional arrangement strategy will be developed for all spheres of government. This subprogramme had a staff complement of 1 in 2012/13.
- *Monitoring and Evaluation for the Promotion and Protection of Children's Rights* monitors and evaluates the realisation of children's rights with regards to government's policies and programmes, and coordinates government's compliance with international and regional reporting obligations. In 2012/13, the capacity building framework that will be used as the tool for capacitating national departments, provinces and municipalities was finalised; the first draft of the monitoring and evaluation framework for children's rights and wellbeing was developed; and reports were completed on the UN Convention on the Rights of the Child and the African Charter on the Welfare and Rights of the Child. In 2013/14, the focus will be on facilitating capacity building for the national plan of action for children, and developing a monitoring and evaluation tool and institutional arrangement strategy in all spheres of government. This subprogramme had a staff complement of 3 in 2012/13.

## Expenditure estimates

**Table 8.9 Children's Rights and Responsibilities**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R million											
Advocacy and Mainstreaming for the Promotion and Protection of Children's Rights	–	4.3	3.6	4.1	–	28.6%	3.4	4.1	4.4	2.6%	32.6%
Institutional Support and Capacity Building for the Promotion and Protection of Children's Rights	7.7	4.4	6.5	5.2	-12.2%	57.1%	3.4	4.2	4.8	-3.1%	35.9%
Monitoring and Evaluation for the Promotion and Protection of Children's Rights	–	0.0	1.8	4.2	–	14.4%	3.2	3.9	4.3	0.7%	31.6%
<b>Total</b>	<b>7.7</b>	<b>8.7</b>	<b>12.0</b>	<b>13.5</b>	<b>20.4%</b>	<b>100.0%</b>	<b>9.9</b>	<b>12.2</b>	<b>13.5</b>	<b>-0.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				–			(6.1)	(5.0)	–		

Table 8.9 Children's Rights and Responsibilities (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million	7.7	8.7	12.0	13.4	19.9%	99.5%	9.7	11.9	13.1	-0.7%	97.9%
<b>Current payments</b>	<b>7.7</b>	<b>8.7</b>	<b>12.0</b>	<b>13.4</b>	<b>19.9%</b>	<b>99.5%</b>	<b>9.7</b>	<b>11.9</b>	<b>13.1</b>	<b>-0.7%</b>	<b>97.9%</b>
Compensation of employees	1.8	5.2	6.8	7.3	57.7%	50.4%	5.6	5.9	6.1	-5.7%	50.5%
Goods and services	5.9	3.5	5.1	6.1	1.2%	49.1%	4.1	6.1	7.0	4.5%	47.4%
of which:											
Travel and subsistence	–	2.3	0.9	3.7	–	16.2%	2.2	3.7	3.9	2.2%	27.5%
Venues and facilities	1.9	0.3	0.6	0.6	-31.0%	8.2%	0.6	0.7	0.7	3.1%	5.2%
<b>Payments for capital assets</b>	<b>–</b>	<b>–</b>	<b>0.0</b>	<b>0.2</b>	<b>–</b>	<b>0.5%</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>	<b>34.6%</b>	<b>2.1%</b>
Machinery and equipment	–	–	0.0	0.2	–	0.5%	0.2	0.2	0.4	34.6%	2.1%
<b>Total</b>	<b>7.7</b>	<b>8.7</b>	<b>12.0</b>	<b>13.5</b>	<b>20.4%</b>	<b>100.0%</b>	<b>9.9</b>	<b>12.2</b>	<b>13.5</b>	<b>-0.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>10.0%</b>	<b>7.9%</b>	<b>7.2%</b>	<b>7.0%</b>			<b>5.0%</b>	<b>5.6%</b>	<b>5.9%</b>		

## Personnel information

Table 8.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Children's Rights and Responsibilities		Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost			
Salary level	8	1	9	3.4	0.4	9	5.1	0.6	9	5.5	0.6	11	5.8	0.5	11	6.1	0.6	6.9%	100.0%
1 – 6	1	–	2	0.3	0.1	1	0.2	0.2	1	0.2	0.2	3	0.6	0.2	3	0.6	0.2	44.2%	20.0%
7 – 10	2	–	2	0.4	0.2	2	0.4	0.2	2	0.5	0.2	2	0.4	0.2	2	0.5	0.2	–	20.0%
11 – 12	2	–	2	0.9	0.4	2	1.0	0.5	2	1.1	0.5	2	1.1	0.5	2	1.1	0.6	–	20.0%
13 – 16	3	1	3	1.9	0.6	4	3.5	0.9	4	3.7	0.9	4	3.7	0.9	4	3.9	1.0	–	40.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the development of a national and provincial plan of action for children, building capacity for the implementation of the plan, and developing and implementing a national monitoring and evaluation strategy. Spending on goods and services used for organising awareness campaigns will increase by 47.9 per cent in 2014/15 and by 14.4 per cent in 2015/16. The campaigns, which are set to rise in number from four in 2013/14 to eight in 2015/16, will promote the realisation and protection of the rights of children.

Spending on compensation of employees increased in 2010/11 and 2011/12 due to funding provided for capacity building as the department transformed from being a unit in the Presidency in 2009. The significant growth in goods and services in 2011/12 and 2012/13 was due to funding provided for the advocacy of children's rights and the expansion of related projects.

R4.6 million over the medium is reprioritised mainly from spending on non-core goods and services items, such as entertainment, travelling, venues and facilities in this programme to fund increased spending on compensation of employees in the *Administration* programme. The reprioritisation is not expected to have an adverse impact on service delivery.

The programme has a funded establishment of 8 posts, of which 1 is additional to the approved establishment. There were no vacancies in the programme at the end of September 2012.

## Programme 4: Rights of People with Disabilities

### Objectives

- Ensure the progressive realisation of the rights of people with disabilities by:
  - reporting periodically: quarterly, annually, four yearly or as required, on trends on the status of people with disabilities
  - finalising the national disability policy and regulatory impact assessment for a National Disability Rights Bill by the end of 2013/14
  - finalising the national framework for universal access and design of products and environments to ensure that they are accessible to all people, by the end of 2013/14
  - developing models to accelerate mainstreaming of disability considerations into sector programmes and services in line with relevant frameworks and legislation and improve the quality of outcomes by the end of 2013/14
  - coordinating and providing secretariat services to a national disability system which facilitates the application of the resolutions of the Convention on the Rights of Persons with Disabilities, the implementation of the Millennium Development Goals and the participation in the Africa Decade of Persons with Disabilities, on an ongoing basis
  - coordinating the integrated national disability rights information and awareness campaign, including the national disability rights month and the International Day of Persons with Disabilities, on an ongoing basis.

### Subprogrammes

- *Advocacy and Mainstreaming for the Equalisation of Opportunities for Persons with Disabilities* reviews the policy and planning required for aligning its programmes with the three spheres of government, civil society organisations and the private sector, to ensure equity and quality of life for people with disabilities. In 2012/13, the following activities were carried out: participation in the 5<sup>th</sup> UN conference of state parties to the Convention on the Rights of Persons with Disabilities; and integrated disability considerations and participation of people with disabilities into national events and campaigns such as Child Protection Week, National Human Rights Day, National Women's Day and National Children's Day. In 2013/14, activities will include coordinating the integrated national disability information and rights awareness campaign, and finalising the national disability policy and regulatory impact assessment for a bill on disability rights. This subprogramme had a staff complement of 2 in 2012/13.
- *Institutional Support and Capacity Building for the Equalisation of Opportunities for Persons with Disabilities* integrates actions and creates synergy among government departments, civil society organisations and the private sector. This entails implementing the anti-poverty strategy for people with disabilities and developing a national disability agenda. In 2012/13, consultations on the restructuring of the national disability machinery were conducted; and a model for mainstreaming disability considerations at basic, further and higher education and training institutions was developed. In 2013/14, assistance will be provided in the development of capacity for effective advocacy by national disability rights organisations, and institutional support will be provided for the development and implementation of at least 2 catalyst projects that will mainstream international and continental commitments on the rights of persons with disabilities. This subprogramme had a staff complement of 3 in 2012/13.
- *Monitoring and Evaluation for the Equalisation of Opportunities for Persons with Disabilities* tracks delivery on constitutional, regional and international mandates by establishing and implementing sector specific performance tracking verification and evaluation systems. In 2012/13, the first country report on the implementation of the convention on the rights of persons with disabilities was finalised; a monitoring and evaluation framework to track delivery on constitutional, regional and international mandates pertaining to the rights of people with disabilities was completed; and the third session of the African Union (AU) Conference of Ministers of Social Development was attended to finalise the AU's disability programme. In 2013/14, the subprogramme will participate in the sixth conference of state parties to the Convention on the Rights of Persons with Disabilities, compile quarterly reports and surveys on the status of persons with



disabilities, publish and distribute the first country report, and finalise the draft second country report on the implementation of the convention on the rights of persons with disabilities. This subprogramme had a staff complement of 5 in 2012/13.

## Expenditure estimates

**Table 8.11 Rights of People with Disabilities**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Advocacy and Mainstreaming for the Equalisation of Opportunities for Persons with Disabilities	–	2.8	5.2	4.0	–	30.6%	3.8	4.6	4.6	4.9%	26.5%
Institutional Support and Capacity Building for the Equalisation of Opportunities for Persons with Disabilities	11.0	0.1	1.1	6.1	-18.2%	46.7%	4.3	5.6	5.8	-1.5%	33.8%
Monitoring and Evaluation for the Equalisation of Opportunities for Persons with Disabilities	–	0.0	3.3	5.7	–	22.7%	5.8	6.9	7.2	8.4%	39.6%
<b>Total</b>	<b>11.0</b>	<b>2.9</b>	<b>9.6</b>	<b>15.7</b>	<b>12.5%</b>	<b>100.0%</b>	<b>13.9</b>	<b>17.1</b>	<b>17.6</b>	<b>3.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				0.3			(5.2)	(3.8)	–		
<b>Economic classification</b>											
<b>Current payments</b>	<b>11.0</b>	<b>2.9</b>	<b>9.6</b>	<b>15.6</b>	<b>12.1%</b>	<b>99.5%</b>	<b>13.6</b>	<b>16.7</b>	<b>17.3</b>	<b>3.7%</b>	<b>98.3%</b>
Compensation of employees	3.8	1.2	4.0	7.5	25.6%	42.1%	8.2	8.6	9.0	6.0%	51.8%
Goods and services	7.2	1.7	5.6	8.0	3.5%	57.4%	5.4	8.2	8.3	1.3%	46.5%
of which:											
Travel and subsistence	4.0	0.4	3.2	4.6	4.6%	31.2%	2.8	5.2	5.4	5.6%	28.0%
Venues and facilities	1.2	0.7	0.2	1.4	6.5%	9.0%	1.0	1.1	1.2	-6.9%	7.2%
<b>Payments for capital assets</b>	<b>–</b>	<b>0.0</b>	<b>–</b>	<b>0.2</b>	<b>–</b>	<b>0.5%</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>19.4%</b>	<b>1.7%</b>
Machinery and equipment	–	0.0	–	0.2	–	0.5%	0.3	0.4	0.3	19.4%	1.7%
<b>Total</b>	<b>11.0</b>	<b>2.9</b>	<b>9.6</b>	<b>15.7</b>	<b>12.5%</b>	<b>100.0%</b>	<b>13.9</b>	<b>17.1</b>	<b>17.6</b>	<b>3.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>14.2%</b>	<b>2.6%</b>	<b>5.8%</b>	<b>8.2%</b>			<b>7.0%</b>	<b>7.8%</b>	<b>7.6%</b>		

## Personnel information

**Table 8.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/Average (%)				
		2011/12	Unit Cost		2012/13	Unit Cost		2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
<b>Rights of People with Disabilities</b>																			
<b>Salary level</b>	<b>11</b>	<b>2</b>	<b>13</b>	<b>5.7</b>	<b>0.4</b>	<b>10</b>	<b>5.9</b>	<b>0.6</b>	<b>13</b>	<b>7.3</b>	<b>0.6</b>	<b>14</b>	<b>7.6</b>	<b>0.5</b>	<b>14</b>	<b>7.9</b>	<b>0.6</b>	<b>11.9%</b>	<b>100.0%</b>
1–6	1	–	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	3	0.6	0.2	3	0.6	0.2	44.2%	15.7%
7–10	4	–	4	0.8	0.2	4	1.1	0.3	4	1.2	0.3	4	1.2	0.3	4	1.2	0.3	–	31.4%
11–12	1	–	2	0.9	0.4	1	0.5	0.5	3	1.1	0.4	2	1.1	0.5	2	1.1	0.6	26.0%	15.7%
13–16	5	2	6	3.9	0.6	4	4.1	1.0	5	4.8	1.0	5	4.7	0.9	5	5.0	1.0	7.7%	37.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on awareness campaigns for disability rights, reviewing disability policies and legislation and implementing the continental plan of action for the African decade of persons with disabilities for South Africa. Specifically, the department will use the budget allocation to finalise the national disability policy and regulatory impact assessment for a National Disability Rights Bill and to increase the number of mainstreaming and advocacy programmes on the realisation of rights of the disabled

from 3 in 2013/14 to 6 in 2015/16. The bulk of the spending thus goes on goods and services, where spending increases by 50.6 per cent in 2014/15.

Travel expenses will increase with the greater participation in international forums in relation to mainstreaming, advocating for and monitoring of the rights of people with disabilities. Most of the spending in this subprogramme over the medium term therefore goes to travel and subsistence and compensation of employees.

Spending on compensation of employees increased by 239.2 per cent in 2011/12 and 79.9 per cent in 2012/13. This growth was mainly due to additional funding provided in 2011/12 and 2012/13 to increase the department's capacity for implementing advocacy and mainstreaming initiatives, including national and international awareness campaigns for the promotion and realisation of rights of people with disabilities.

The programme has a funded establishment of 11 posts, of which 2 are additional to the approved establishment. At the end of September 2012, only one post was vacant. The number of posts increases to 14 by 2015/16 as a result of capacity building in the department.

The programme's budget for consultants is R2.1 million over the medium term. Consultants will conduct impact assessments of disability policies. Consultants are used because of the capacity constraints in the programme.

R8.3 million over the medium terms has been reprioritised, mainly from spending on non-core goods and services items, such as entertainment, travelling, venues and facilities in this programme and other programmes, to fund increased spending on compensation of employees. The reprioritisation is not expected to have an adverse impact on service delivery.

## Public entities and other agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Commission for Gender Equality** promotes respect for gender equality. The commission engages in advocacy and education initiatives to raise awareness and challenge patriarchal stereotypes. It seeks to protect and enforce gender rights by investigating complaints by members of the public and by sanctioning appropriate remedies in line with legislation. The commission's total budget for 2013/14 is R63.1 million.

# Vote 9

## Government Communication and Information System

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	132.6	132.6	–	–	139.6	145.0
Content Processing and Dissemination	97.0	96.9	0.0	0.1	101.6	105.9
Intergovernmental Coordination and Stakeholder Management	120.0	99.0	20.8	0.2	122.2	127.7
Communication Service Agency	47.2	45.8	–	1.4	49.7	52.2
<b>Total expenditure estimates</b>	<b>396.7</b>	<b>374.3</b>	<b>20.8</b>	<b>1.6</b>	<b>413.1</b>	<b>430.8</b>

Executive authority Minister in the Presidency: Performance Monitoring and Evaluation as well as Administration  
Accounting officer Chief Executive Officer Government Communication and Information System  
Website address [www.gcis.gov.za](http://www.gcis.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Provide a comprehensive communication service on behalf of government to facilitate the involvement of the majority of South Africans in governance, reconstruction and development, nation building, and reconciliation.*

### Mandate

The Government Communication and Information System was established in May 1998 on the basis of a report by Comtask, the task group on government communications, which had been commissioned to review government communications at the local, provincial, national and international level. It had to make recommendations on how government communication should be structured in line with constitutional principles of freedom of expression and transparency and openness of government. The report noted the need to establish a communication and information system that is tailored to meet the demands of the broader democratic human rights environment. The report also emphasised the pressing need to finding ways to alleviate the isolation of citizens who, through apartheid, poverty and current circumstance are being deprived of the information that can help them take control of their lives and engage in dialogue with government. It was formally established in terms of Section 7 of the Public Service Act (1994) as a strategic unit located in The Presidency.

Now functioning as a separate department, the mandate of the organisation is to coordinate, guide and advise on government communication, including media liaison, development communication and marketing. Its core vision is to achieve integrated, coordinated and clear communication between government and South African citizens to enable them to be involved in the country's transformation.

### Strategic goals

The Government Communication and Information System's strategic goals over the medium term are to:

- ensure coherent, responsive and cost effective communication services for all government programmes

- provide a comprehensive communication service on behalf of government to facilitate the involvement of the majority of South Africans in governance, reconstruction and development, nation building and reconciliation
- ensure the strength, success and security of South Africa's democracy through the rapid, responsive and continuous communication of government's achievements
- ensure the strategic alignment of the government communication system with the national government agenda so that government wide communication reports on the five priority areas of government: education, fighting crime, health, job creation and rural development.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide overall support services to the department.

### Programme 2: Content Processing and Dissemination

**Purpose:** Provide strategic leadership in government communication to ensure coherence, coordination, consistency, quality, impact and responsiveness of government communication.

### Programme 3: Intergovernmental Coordination and Stakeholder Management

**Purpose:** Implement development communication through mediated and unmediated communication and sound stakeholder relations and partnerships. Transfer funds to the Media Development and Diversity Agency.

### Programme 4: Communication Service Agency

**Purpose:** Provide media bulk buying services and media production services to national government.

## Selected performance indicators

**Table 9.1 Government Communication and Information System**

Indicator	Programme	Outcome to which it contributes	Past <sup>1</sup>			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of cluster reports on perceptions on government delivery and performance reports per year issued <sup>1</sup>	Content Processing and Dissemination	Outcome 12: An efficient, effective and development oriented public service and an empowered and fair, inclusive citizenship	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	14	14	14	14
Number of copies of Vuk'uzenzele newspaper published per year	Content Processing and Dissemination		10 million	10 million	18.5 million	20.4 million	20.4 million	20.4 million	20.4 million
Number of media briefings requests from departments per year	Intergovernmental Coordination and Stakeholder Management		158	140	68	100	100	100	100
Number of community and stakeholder liaison visits per year	Intergovernmental Coordination and Stakeholder Management		7 895	6 534	4 516	3 280	2 750	2 750	2 750
Number of development communication projects aligned to the government communication programme per year	Intergovernmental Coordination and Stakeholder Management		4 583	2 970	3 200	2 460	2 184	2 184	2 184
Number of rapid response facilitated reports per year <sup>1</sup>	Intergovernmental Coordination and Stakeholder Management		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	264	311	311	311
Number of marketing events per Thusong service centre per year <sup>1</sup>	Intergovernmental Coordination and Stakeholder Management		- <sup>1</sup>	- <sup>1</sup>	170	680	484	484	484

**Table 9.1 Government Communication and Information System (continued)**

Indicator	Programme	Outcome to which it contributes	Past <sup>1</sup>			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of media buying campaigns implemented	Communication Service Agency	Outcome 12: An efficient, effective and development oriented public service and an empowered and fair, inclusive citizenship	158	108	140	150	170	180	190
Number of radio advertisements and dramas produced per year	Communication Service Agency		66	15	51	48	48	48	48
Number of video programmes produced per year	Communication Service Agency		54	13	30	120	120	120	120
Number of requests for photographic coverage handled per year	Communication Service Agency		484	600	553	500	500	500	500
Number of live broadcasts on community radio stations per year	Communication Service Agency		59	100	114	54	54	54	54
Number of government and national events covered by video per year	Communication Service Agency		54	150	386	400	400	400	400
Number of graphic designs produced per year	Communication Service Agency		155	100	254	160	160	160	160

1. Indicators with limited or no historic information were introduced in 2011/12 and 2012/13.

## The national development plan

The national development plan highlights the need to unite South Africans around a common programme, have citizens be active in their own development, and build a capable and developmental state. In ensuring effective government communication and facilitating the involvement of citizens in governance, reconstruction and development, nation building and reconciliation, the Government Communication and Information System can contribute to the fulfilment of these objectives.

Through coordinating the social cluster, the department will assist with the strategic communication related to the popularisation of the Department of Basic Education's Bill of Responsibilities, which the plan identifies as an action towards nation building and social cohesion. The department will also continue to provide strategic communication support to government departments through transversal communication campaigns that place special emphasis on national priorities.

The department will further support the government in building a capable state by maintaining good relations at provincial and local government level, and by establishing and strengthening provincial and district communication forums. This will ensure more coordinated efforts in communicating government plans, programmes and achievements.

In addition, the department aims to take a direct role in communicating the actual national development plan and conducting research to measure the willingness and actual participation of citizens in their own development.

## Expenditure estimates

**Table 9.2 Government Communication and Information System**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
				2012/13	2012/13	2009/10 - 2012/13	2012/13	2012/13 - 2015/16				
R million												
Administration	80.1	89.3	101.3	192.6	192.6	34.0%	31.1%	132.6	139.6	145.0	-9.0%	35.8%
Content Processing and Dissemination	113.5	103.3	95.6	94.9	94.9	-5.8%	27.3%	97.0	101.6	105.9	3.7%	23.5%
Intergovernmental Coordination and Stakeholder Management	92.1	98.0	110.0	126.1	126.1	11.0%	28.6%	120.0	122.2	127.7	0.4%	29.1%
Communication Service Agency	48.3	61.6	36.6	47.4	47.4	-0.6%	13.0%	47.2	49.7	52.2	3.2%	11.5%
<b>Total</b>	<b>334.0</b>	<b>352.2</b>	<b>343.6</b>	<b>461.0</b>	<b>461.0</b>	<b>11.3%</b>	<b>100.0%</b>	<b>396.7</b>	<b>413.1</b>	<b>430.8</b>	<b>-2.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				31.9	31.9			3.5	(4.0)	(5.7)		

**Table 9.2 Government Communication and Information System (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12			2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
	R million											
<b>Current payments</b>	<b>314.1</b>	<b>329.4</b>	<b>316.4</b>	<b>427.5</b>	<b>427.5</b>	<b>10.8%</b>	<b>93.1%</b>	<b>374.3</b>	<b>389.0</b>	<b>405.7</b>	<b>-1.7%</b>	<b>93.8%</b>
Compensation of employees	138.7	147.2	160.3	178.3	178.3	8.7%	41.9%	188.4	200.1	212.2	6.0%	45.8%
Goods and services	175.4	182.2	156.2	249.3	249.3	12.4%	51.2%	185.9	188.8	193.5	-8.1%	48.0%
<i>of which:</i>												
Computer services	15.8	17.4	11.1	14.2	14.2	-3.5%	3.9%	16.0	15.8	16.7	5.6%	3.7%
Operating leases	12.9	16.4	14.0	33.9	33.9	38.0%	5.2%	35.4	38.8	40.0	5.7%	8.7%
Travel and subsistence	18.9	18.3	22.3	21.6	21.6	4.6%	5.4%	23.1	22.6	23.2	2.3%	5.3%
Operating payments	42.1	39.2	39.4	43.5	43.5	1.1%	11.0%	42.9	43.7	43.9	0.3%	10.2%
<b>Transfers and subsidies</b>	<b>17.0</b>	<b>17.5</b>	<b>19.5</b>	<b>20.0</b>	<b>20.0</b>	<b>5.6%</b>	<b>5.0%</b>	<b>20.8</b>	<b>21.8</b>	<b>22.6</b>	<b>4.2%</b>	<b>5.0%</b>
Departmental agencies and accounts	16.6	17.3	19.2	20.0	20.0	6.4%	4.9%	20.8	21.8	22.6	4.2%	5.0%
Households	0.4	0.2	0.3	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>2.8</b>	<b>5.1</b>	<b>7.6</b>	<b>13.4</b>	<b>13.4</b>	<b>69.1%</b>	<b>1.9%</b>	<b>1.6</b>	<b>2.3</b>	<b>2.4</b>	<b>-43.7%</b>	<b>1.2%</b>
Buildings and other fixed structures	-	-	-	10.0	10.0	-	0.7%	-	-	-	-100.0%	0.6%
Machinery and equipment	2.7	5.1	7.1	2.7	2.7	-0.1%	1.2%	1.3	2.0	2.2	-7.5%	0.5%
Software and other intangible assets	0.1	-	0.5	0.7	0.7	140.8%	0.1%	0.3	0.2	0.2	-30.0%	0.1%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>334.0</b>	<b>352.2</b>	<b>343.6</b>	<b>461.0</b>	<b>461.0</b>	<b>11.3%</b>	<b>100.0%</b>	<b>396.7</b>	<b>413.1</b>	<b>430.8</b>	<b>-2.2%</b>	<b>100.0%</b>

## Personnel information

**Table 9.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16												
		Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit				
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost				
<b>Government Communication and Information System</b>	<b>482</b>	<b>32</b>	<b>655</b>	<b>157.3</b>	<b>0.2</b>	<b>512</b>	<b>172.7</b>	<b>0.3</b>	<b>535</b>	<b>188.4</b>	<b>0.4</b>	<b>535</b>	<b>200.1</b>	<b>0.4</b>	<b>535</b>	<b>212.2</b>	<b>0.4</b>	<b>1.5%</b>	<b>100.0%</b>
Salary level 1 – 6	107	20	277	18.4	0.1	127	21.5	0.2	148	21.9	0.1	148	23.1	0.2	148	24.8	0.2	5.2%	27.0%
7 – 10	235	9	240	66.2	0.3	242	66.6	0.3	244	72.9	0.3	244	77.6	0.3	244	82.3	0.3	0.3%	46.0%
11 – 12	87	1	84	31.1	0.4	89	39.6	0.4	88	47.3	0.5	88	50.8	0.6	88	54.0	0.6	-0.4%	16.7%
13 – 16	53	2	54	41.5	0.8	54	44.9	0.8	55	46.3	0.8	55	48.6	0.9	55	51.1	0.9	0.6%	10.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on implementing the national communication strategy approved by Cabinet in June 2011 and providing for the operating lease, IT, security and office furniture related to the new head office building, which the department is to take occupation of in 2013/14. These activities will be carried out in the *Intergovernmental Coordination and Stakeholder Management* and *Administration* programmes. In implementing the national communication strategy, the department will focus on ensuring that the strategy's framework is adopted at the provincial and local government levels and that their development communication campaigns and programmes are aligned with the government communication programme.

The significant increase in spending in the *Administration* programme and on operating leases between 2009/10 and 2012/13 was mainly due to the R70 million once-off allocation for the new head office building. Spending in the *Content Processing and Dissemination* programme decreased significantly between 2009/10 and 2012/13 due to the *Communication Service Agency* subprogramme being moved out of this programme to be established as a stand-alone programme. This was done to fulfil the department's objective of providing media bulk buying and media production services to national government departments. Spending on compensation of employees increased significantly in 2012/13 as the department increased the number of personnel by 5, mainly at salary levels 3 to 13, in order to implement the national communication strategy, establish the strategic planning and performance management unit, and allow the department to assist other departments with media bulk buying.

The department plans to employ 25 interns each year over the medium term to support skills development.

The department receives additional allocations over the medium term of R3.4 million, R4.3 million and R7.4 million for improved conditions of service.

Cabinet approved budget reductions of R3.9 million, R8.3 million and R13.1 million have been effected in spending over the medium term. These reductions, along with the accumulated effects of the reductions to the budget allocations in recent years, have delayed some of the planned expansions of communication services, as detailed in the national communication strategy. The department has implemented measures, detailed within each programme, to mitigate any potential adverse effect on the achievement of outputs.

As at 30 September 2012, the department had 23 vacant posts due to retirements, resignations and transfers to other government departments. The posts are to be filled within two months as per departmental policy. The department had 505 funded posts in 2012/13, of which 24 contract workers are employed additional to the establishment. The ratio of support staff to line function staff is 1:3.

## Departmental receipts

Table 9.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R thousand						2009/10 - 2012/13					2012/13 - 2015/16	
<b>Departmental receipts</b>	<b>2 869</b>	<b>1 558</b>	<b>948</b>	<b>3 882</b>	<b>3 882</b>	<b>10.6%</b>	<b>100.0%</b>	<b>734</b>	<b>793</b>	<b>901</b>	<b>-38.5%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>2 589</b>	<b>1 177</b>	<b>213</b>	<b>3 382</b>	<b>3 382</b>	<b>9.3%</b>	<b>79.5%</b>	<b>294</b>	<b>303</b>	<b>361</b>	<b>-52.6%</b>	<b>68.8%</b>
Other sales	2 589	1 177	213	3 382	3 382	9.3%	79.5%	294	303	361	-52.6%	68.8%
of which:												
Commission on insurance	37	46	51	50	50	10.6%	2.0%	53	57	60	6.3%	3.5%
Departmental publications	2 436	1 077	27	3 200	3 200	9.5%	72.8%	100	100	150	-63.9%	56.3%
Replacements of security cards	-	1	1	1	2	-	-	1	1	1	-20.6%	0.1%
Rental: Parking	116	53	134	131	130	3.9%	4.7%	140	145	150	4.9%	9.0%
<b>Interest, dividends and rent on land</b>	<b>98</b>	<b>240</b>	<b>352</b>	<b>180</b>	<b>180</b>	<b>22.5%</b>	<b>9.4%</b>	<b>120</b>	<b>140</b>	<b>160</b>	<b>-3.9%</b>	<b>9.5%</b>
Interest	98	240	352	180	180	22.5%	9.4%	120	140	160	-3.9%	9.5%
<b>Transactions in financial assets and liabilities</b>	<b>182</b>	<b>141</b>	<b>383</b>	<b>320</b>	<b>320</b>	<b>20.7%</b>	<b>11.1%</b>	<b>320</b>	<b>350</b>	<b>380</b>	<b>5.9%</b>	<b>21.7%</b>
<b>Total</b>	<b>2 869</b>	<b>1 558</b>	<b>948</b>	<b>3 882</b>	<b>3 882</b>	<b>10.6%</b>	<b>100.0%</b>	<b>734</b>	<b>793</b>	<b>901</b>	<b>-38.5%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 9.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
R million												
Departmental Management	5.6	10.9	7.8	6.1	2.8%	6.6%	7.3	7.9	8.1	9.5%	4.8%	
Corporate Services	36.2	38.1	44.6	50.6	11.9%	36.6%	53.8	56.0	58.7	5.0%	35.9%	
Financial Administration	20.0	18.8	29.9	92.8	66.7%	34.9%	26.0	27.0	28.2	-32.8%	28.5%	
Internal Audit	5.3	5.6	6.0	6.2	5.1%	5.0%	6.2	6.5	6.9	3.5%	4.2%	
Legal Services	0.2	-	-	-	-100.0%	-	-	-	-	-	-	
Office Accommodation	12.7	15.9	13.0	36.8	42.6%	16.9%	39.2	42.2	43.2	5.4%	26.5%	
<b>Total</b>	<b>80.1</b>	<b>89.3</b>	<b>101.3</b>	<b>192.6</b>	<b>34.0%</b>	<b>100.0%</b>	<b>132.6</b>	<b>139.6</b>	<b>145.0</b>	<b>-9.0%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				21.7			5.1	3.8	2.9			
<b>Economic classification</b>												
<b>Current payments</b>	<b>78.4</b>	<b>87.2</b>	<b>98.3</b>	<b>182.0</b>	<b>32.4%</b>	<b>96.2%</b>	<b>132.6</b>	<b>139.0</b>	<b>144.4</b>	<b>-7.4%</b>	<b>98.1%</b>	
Compensation of employees	39.7	40.0	46.1	51.2	8.9%	38.2%	55.9	59.2	62.8	7.0%	37.6%	
Goods and services	38.7	47.2	52.2	130.8	50.1%	58.0%	76.7	79.9	81.6	-14.6%	60.5%	
of which:												
Computer services	5.6	7.2	8.6	11.3	26.4%	7.1%	12.5	12.1	12.5	3.4%	7.9%	
Operating leases	11.9	15.2	12.7	32.2	39.4%	15.5%	34.7	37.6	38.7	6.3%	23.5%	
Travel and subsistence	5.6	3.2	4.2	5.1	-2.6%	3.9%	4.8	4.3	4.9	-1.8%	3.1%	
Operating payments	2.8	3.0	2.7	2.1	-9.5%	2.3%	2.1	2.1	2.3	4.2%	1.4%	
<b>Transfers and subsidies</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Households	0.1	0.1	0.1	-	-100.0%	0.1%	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>1.6</b>	<b>2.0</b>	<b>2.9</b>	<b>10.6</b>	<b>89.8%</b>	<b>3.7%</b>	<b>-</b>	<b>0.6</b>	<b>0.6</b>	<b>-60.8%</b>	<b>1.9%</b>	
Buildings and other fixed structures	-	-	-	10.0	-	2.2%	-	-	-	-100.0%	1.6%	
Machinery and equipment	1.6	2.0	2.4	0.6	-27.2%	1.4%	-	0.6	0.6	2.1%	0.3%	
Software and other intangible assets	-	-	0.5	-	-	0.1%	-	-	-	-	-	
<b>Total</b>	<b>80.1</b>	<b>89.3</b>	<b>101.3</b>	<b>192.6</b>	<b>34.0%</b>	<b>100.0%</b>	<b>132.6</b>	<b>139.6</b>	<b>145.0</b>	<b>-9.0%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>24.0%</b>	<b>25.4%</b>	<b>29.5%</b>	<b>41.8%</b>			<b>33.4%</b>	<b>33.8%</b>	<b>33.7%</b>			

### Personnel information

Table 9.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	Unit		2012/13	Unit		2013/14	Unit		2014/15	Unit				2015/16	Unit		
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	2012/13 - 2015/16		
<b>Administration</b>																			
<b>Salary level</b>	<b>145</b>																		
		145	160	46.1	0.3	168	52.3	0.3	189	55.9	0.3	189	59.2	0.3	189	62.8	0.3	4.0%	100.0%
1 – 6	55	17	68	10.5	0.2	71	10.7	0.2	93	12.6	0.1	93	13.3	0.1	93	14.5	0.2	9.4%	47.6%
7 – 10	49	4	51	11.7	0.2	54	14.0	0.3	53	14.0	0.3	53	14.5	0.3	53	15.5	0.3	-0.6%	29.0%
11 – 12	24	1	23	8.9	0.4	26	12.4	0.5	25	13.9	0.6	25	15.3	0.6	25	15.8	0.6	-1.3%	13.7%
13 – 16	17	1	18	14.9	0.8	17	15.2	0.9	18	15.5	0.9	18	16.1	0.9	18	17.0	0.9	1.9%	9.7%

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

2. Rand million.

3. As at 30 September 2012.

### Expenditure trends

The spending focus over the medium term will be on providing for the costs of IT and office accommodation related to the department's new head office building, which the department will take occupation of in 2013/14, as well as adopting and pursuing the objective of enhancing the professionalism of government communicators through a qualification course in government communication. The department will develop the course in conjunction with academic institutions and the Public Administration Leadership and Management Academy.



The R91.3 million increase in spending in 2012/13 was due to the once-off allocation of R70 million in 2012/13 for the new office head building and the related purchase of ICT cabling, furniture and security equipment. This also accounts for the sharp increase in spending on computer services, assets less than the capitalisation threshold and payments for capital assets in 2012/13.

Spending in the *Corporate Services* subprogramme also increases over this period due to costs related to training, including bursaries, advertising of contact details of government communicators in Telkom directories, and information management and technology, such as the renewing of software licences and the maintenance of services by the State Information Technology Agency.

The trends in spending on compensation of employees over the seven-year period are driven mainly by employee numbers, which increase from 129 to 189 between 2009/10 and 2015/16, mainly in salary levels 1 to 6, due to the recruitment of staff needed to establish the strategic planning and performance management unit and to increase the administrative support for the new centralised media bulk-buying function in the *Communication Service Agency* programme. The programme had 7 vacant posts as at 30 September 2012 due to retirements, resignations and transfers to other government departments. Over the medium term, personnel numbers in the programme, inclusive of internships, are expected to grow from 161 to 189, mostly interns as part of the department's goal to promote job creation through skills development and experience.

As part of the Cabinet approved budget reductions, over the medium term the department will reduce spending on non-core goods and services, including in the following: R1.9 million from computer services, R5.8 million from the lease of office accommodation and R2.3 million from travel and subsistence costs. The savings expected from the relocation to the new office building, which will accommodate all the staff and equipment, will be used to mitigate the effects of the reductions.

## **Programme 2: Content Processing and Dissemination**

### **Objectives**

- Inform government's communication strategy and decisions by:
  - analysing the communication environment on a weekly, monthly and quarterly basis, and continuously conducting communication research
  - providing strategic leadership and support in government communication through national and international media monitoring and impact assessments conducted on an ongoing basis.
- Intensify the provision of communication of government information to the general public, specifically through promoting greater application of public socioeconomic programmes by:
  - increasing the annual production and distribution of the Vuk'uzenzele newspaper from 10 million copies in 2009/10 to 20.4 million copies over the MTEF period
  - increasing the annual production of the South African Year Book from 40 000 copies in 2009/10 to 45 000 copies over the MTEF period
  - updating the electronic version of Vuk'uzenzele newspaper every month
  - disseminating the Braille version of Vuk'uzenzele newspaper to visually impaired individuals and organisations every month.
- Provide professional language services to departments in support of government's efforts to communicate in all South African languages by increasing the number of language services requests handled from 150 in 2010/11 to 300 in 2015/16.
- Increase the knowledge base of Cabinet ministers by producing analytical reports that highlight issues and trends in national and international media on a fortnightly basis.

### **Subprogrammes**

- *Programme Management for Content Processing and Dissemination* coordinates communication strategic planning in the department and government departments, and ensures adherence to government communication standards. This entails providing strategic guidance in monitoring and analysing print and electronic media to contribute to professional government communication, as well as developing

communication products and platforms, and content for these. This subprogramme had a staff complement of 3 at the end of September 2012.

- *Policy and Research* conducts research to assess public opinion on a wide range of communication issues, and monitors national and international media coverage of government programmes and policies. Outputs include monitoring national and international media coverage, assessing the impact and pulse of the nation reports, analysing policy reports across government, and producing monthly communication environment analysis reports and annual qualitative and quantitative research reports for political principals. This subprogramme had a staff complement of 47 at the end of September 2012.
- *Products and Platforms* develops information products and communication platforms that enable government to communicate directly to citizens and public servants. This entails developing and generating content for the department's products, which include the South Africa Yearbook, the Pocket Guide to South Africa, the monthly Vuk'uzenzele newspaper, the Public Sector Manager magazine, the GovComms newsletter, the government news agency's website, and the SA News website and its Facebook and Twitter pages. In addition to carrying out these functions in 2013/14, the central government information and services websites as well as the department's corporate site will be updated, maintained and improved. This subprogramme had a staff complement of 45 at the end of September 2012.
- *2010 Government Communication Project Management* produced marketing and communication material for the 2010 FIFA World Cup project. The activities of this subprogramme were concluded in 2010/11 after the country's successful hosting of the 2010 FIFA World Cup event.

## Expenditure estimates

**Table 9.7 Content Processing and Dissemination**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Programme Management for Content Processing and Dissemination	2.3	2.3	3.4	4.0	19.1%	2.9%	3.0	3.0	3.3	-6.0%	3.3%
Policy and Research	34.4	33.0	28.8	34.5	0.1%	32.1%	34.9	36.8	38.4	3.6%	36.2%
Products and Platforms	62.6	60.5	63.4	56.4	-3.4%	59.6%	59.1	61.8	64.1	4.4%	60.5%
2010 Government Communication Project Management	14.2	7.5	-	-	-100.0%	5.3%	-	-	-	-	-
<b>Total</b>	<b>113.5</b>	<b>103.3</b>	<b>95.6</b>	<b>94.9</b>	<b>-5.8%</b>	<b>100.0%</b>	<b>97.0</b>	<b>101.6</b>	<b>105.9</b>	<b>3.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(14.2)			(16.9)	(19.1)	(20.4)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>113.2</b>	<b>101.8</b>	<b>94.5</b>	<b>94.0</b>	<b>-6.0%</b>	<b>99.1%</b>	<b>96.9</b>	<b>101.6</b>	<b>105.9</b>	<b>4.0%</b>	<b>99.7%</b>
Compensation of employees	35.4	38.2	38.9	43.3	7.0%	38.2%	44.1	47.0	50.0	4.9%	46.2%
Goods and services	77.8	63.6	55.6	50.7	-13.3%	60.8%	52.9	54.5	55.8	3.3%	53.6%
<i>of which:</i>											
Computer services	9.5	9.9	2.5	2.8	-33.6%	6.0%	3.1	3.3	3.8	10.8%	3.2%
Operating leases	0.7	1.0	0.9	1.0	12.2%	0.9%	0.2	0.6	0.7	-10.9%	0.6%
Travel and subsistence	2.3	1.9	2.5	2.1	-4.1%	2.2%	2.8	2.3	2.5	7.1%	2.4%
Operating payments	38.0	35.1	34.2	28.1	-9.5%	33.3%	27.0	27.6	27.1	-1.3%	27.5%
<b>Transfers and subsidies</b>	<b>-</b>	<b>0.0</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>
Households	-	-	0.2	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.3</b>	<b>1.5</b>	<b>0.9</b>	<b>0.9</b>	<b>37.2%</b>	<b>0.9%</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>
Machinery and equipment	0.3	1.5	0.9	0.3	-0.3%	0.7%	-	-	-	-100.0%	0.1%
Software and other intangible assets	-	-	0.0	0.6	-	0.1%	0.1	-	-	-100.0%	0.2%
<b>Total</b>	<b>113.5</b>	<b>103.3</b>	<b>95.6</b>	<b>94.9</b>	<b>-5.8%</b>	<b>100.0%</b>	<b>97.0</b>	<b>101.6</b>	<b>105.9</b>	<b>3.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>34.0%</b>	<b>29.3%</b>	<b>27.8%</b>	<b>20.6%</b>			<b>24.4%</b>	<b>24.6%</b>	<b>24.6%</b>		

## Personnel information

**Table 9.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
Content Processing and Dissemination			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	101	3	101	38.9	0.4	105	38.9	0.4	104	44.1	0.4	104	47.0	0.5	104	50.0	0.5	-0.3%	100.0%
1 – 6	13	–	13	2.1	0.2	14	2.7	0.2	13	2.5	0.2	13	2.6	0.2	13	2.9	0.2	-2.4%	12.7%
7 – 10	49	3	49	16.8	0.3	52	14.9	0.3	52	16.6	0.3	52	17.9	0.3	52	18.9	0.4	–	49.9%
11 – 12	28	–	27	10.3	0.4	28	11.9	0.4	28	15.3	0.5	28	16.3	0.6	28	17.6	0.6	–	26.9%
13 – 16	11	–	12	9.7	0.8	11	9.4	0.9	11	9.7	0.9	11	10.2	0.9	11	10.7	1.0	–	10.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on publishing the South Africa Yearbook and the Vuk'uzenzele newspaper, which the department has converted from its previous form as a bi-monthly magazine with an annual print run of 10 million copies to its current form as a monthly newspaper with an annual print run of 20.4 million copies. The bulk of publishing related expenditure is reflected in the *Products and Platforms* subprogramme. The conversion of Vuk'uzenzele from a magazine to a newspaper reduced the cost of each print run from R3.2 million to R1.2 million but increased the frequency of each print run from once every two months to every month. This initially resulted in a marginal decrease in spending in the *Products and Platforms* subprogramme between 2009/10 and 2012/13, however, spending in the subprogramme is expected to increase marginally over the medium term once the initial once-off cost saving from the conversion has filtered through.

The cost saving from the conversion has created budgetary capacity to effect part of the Cabinet approved budget reductions without adversely affecting the programme's outputs. Thus the department has effected spending reductions in this programme of R7.6 million over the medium term, mainly from spending on operating payments for the printing and distribution costs of Vuk'uzenzele. Reductions are also effected in spending on goods and services items, such as travel and subsistence.

The decrease in expenditure in the programme between 2009/10 and 2012/13 is also due to the completion of the 2010 FIFA World Cup event, which accounts for the discontinuation of the allocations for the *2010 Government Communication Project Management* subprogramme in 2011/12. This subprogramme was created for this purpose and once it was discontinued, expenditure on goods and services items such as communication and computer services also decreased.

The programme had 9 vacant posts as at 30 September 2012 due to natural attrition. The vacant posts are to be filled within two months as per departmental policy. Consultants used in the programme provide translation and transcription services for the Vuk'uzenzele newspaper and the South African Yearbook publication, and research activities to test public opinion.

## Programme 3: Intergovernmental Coordination and Stakeholder Management

### Objectives

- Maintain and strengthen a well functioning communication system that proactively informs and engages the public by:
  - aligning messages across the three spheres of government to ensure coherence through coordination of national, provincial and district communication forums as and when required

- undertaking community and stakeholder liaison visits on an ongoing basis and development communication campaigns as and when required.
- Ensure the centrality of government’s voice in the media by driving and participating in a daily rapid response system that analyses and recommends proactive and reactive communication on issues in the national and international environment.
- Ensure that government policies and programmes are communicated effectively by building and strengthening relations with the media through media briefings, media engagements and government’s engagements with the South African National Editors’ Forum, Foreign Correspondents’ Association and the Press Gallery Association regularly.
- Ensure a consistent, coherent and seamless approach to messaging among government departments by driving government communicators’ forums on an ongoing basis.
- Provide communication support in the Parliamentary precinct by distributing parliamentary questions and programmes, and providing support for media briefings weekly.
- Address the communication and information needs of communities through monthly community and stakeholder liaison visits, information sessions and communication interventions.
- Improve access to government services and information by implementing four promotion drives per Thusong service centre per year.

### **Subprogrammes**

- *Programme Management for Intergovernmental Coordination and Stakeholder Management* ensures a well functioning communication system that proactively informs and engages the public. This entails managing and overseeing roles regarding the implementation of development communication through mediated and unmediated communication by building sound stakeholder relations and partnerships, and ensuring that the public is informed about government policies and programmes. Key outputs in 2012/13 included communication campaigns, community and stakeholder liaison visits, government communication programmes, and the provision of advice and leadership on key cluster programmes. This subprogramme had a staff complement of 2 in 2012/13.
- *Provincial and Local Liaison* ensures that the government communication strategy is presented to all provinces for alignment and that various media channels, contracted human resources, platforms and materials are in place to promote government messages to the public at the local level. Key functions include cascading the national communication strategic framework down to provincial and local stakeholders and partners, and to implement development communication campaigns and programmes aligned with the government communication programme. In addition, administration capacity is provided to ensure the consolidation of provincial activities and uniform reporting standards to provinces. These functions entail using national, provincial and district communication forums as a platform for the better planning and coordination of content; and developing partnerships with key stakeholders; ensuring members of the public have access to government information through different platforms such as community and stakeholder liaison visits, Thusong service centres, and the My District Today newsletter. In 2013/14, Thusong service centres will be marketed and communication campaigns will be executed through community media and outreach platforms, such as town hall meetings, public participation programme events and stakeholder engagements. The department has thus far brought 171 Thusong service centres into operation and continues to market their services to increase public awareness. Over the medium term, communication with the public will be intensified about how these centres can meet their information needs. This subprogramme had a staff complement of 144 of in 2012/13.
- *Media Engagement* facilitates the communication of government’s programme of action and policies by building, maintaining, improving and strengthening relations with the media. This entails facilitating the media’s understanding of government’s agenda to foster an environment that encourages an active and engaged citizenry, as well as coordinating forums of government communicators that enable planning for consistent and coherent messaging by government. Key outputs include conducting cluster media briefings; coordinating government engagement with the South African National Editors’ Forum, the Foreign Correspondents’ Association and the Press Gallery Association; and managing the communication

implications arising from parliamentary questions. In 2013/14, Cabinet decisions following each Cabinet meeting will be communicated, bi-weekly communication planning meetings that are attended by government communicators will be held, government communicators' forum meetings will be organised, and guidelines to report on parliamentary questions will be developed. This subprogramme had a staff complement of 21 in 2012/13.

- *Media Development and Diversity Agency* funds the Media Development and Diversity Agency in the form of a transfer payment to enable the entity to fulfil its purpose of promoting local media development and diversity. This subprogramme has no staff.
- *Cluster Supervision (Human Development, Social Protection and Governance and Administration)* provides strategic cluster communication advice and support to departments, and leadership on key cluster communication issues and campaigns; coordinates Cabinet cluster communications and the development of the government communications programme; and develops communication strategies and key messages for the campaigns of the human development, social protection, and governance and administration clusters. This subprogramme had a staff complement of 8 in 2012/13.
- *Cluster Supervision (Economic and Infrastructure, Justice and International)* provides strategic communication advice to the economic and infrastructure, justice and international clusters and supports departments and provides leadership on key cluster communication issues and campaigns; coordinates Cabinet cluster communications; and develops communication strategies and key messages for the campaigns of the clusters. This subprogramme had a staff complement of 8 in 2012/13.

## Expenditure estimates

**Table 9.9 Intergovernmental Coordination and Stakeholder Management**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R million											
Programme Management for Intergovernmental Coordination and Stakeholder Management	1.6	1.6	6.2	2.1	9.3%	2.7%	2.2	2.3	2.4	5.0%	1.8%
Provincial and Local Liaison	62.1	69.5	72.3	74.8	6.4%	65.4%	69.9	73.8	77.0	1.0%	59.6%
Media Engagement	11.8	9.7	12.3	10.6	-3.7%	10.4%	14.5	15.1	16.0	14.7%	11.3%
Media Development and Diversity Agency	16.6	17.3	19.1	20.0	6.4%	17.1%	20.8	21.8	22.6	4.2%	17.2%
Cluster Supervision (Human Development, Social Protection and Governance and Administration)	-	-	-	13.7	-	3.2%	7.9	4.1	4.4	-31.4%	6.1%
Cluster Supervision (Economic and Infrastructure, Justice and International)	-	-	-	5.0	-	1.2%	4.7	5.0	5.3	2.2%	4.0%
<b>Total</b>	<b>92.1</b>	<b>98.0</b>	<b>110.0</b>	<b>126.1</b>	<b>11.0%</b>	<b>100.0%</b>	<b>120.0</b>	<b>122.2</b>	<b>127.7</b>	<b>0.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				9.6			2.4	(2.0)	(2.2)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>74.7</b>	<b>79.7</b>	<b>88.5</b>	<b>105.3</b>	<b>12.1%</b>	<b>81.7%</b>	<b>99.0</b>	<b>100.2</b>	<b>104.8</b>	<b>-0.1%</b>	<b>82.5%</b>
Compensation of employees	51.5	55.3	59.0	64.8	7.9%	54.1%	67.9	72.1	76.1	5.5%	56.6%
Goods and services	23.2	24.4	29.6	40.5	20.4%	27.6%	31.2	28.1	28.7	-10.9%	25.9%
of which:											
Computer services	-	0.0	0.0	0.0	-	-	0.1	0.1	0.1	121.0%	-
Operating leases	0.3	0.3	0.3	0.5	25.8%	0.3%	0.5	0.5	0.5	1.9%	0.4%
Travel and subsistence	8.8	9.5	11.0	10.3	5.4%	9.3%	10.7	10.8	10.5	0.9%	8.5%
Operating payments	0.8	0.7	2.1	1.6	26.8%	1.2%	2.6	2.7	2.8	20.8%	1.9%
<b>Transfers and subsidies</b>	<b>16.8</b>	<b>17.4</b>	<b>19.1</b>	<b>20.0</b>	<b>6.0%</b>	<b>17.2%</b>	<b>20.8</b>	<b>21.8</b>	<b>22.6</b>	<b>4.2%</b>	<b>17.2%</b>
Departmental agencies and accounts	16.6	17.3	19.1	20.0	6.4%	17.1%	20.8	21.8	22.6	4.2%	17.2%
Households	0.2	0.1	0.0	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.5</b>	<b>0.7</b>	<b>2.3</b>	<b>0.8</b>	<b>17.0%</b>	<b>1.0%</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>-32.6%</b>	<b>0.3%</b>
Machinery and equipment	0.5	0.7	2.3	0.8	17.0%	1.0%	0.2	0.2	0.2	-32.6%	0.3%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>92.1</b>	<b>98.0</b>	<b>110.0</b>	<b>126.1</b>	<b>11.0%</b>	<b>100.0%</b>	<b>120.0</b>	<b>122.2</b>	<b>127.7</b>	<b>0.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	27.6%	27.8%	32.0%	27.4%			30.2%	29.6%	29.6%		

**Table 9.9 Intergovernmental Coordination and Stakeholder Management (continued)**

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	16.6	17.3	19.1	20.0	6.4%	17.1%	20.8	21.8	22.6	4.2%	17.2%
Media Development and Diversity Agency	16.6	17.3	19.1	20.0	6.4%	17.1%	20.8	21.8	22.6	4.2%	17.2%

## Personnel information

**Table 9.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16									
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
<b>Intergovernmental Coordination and Stakeholder Management</b>																			
<b>Salary level</b>	185	–	183	56.0	0.3	183	62.2	0.3	185	67.9	0.4	185	72.1	0.4	185	76.1	0.4	0.4%	100.0%
1 – 6	29	–	24	3.7	0.2	29	5.1	0.2	29	4.9	0.2	29	5.2	0.2	29	5.4	0.2	–	15.7%
7 – 10	113	–	117	31.5	0.3	111	30.0	0.3	113	34.2	0.3	113	36.6	0.3	113	38.7	0.3	0.6%	61.0%
11 – 12	22	–	22	7.3	0.3	22	10.3	0.5	22	11.1	0.5	22	11.7	0.5	22	12.5	0.6	–	11.9%
13 – 16	21	–	20	13.5	0.7	21	16.8	0.8	21	17.7	0.8	21	18.6	0.9	21	19.5	0.9	–	11.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on ensuring that provincial and local government departments and entities are aligned with the government communication strategy in order to maintain and strengthen a well functioning communication system that proactively informs and engages the public. These activities are carried out through the *Provincial and Local Liaison* subprogramme, which uses the bulk of the programme's budget over the medium term. The spending focus will also be on making transfers to the Media Development and Diversity Agency to promote media diversity and promote access to media for underserved communities.

Between 2009/10 and 2012/13, spending in the programme increased due to advertising activities related to the 2013 Africa Cup of Nations and the clean-up of first generation Thusong service centres for them to improve their ability to deliver services. The allocations to the programme over this period allowed the department to service more than 5 million South Africans through the Thusong service centres and the integrated mobile units, roll out the new weekly electronic platform newsletter, and complete 4 516 community and stakeholder liaison visits in 2011/12.

Over the medium term, spending in the *Media Engagement* subprogramme is expected to increase mainly due to the allocations for spending on compensation of employees being realigned to the approved establishment. Over the same period, spending in the *Cluster Supervision (Human Development, Social Protection and Governance and Administration)* subprogramme is projected to decrease as a result of the once-off allocation for the 2013 African Cup of Nations in 2012/13.

The programme had 3 vacancies as at 30 September 2012 due to normal attrition. The vacant posts are to be filled within two months as per departmental policy.

In 2012/13, the department implemented measures in this programme to give effect to the Cabinet approved budget reductions. A R5.2 million spending reduction over the medium term is to be effected through measures which include monitoring the use of catering, using cheaper venues, such as universities, using teleconference facilities for meetings between head office and provincial offices to cut the costs of travelling and subsistence, and using in-house printing facilities. The transfer payment to the Media Development and Diversity Agency was also reduced over the medium term.

## Programme 4: Communication Service Agency

### Objectives

- Manage government's media production services by:
  - providing cost effective and efficient electronic media products and services for government on an ongoing basis
  - providing effective and efficient production, media bulk buying, advertising agency, marketing and distribution services for government on an ongoing basis.
- Inform the public of government's programmes and developments by conducting phone-in radio programmes on government's programmes; and documenting the public programmes of the Presidency, both domestically and internationally, on video and in photographs to profile the work of government as and when required.
- Ensure that government's communication products reach the intended audience in a timely manner by providing distribution services as and when needed.

### Subprogrammes

- *Programme Management for Communication Service Agency* provides strategic leadership in development and production. This entails the management and strategic direction of media buying and media production services provided to government. In 2013/14, strategic leadership in media bulk buying and media production will be provided. This subprogramme will have a staff complement of 3.
- *Marketing, Advertising and Media Buying* provides media buying expertise and marketing services to government communication programmes; develops effective marketing, distribution and public relations and event management strategies for the department's products; manages and drives the distribution strategy of all the products produced for dissemination to the public; oversees the outsourcing of distribution services to service providers; and manages the corporate identity of government. In 2012/13, R11.7 million was used for operating payments such as the distribution cost of the Vuk'uzenzele newspaper and SA Yearbook, while R6.7 million was spent on advertising. In 2013/14, marketing and advertising campaigns will be conducted, government print information products will be distributed, and effective assessment and analysis of media trends and reporting will be done on a monthly basis. Media bulk buying activities include the management of communication campaigns on behalf of other departments. This subprogramme had a staff complement of 22 in 2012/13.
- *Media Production* provides for the production of videos, photographs and radio programmes in support of government communication programmes; and provides product development services to government. Key activities include providing product development services to government, as well as digital video archives and satellite broadcasting. In 2013/14, key activities will be video production, photographs and radio content for government communication programmes, such as the live transmission of the state of the nation address and the budget vote process, the distribution of parliamentary media briefings, the facilitation of ministerial talk shows on community radio stations, and the provision of audio material for use on websites. Key activities also include media production services provided to The Presidency, such as photography and video documentation of the programmes of the president, deputy president and ministers in The Presidency. This subprogramme had a staff complement of 31 in 2012/13.

## Expenditure estimates

Table 9.11 Communication Service Agency

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
Programme Management for Communication Service Agency	-	-	-	-	-	-	-	-	-	-	-	-
Marketing, Advertising and Media Buying	33.5	46.5	17.0	28.4	-5.4%	64.6%	27.3	28.7	29.9	1.8%	58.2%	
Media Production	14.8	15.2	19.6	19.1	8.7%	35.4%	19.8	21.0	22.3	5.3%	41.8%	
<b>Total</b>	<b>48.3</b>	<b>61.6</b>	<b>36.6</b>	<b>47.4</b>	<b>-0.6%</b>	<b>100.0%</b>	<b>47.2</b>	<b>49.7</b>	<b>52.2</b>	<b>3.2%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				14.8			12.8	13.2	13.9			

## Economic classification

	47.8	60.7	35.1	46.2	-1.1%	97.9%	45.8	48.2	50.7	3.1%	97.2%
<b>Current payments</b>											
Compensation of employees	12.2	13.8	16.3	19.0	15.8%	31.6%	20.6	21.9	23.3	7.1%	43.1%
Goods and services	35.6	46.9	18.8	27.3	-8.5%	66.3%	25.2	26.3	27.4	0.1%	54.0%
of which:											
Computer services	0.7	0.3	0.0	0.1	-50.5%	0.5%	0.3	0.3	0.4	62.8%	0.6%
Operating leases	0.0	0.0	0.1	0.2	62.1%	0.2%	0.1	0.1	0.1	-17.4%	0.2%
Travel and subsistence	2.2	3.7	4.5	4.2	23.2%	7.5%	4.7	5.2	5.2	7.8%	9.8%
Operating payments	0.5	0.4	0.4	11.7	179.0%	6.7%	11.2	11.3	11.7	-	23.4%
<b>Transfers and subsidies</b>	<b>0.1</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	0.1	-	0.0	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.4</b>	<b>0.9</b>	<b>1.5</b>	<b>1.2</b>	<b>43.5%</b>	<b>2.1%</b>	<b>1.4</b>	<b>1.5</b>	<b>1.5</b>	<b>9.2%</b>	<b>2.8%</b>
Machinery and equipment	0.3	0.9	1.5	1.0	42.4%	1.9%	1.2	1.2	1.3	8.6%	2.4%
Software and other intangible assets	0.1	-	-	0.2	50.1%	0.1%	0.2	0.2	0.2	12.3%	0.5%
<b>Total</b>	<b>48.3</b>	<b>61.6</b>	<b>36.6</b>	<b>47.4</b>	<b>-0.6%</b>	<b>100.0%</b>	<b>47.2</b>	<b>49.7</b>	<b>52.2</b>	<b>3.2%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	14.5%	17.5%	10.7%	10.3%			11.9%	12.0%	12.1%		

## Personnel information

Table 9.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost
Communication Service Agency			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16	
Salary level	51	6	51	16.3	0.3	56	19.3	0.3	57	20.6	0.4	57	21.9	0.4	57	23.3	0.4	0.6%	100.0%
1 - 6	10	3	12	2.1	0.2	13	3.1	0.2	13	1.9	0.1	13	2.0	0.2	13	2.1	0.2	-	22.9%
7 - 10	24	2	23	6.2	0.3	25	7.6	0.3	26	8.1	0.3	26	8.7	0.3	26	9.2	0.4	1.3%	45.4%
11 - 12	13	-	12	4.6	0.4	13	5.1	0.4	13	7.0	0.5	13	7.5	0.6	13	8.1	0.6	-	22.9%
13 - 16	4	1	4	3.4	0.9	5	3.6	0.7	5	3.5	0.7	5	3.6	0.7	5	3.9	0.8	-	8.8%

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

2. Rand million.

3. As at 30 September 2012.



## Expenditure trends

The spending focus over the medium term will be on consolidating the media production, media bulk buying and advertising agency for government departments. This includes: buying media for campaigns; producing radio advertisements and dramas, video programmes and live broadcasts on community radio stations; and providing photographic coverage and cost effective and efficient electronic media products and services.

Expenditure on compensation of employees increased between 2009/10 and 2012/13, as a result of the establishment increasing from 41 to 51 posts, particularly in salary levels 11 to 12 and 13 to 16. This was done to build the capacity in the programme to implement the media bulk buying strategy adopted by Cabinet and distribute the increased print run of the Vuk'uzenzele newspaper. The allocations to this programme allowed the department to: design print adverts for government departments, which realised an approximately 30 per cent cost saving for government; distribute approximately 20.6 million units of departmental publications in 2011/12, which is double the quantity distributed in 2010/11; and document the local and international public programmes of the president and deputy president and send photographs of all presidential events to a range of print media.

Spending on payments for capital assets also increased over the same period mainly due the replacement of outdated photographic, radio and video equipment. The increase in operating payments in 2012/13 and the projected increase over the medium period are due to the distribution costs for the Vuk'uzenzele newspaper and South African Yearbook being shifted from the *Content Processing and Dissemination* programme to the *Marketing, Advertising and Media Buying* subprogramme in this programme.

There were 4 vacant posts in the programme as at 30 September 2012. The posts were vacant due to resignations and transfers to other government departments, and are to be filled within two months as per departmental policy.

In 2012/13, the department implemented measures in this programme to give effect to the Cabinet approved budget reductions. R1.7 million over the medium term was reduced from spending as a result of the measures, which included monitoring the use of on catering, telephones and cellphones, stationery, and venues and facilities. The department will manage the reductions to minimise any potential impact on service delivery by prioritising the media bulk buying campaigns it accepts.

## Public entities and other agencies

- The **Media Development and Diversity Agency** promotes media development and diversity to ensure that all citizens can access information in a language of their choice and to transform media access, ownership and control patterns in South Africa. The entity's total budget is R54.1 million in 2013/14.



# Vote 10

## National Treasury

### Budget summary

R million	2013/14					2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Payments for financial assets	Total	Total
<b>MTEF allocation</b>							
Administration	341.7	324.2	2.2	15.3	–	348.6	368.7
Economic Policy, Tax, Financial Regulation and Research	145.9	119.2	26.1	0.6	–	151.2	158.0
Public Finance and Budget Management	252.3	212.3	38.8	1.2	–	260.8	270.2
Asset and Liability Management	2 995.2	89.6	–	0.6	2 905.0	3 342.6	3 117.7
Financial Systems and Accounting	724.6	471.8	83.6	169.2	–	756.2	779.8
International Financial Relations	1 112.5	37.2	1 075.3	0.1	–	1 206.2	1 261.3
Civil and Military Pensions, Contributions to Funds and Other Benefits	3 497.0	51.9	3 445.2	–	–	3 722.8	3 967.9
Technical Support and Development Finance	2 777.8	161.4	2 615.7	0.8	–	3 623.3	3 115.8
Revenue Administration	9 534.4	–	9 534.4	–	–	9 983.7	10 335.6
Financial Intelligence and State Security	4 174.6	–	4 174.6	–	–	4 346.3	4 494.8
<b>Subtotal</b>	<b>25 556.0</b>	<b>1 467.4</b>	<b>20 995.7</b>	<b>187.9</b>	<b>2 905.0</b>	<b>27 741.8</b>	<b>27 869.9</b>
<b>Direct charge against the National Revenue Fund</b>							
Provincial Equitable Share	337 572.4	–	337 572.4	–	–	359 924.2	383 697.2
State Debt Costs	99 741.4	99 741.4	–	–	–	108 718.4	118 162.5
General Fuel Levy Sharing with Metropolitan Municipalities	9 613.4	–	9 613.4	–	–	10 190.2	10 658.9
<b>Total expenditure estimates</b>	<b>472 483.2</b>	<b>101 208.8</b>	<b>368 181.5</b>	<b>187.9</b>	<b>2 905.0</b>	<b>506 574.5</b>	<b>540 388.5</b>

Executive authority Minister of Finance

Accounting officer Director General of the National Treasury

Website address [www.treasury.gov.za](http://www.treasury.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Support economic growth and development, good governance, social progress and rising living standards through the accountable, economical, efficient, equitable and sustainable management of public finances, maintenance of macroeconomic and financial sector stability, and effective financial regulation of the economy.*

### Mandate

The National Treasury's legislative mandate is based on chapter 13, section 216 (1) of the Constitution, which calls for the establishment of a national treasury to ensure transparency, accountability and sound financial controls in the management of the country's public finances. This role is further elaborated in the Public Finance Management Act (1999).

The department is mandated to:

- promote the national government's fiscal policy and the coordination of its macroeconomic policy
- ensure the stability and soundness of the financial system and financial services
- coordinate intergovernmental financial and fiscal relations
- manage the budget preparation process
- enforce transparency and effective management in respect of revenue and expenditure, assets and liabilities, public entities and constitutional institutions.

## Strategic goals

The department's strategic goals over the medium term are to:

- prepare, finance, publish and monitor the execution of the annual national budget to provide accurate and clear financial information and associated indicators of service delivery and performance
- improve techniques employed to monitor and analyse public expenditure by further refining applicable financial management frameworks and policies to ensure the appropriate use of available public financial resources for social and economic development, and infrastructure investment
- contribute to improved capacity in the areas of financial management and resource planning in government through various skills development programmes tailored for these purposes
- contribute to the development of a stable and robust financial sector that leads to continued economic stability and growth by continuing to monitor financial sector performance and developing financial sector policies and regulatory frameworks
- support infrastructure and urban development through various programmes including the infrastructure development improvement programme, the neighbourhood development partnership programme and the cities support programme, among others
- promote public private partnerships as a financing alternative for development, where feasible
- enhance supply chain management in government through the establishment of the chief procurement office which will provide a blueprint in addressing supply chain principles in order to reduce wastage and maximise value in the public sector.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide strategic management, leadership, administrative support to the department, and capacity building.

### Programme 2: Economic Policy, Tax, Financial Regulation and Research

**Purpose:** Provide specialist policy research, analysis and advisory services in the areas of macroeconomics, microeconomics, taxation, the financial sector and regulatory reform.

### Programme 3: Public Finance and Budget Management

**Purpose:** Provide analysis and advice on fiscal policy and public finances, intergovernmental financial relations, and expenditure planning and priorities. Manage government's annual budget process and provide public finance management support.

### Programme 4: Asset and Liability Management

**Purpose:** Manage government's annual funding programme in a manner that ensures prudent cash management and an optimal portfolio of debt and other fiscal obligations. Promote and enforce prudent financial management of state owned entities through financial analysis and oversight.

### Programme 5: Financial Systems and Accounting

**Purpose:** Facilitate accountability, governance and oversight by promoting transparent, economical, efficient and effective management of revenue, expenditure, assets and liabilities in the public sector.

### Programme 6: International Financial Relations

**Purpose:** Manage South Africa's interests in shaping regional and global policies that advance the economic, financial and development objectives of the country and Africa.

## Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits

**Purpose:** Provide for government's pension and post-retirement medical benefit obligations to former employees of state departments and bodies. Provide for similar benefits to retired members of the military.

## Programme 8: Technical Support and Development Finance

**Purpose:** Provide specialised infrastructure development planning and implementation support and technical assistance to aid capacity building in the public sector.

## Programme 9: Revenue Administration

**Purpose:** Administer an efficient tax system, provide tax education to the public, ensure maximum compliance with tax and customs legislation, and provide a customs service to maximise revenue collection and facilitate trade.

## Programme 10: Financial Intelligence and State Security

**Purpose:** Combat financial crime including money laundering and terror financing activities. Gather intelligence for the purposes of national security, defence and combating crime.

## Selected performance indicators

Table 10.1 National Treasury

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Net loan debt as percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive economic growth	27.4% (R673.1bn)	30.0% (R820.4bn)	33.3% (R989.7bn)	36.3% (R1 165bn)	38.6% (R1 357.2bn)	39.8% (R1 544.4bn)	40.3% (R1 719.7bn)
Number of hospital public private partnership projects reaching financial close per year <sup>1</sup>	Technical Support and Development Finance	Outcome 2: A long and healthy life for all South Africans	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	2	3	2	4
Value of government gross annual borrowing	Asset and Liability Management	Outcome 4: Decent employment through inclusive economic growth	R183.7bn	R149.5bn	R163.7bn	R219.2bn	R215.5bn	R211.7bn	R182.9bn
Cost to service debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive economic growth	2.3% (R57.1bn)	2.4% (R66.2bn)	2.6% (R76.5bn)	2.8% (R88.3bn)	2.8% (R99.7)	2.8% (R108.7bn)	2.8% (R118.2bn)
Number of training courses and workshops presented on the implementation of financial management reforms per year	Financial Systems and Accounting	Outcome 12: An efficient, effective and development orientated public service and an empowered fair and inclusive citizenship	80	100	46	90	40	40	43
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Systems and Accounting		1 600	2 000	3 142	2 500	700	700	760
Percentage of identified transversal contracts with strategic sourcing principles introduced per year	Financial Systems and Accounting		100% (20)	100% (20)	59% (19)	100% (35)	100% (19)	100% (34)	100% (18)
Total number of neighbourhood development partnership grant projects granted award status	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	90	90	95	90	95	95	95
Total number of neighbourhood development partnership grant projects under construction	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	15	67	70	85	90	95	95
Number of support programmes and projects related to government priorities to improve the efficacy of government institutions implemented per year <sup>1</sup>	Technical Support and Development Finance	Outcome 12: An efficient, effective and development oriented public service and an empowered and fair, inclusive citizenship	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	90	100	100	100
Percentage of support plans and Municipal Finance Management Act (2003) implementation plans implemented per year	Technical Support and Development Finance	Outcome 9: A responsive, accountable, effective And efficient local government system	- <sup>1</sup>	- <sup>1</sup>	100% (278)	100% (278)	100% (278)	100% (278)	100% (278)
Number of long term township regeneration programmes implemented per year	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	27	35	50	52	55	58	58
Third party investment leverage per year <sup>1</sup>	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	R1.5bn	R2bn	R2.5bn	R3bn
Number of jobs created per year <sup>1</sup>	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	25 000	25 000	50 000	50 000

1. No past data as investments and projects either commenced in 2012/13, or will be commencing over the medium term.

## The national development plan

The national development plan requires a stable and enabling macroeconomic platform in order to realise its key objectives of sustainable growth and employment creation. In accordance with this, National Treasury aims to promote a macroeconomic environment in which the financial system provides both economic stability and growth. For the plan's targets to be met, high levels of investment are required. Ensuring this will involve partnerships with the private sector, and economic policies that encourage investor confidence by minimising shocks to the economy and ensuring relative stability in prices, interest and exchange rates. The National Treasury will continue to promote public private partnerships as a financing alternative for development, and to focus on monitoring the financial sector performance and markets, developing policies and regulatory frameworks, and maintaining stable economic growth at aggressive yet sustainable levels in order to enable the country's developmental agenda and create jobs.

The plan prioritises the development of infrastructure for economic growth and employment. The Treasury has set targets to provide grants to projects for sustainable infrastructure development. Several initiatives, including the neighbourhood development partnership programme, the recently introduced cities support programme and the infrastructure development improvement programme exist for these purposes. The neighbourhood development partnership grant has committed funds to projects with the aim of attracting added investments from the private sector to sustainably improve township infrastructure and capacity for economic growth.

The Jobs Fund has been established by the National Treasury to facilitate sustainable job creation on a large scale. This fund is a co-financing initiative whereby government will match funds spent by project owners on projects approved by the fund.

National Treasury's contribution to building a capable state will comprise a multipronged approach including guidance, capacity building initiatives, direct support and the dissemination of information to improve approaches to financial management in the public sector and to address the skills shortage. This will be enhanced through the establishment of a chief procurement office in order to streamline supply chain management principles. This will go a long way in ensuring that the recognised principles of supply chain and strategic sourcing are applied consistently and will also target the reduction of wastage and corruption so as to improve the value government realises from spent funds.

## Expenditure estimates

**Table 10.2 National Treasury**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
Administration	242.8	248.7	254.5	321.1	315.2	9.1%	0.1%	341.7	348.6	368.7	5.4%	0.1%
Economic Policy, Tax, Financial Regulation and Research	71.9	86.1	140.5	122.5	116.5	17.4%	0.0%	145.9	151.2	158.0	10.7%	0.0%
Public Finance and Budget Management	145.4	160.3	196.4	247.3	241.4	18.4%	0.0%	252.3	260.8	270.2	3.8%	0.1%
Asset and Liability Management	31 053.2	20 813.9	821.9	282.8	280.5	-79.2%	3.4%	2 995.2	3 342.6	3 117.7	123.2%	0.5%
Financial Systems and Accounting	542.7	559.1	504.9	686.3	664.7	7.0%	0.1%	724.6	756.2	779.8	5.5%	0.1%
International Financial Relations	576.4	558.7	857.8	1 040.5	1 039.1	21.7%	0.2%	1 112.5	1 206.2	1 261.3	6.7%	0.2%
Civil and Military Pensions, Contributions to Funds and Other Benefits	4 955.1	2 697.8	3 314.2	3 345.9	3 266.6	-13.0%	0.9%	3 497.0	3 722.8	3 967.9	6.7%	0.7%
Technical Support and Development	5 310.7	1 471.3	2 863.3	1 999.6	1 998.1	-27.8%	0.7%	2 777.8	3 623.3	3 115.8	16.0%	0.6%
Finance												
Revenue Administration	7 148.4	8 142.2	8 653.6	9 149.4	9 149.4	8.6%	2.1%	9 534.4	9 983.7	10 335.6	4.1%	2.0%
Financial Intelligence and State Security	3 193.9	3 488.2	3 755.0	3 982.1	3 982.1	7.6%	0.9%	4 174.6	4 346.3	4 494.8	4.1%	0.9%
<b>Subtotal</b>	<b>53 240.6</b>	<b>38 226.2</b>	<b>21 362.0</b>	<b>21 177.6</b>	<b>21 053.7</b>	<b>-26.6%</b>	<b>8.6%</b>	<b>25 556.0</b>	<b>27 741.8</b>	<b>27 869.9</b>	<b>9.8%</b>	<b>5.2%</b>
<b>Direct charge against the National Revenue Fund</b>	<b>300 820.1</b>	<b>338 908.7</b>	<b>376 768.6</b>	<b>410 850.0</b>	<b>410 380.6</b>	<b>10.9%</b>	<b>91.4%</b>	<b>446 927.2</b>	<b>478 832.7</b>	<b>512 518.6</b>	<b>7.7%</b>	<b>94.8%</b>
Provincial Equitable Share	236 890.8	265 139.4	291 735.5	313 015.8	313 015.8	9.7%	70.9%	337 572.4	359 924.2	383 697.2	7.0%	71.5%
State Debt Costs	57 129.2	66 226.8	76 460.0	88 794.5	88 325.1	15.6%	18.5%	99 741.4	108 718.4	118 162.5	10.2%	21.3%
General Fuel Levy Sharing with Metropolitan Municipalities	6 800.1	7 542.4	8 573.1	9 039.7	9 039.7	10.0%	2.0%	9 613.4	10 190.2	10 658.9	5.6%	2.0%
<b>Total</b>	<b>354 060.7</b>	<b>377 134.8</b>	<b>398 130.7</b>	<b>432 027.6</b>	<b>431 434.3</b>	<b>6.8%</b>	<b>100.0%</b>	<b>472 483.2</b>	<b>506 574.5</b>	<b>540 388.5</b>	<b>7.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				2 991.3	2 398.1			8 827.2	12 781.3	25 013.4		

Table 10.2 National Treasury (continued)

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12			2012/13			2009/10 - 2012/13	2013/14	2014/15		
	R million												
<b>Current payments</b>	<b>58 082.0</b>	<b>67 227.2</b>	<b>77 651.4</b>	<b>90 127.8</b>	<b>89 591.4</b>	<b>15.5%</b>	<b>18.7%</b>		<b>101 208.8</b>	<b>110 247.0</b>	<b>119 745.8</b>	<b>10.2%</b>	<b>21.6%</b>
Compensation of employees	402.1	476.2	537.1	616.1	600.2	14.3%	0.1%		710.5	755.6	800.2	10.1%	0.1%
Goods and services	550.7	524.2	654.3	717.2	666.0	6.5%	0.2%		756.8	773.0	783.0	5.5%	0.2%
of which:													
Computer services	209.2	201.7	208.9	242.2	221.6	1.9%	0.1%		271.1	275.8	279.7	8.1%	0.1%
Consultants and professional services: Business and advisory services	161.6	151.9	226.0	253.7	228.9	12.3%	0.0%		246.1	247.7	246.1	2.4%	0.0%
Operating leases	30.7	42.4	38.6	34.7	35.9	5.4%	0.0%		48.7	52.5	51.4	12.7%	0.0%
Travel and subsistence	36.2	38.1	40.5	50.4	52.9	13.4%	0.0%		49.9	51.7	53.7	0.5%	0.0%
Interest and rent on land	57 129.2	66 226.8	76 460.0	88 794.5	88 325.2	15.6%	18.5%		99 741.4	108 718.4	118 162.5	10.2%	21.3%
<b>Transfers and subsidies</b>	<b>264 789.2</b>	<b>288 982.1</b>	<b>319 639.5</b>	<b>341 488.4</b>	<b>341 429.2</b>	<b>8.8%</b>	<b>77.8%</b>		<b>368 181.5</b>	<b>392 890.4</b>	<b>417 427.1</b>	<b>6.9%</b>	<b>77.9%</b>
Provinces and municipalities	248 699.1	273 878.2	302 560.4	323 111.8	323 111.8	9.1%	73.6%		348 347.1	371 459.1	395 755.1	7.0%	73.7%
Departmental agencies and accounts	10 511.0	11 804.4	12 744.7	13 396.8	13 390.9	8.4%	3.1%		13 974.6	14 606.5	15 121.3	4.1%	2.9%
Higher education institutions	5.5	–	–	9.0	9.0	18.2%	0.0%		10.0	12.0	12.5	11.7%	0.0%
Foreign governments and international organisations	555.2	533.7	833.8	1 012.7	1 012.2	22.2%	0.2%		1 077.4	1 173.0	1 226.5	6.6%	0.2%
Public corporations and private enterprises	88.5	106.0	250.7	655.5	655.5	94.9%	0.1%		1 327.8	1 973.3	1 395.1	28.6%	0.3%
Non-profit institutions	0.1	–	0.1	0.1	0.1	7.7%	0.0%		–	–	–	-100.0%	0.0%
Households	4 930.0	2 659.8	3 249.9	3 302.5	3 249.6	-13.0%	0.9%		3 444.6	3 666.6	3 916.5	6.4%	0.7%
<b>Payments for capital assets</b>	<b>189.1</b>	<b>178.3</b>	<b>88.6</b>	<b>211.4</b>	<b>213.8</b>	<b>4.2%</b>	<b>0.0%</b>		<b>187.9</b>	<b>185.1</b>	<b>191.6</b>	<b>-3.6%</b>	<b>0.0%</b>
Buildings and other fixed structures	–	–	–	5.0	5.0	0.0%	0.0%		5.0	–	–	-100.0%	0.0%
Machinery and equipment	11.7	8.6	9.1	29.3	19.5	18.7%	0.0%		16.6	10.9	11.3	-16.7%	0.0%
Software and other intangible assets	177.5	169.7	79.6	177.1	189.3	2.2%	0.0%		166.2	174.1	180.3	-1.6%	0.0%
<b>Payments for financial assets</b>	<b>31 000.4</b>	<b>20 747.2</b>	<b>751.2</b>	<b>200.0</b>	<b>200.0</b>	<b>-81.4%</b>	<b>3.4%</b>		<b>2 905.0</b>	<b>3 252.0</b>	<b>3 024.0</b>	<b>147.3%</b>	<b>0.5%</b>
<b>Total</b>	<b>354 060.7</b>	<b>377 134.8</b>	<b>398 130.7</b>	<b>432 027.6</b>	<b>431 434.3</b>	<b>6.8%</b>	<b>100.0%</b>		<b>472 483.2</b>	<b>506 574.5</b>	<b>540 388.5</b>	<b>7.8%</b>	<b>100.0%</b>

## Personnel information

Table 10.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

National Treasury	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>Salary level</b>	<b>1 272</b>	<b>33</b>	<b>1 148</b>	<b>537.1</b>	<b>0.5</b>	<b>1 326</b>	<b>600.1</b>	<b>0.5</b>	<b>1 337</b>	<b>709.5</b>	<b>0.5</b>	<b>1 337</b>	<b>754.5</b>	<b>0.6</b>	<b>1 337</b>	<b>799.1</b>	<b>0.6</b>	<b>0.3%</b>	<b>100.0%</b>
1 – 6	74	2	72	11.1	0.2	80	13.6	0.2	81	14.8	0.2	81	16.2	0.2	81	16.9	0.2	0.4%	6.1%
7 – 10	520	16	479	141.9	0.3	579	163.5	0.3	580	186.6	0.3	580	200.2	0.3	580	212.6	0.4	0.1%	43.5%
11 – 12	371	9	328	157.3	0.5	356	176.6	0.5	359	216.6	0.6	359	229.2	0.6	359	240.7	0.7	0.3%	26.9%
13 – 16	307	6	269	226.8	0.8	311	246.4	0.8	317	291.6	0.9	317	309.0	1.0	317	329.0	1.0	0.6%	23.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will continue to be on: enhancing the support provided by the infrastructure delivery improvement programme, neighbourhood development partnership grant to provincial departments and supporting the initiatives of the Jobs Fund through the *Technical Support and Development Finance* programme; supporting robust fiscal management and improving procurement management to reduce fraud and corruption through the *Financial Systems and Accounting, Revenue Administration and Financial Intelligence and State Security* programmes; and maintaining financial regulation stability by implementing the Public Finance Management Act (1999) through the *Public Finance and Budget Management and Economic Policy, Tax, Financial Regulation and Research* programmes.

The department will also support the recapitalisation initiatives of the Development Bank of Southern Africa and the Postbank facilitated through the *Asset and Liability Management* programme.

The department is responsible for the main statutory transfers to provincial governments. More information on these transfers can be found in chapter 7 and annexure E of the 2013 Budget Review and the 2013 Division of Revenue Bill. The National Treasury vote also includes a provision for servicing government's debt obligations, which are a direct charge against the National Revenue Fund in terms of section 73 of the Public Finance Management Act (1999).

Direct charges account for 93.0 per cent of the department's allocation over the seven-year period. Between 2009/10 and 2012/13, spending increased by R77.4 billion, mainly due to annual increases to the provincial equitable share and the state debt cost as part of statutory direct charges. Conversely, non-statutory expenditure decreased by R32.2 billion over the same period, mainly due to the finalisation of the R60 billion Eskom subordinated loan payments in 2010/11, as well as the tapering off of the R3.5 billion in payments to the Land and Agricultural Development Bank of South Africa, which were allocated to the payments for financial assets expenditure item.

The once-off R4.2 billion Gautrain loan transfer in 2009/10, as well as a once-off R2.5 billion transfer payment to the political office bearers pension fund for the pensions of officials retiring from public office after the 2009 general elections also contributed to the peak in this year. Excluding the impact of these financial investments from non-statutory allocations, departmental spending over this period increased from R15.5 billion to R21 billion, primarily due to a R2 billion increase in the transfer payment to the South African Revenue Service. At over two-thirds of total non-statutory spending, transfer payments contribute significantly to departmental spending, as the department relies on entities and external agencies to deliver key functions that fall under its legislative mandate.

Spending on operational current payments and payments for capital assets increased by R402.8 million between 2009/10 and 2012/13, mainly due to: the department increasing filled posts by 253; the effects of annual adjustments to expenditure on compensation of employees; improvements to office buildings; the upgrading of security systems and ICT equipment; and expenditure on consultancy services for the various projects undertaken, such as the integrated financial management system, the enhancement of the infrastructure delivery implementation programme, and the implementation of procurement management reforms, economic research and fraud prevention plans. As a result, 84.5 per cent of spending over this period went towards compensation of employees, computer services, software and other intangible assets, other machinery and equipment, and consultants and professional services for business and advisory services. The increased spending on consultants has allowed the department to develop and implement the completed integrated financial management system's procurement management module, and roll out the procurement management and asset management modules, as detailed in the section on infrastructure spending.

Over the medium term, total non-statutory, non-investment expenditure is expected to increase to R24.9 billion, largely due to the continued funding of the employment creation facilitation fund, which aims to create 150 000 job opportunities by 2016. Spending in the *Revenue Administration* programme is expected to increase by R1.2 billion over the medium term, due to an increase in the transfer payment to the South African Revenue Service to fund the entity's implementation of enforcement mechanisms and the continuation of IT enhancements.

Spending on non-statutory operational current payments and payments for capital assets is projected to increase by R230.7 million, to R1.8 billion over the medium term. The bulk of this increase is in spending on compensation of employees, which is expected to increase by R184.1 million to R800.2 million, mainly because of adjustments made for improved conditions of service and the filling of 11 positions in 2013/14. Expenditure on goods and services accounts for 28.6 per cent of this increase and is projected to increase by R65.9 million over the medium term. This increase is mainly due to the maintenance of the transversal systems, the intensification of the implementation of the integrated financial management system, and an expected increase in lease payments owing to the devolution of funds for buildings in relation to property management. The increase due to the maintenance of transversal systems is caused by the renewal of software licences and contracts, and small maintenance in the legacy systems, while the development of the integrated financial management system project yields high costs before it is implemented. Spending on payments for capital assets is projected to decrease by R19.9 million over the medium term, mainly because the infrastructure upgrade for the security and ICT systems will be completed, as well as the anticipated completion of the refurbishment works to office buildings.



R50 million in 2014/15 and R70 million in 2015/16 has been reprioritised to the infrastructure skills development grant to municipalities, while R40 million in 2013/14, R150 million in 2014/15 and R150 million in 2015/16 has been reprioritised to the new integrated city development grant. These funds have been reprioritised to the local government, housing and community amenities function from a pool of funds that was identified after the 1 per cent, 2 per cent and 3 per cent baseline reductions during the 2013 MTEF process. They are essentially increases to the Treasury's baseline through an executive allocation of resources mechanism and can be regarded as additional allocations to the department.

The 2013 Budget sets out the following additional allocations over the medium term:

- R50 million, R90 million and R160 million for post-retirement medical benefits
- R33.1 million, R34.6 million and R36.2 million for improved conditions of service to Secret Services
- R10.7 million, R13.8 million and R25.5 million for improved conditions of service to the department
- R2.4 billion, R2.5 billion and R3 billion for the recapitalisation of the Development Bank of Southern Africa
- R205 million, R252 million and R24 million for the recapitalisation of Postbank.

To give effect to Cabinet approved budget reductions of R1.8 billion over the medium term, the department has implemented cost cutting measures. These include a general reduction in travelling costs, travelling economy class instead of business class when travel is necessary, using restricted tickets and lowering catering costs, introducing bulk buying of ICT equipment, rescheduling the rollout of projects such as employment creation initiatives and restricting to internal instead of external venues, and holding meetings internally instead of hiring external venues. Most cost cutting measures have been implemented in the *Revenue Administration*, *Technical Support and Development Finance* and *Financial Intelligence and State Security* programmes.

The department has a funded establishment of 1 272 posts and 33 posts are filled additional to the establishment. As at 30 September 2012, the department had 136 vacancies, mainly due to the time taken to attract appropriate people with the level of skills and experience required for these posts at the remuneration offered. The skill requirements for these vacant posts relate mainly to IT, financial markets, banking, forensics and economic research. The ratio of support staff to line function staff is 1:4.

The use of consultants in focused areas where there is a need for critical skills and technical expertise. This includes specialised audit services, economic research support, legal expertise, engineering capacity support for the infrastructure delivery implementation programme, technical support for public private partnerships, and support for the development and implementation of social reforms, retirement reforms and Jobs Fund initiatives.

### Infrastructure spending

#### *Mega project: Neighbourhood development partnership grant projects*

The neighbourhood development partnership programme aims to eradicate spatial inequality towards the creation of habitable, sustainable, resilient, efficient and integrated human settlements. This is achieved through the funding of programme and project planning activities, and infrastructure projects that advance the grant's aims. Programme planning and project prioritisation are aimed at optimising third party investments by other public sector departments, public entities and the private sector.

The projects funded are for a wide range of public infrastructure development, such as public transport facilities, roads, small and medium enterprises and community facilities, and public spaces and landscaping. The projects are located within prioritised strategic nodes in townships and the transport linkages that connect these nodes to other strategic locations within and outside of townships.

The neighbourhood development partnership programme's capital investment will have reached R2.7 billion by 31 March 2013. This was allocated to projects as follows: 20.1 per cent to community facilities, 1.6 per cent to utility infrastructure, 1.6 per cent for green efficiencies, 37.5 per cent for nodal and corridor upgrading, 13.5 per cent for small and medium enterprise facilities, and 25.7 per cent for transport infrastructure. R2 billion has been allocated over the medium term for spending on neighbourhood development partnership infrastructure grants.

The neighbourhood development partnership also facilitates the employment of local labour and supports the expanded public works programmes in local government. In 2011/12, more than 6 000 jobs were created

through neighbourhood development partnership projects. In 2012/13, the neighbourhood development partnership had more than 280 approved project plans valued at R2.9 billion. The partnership has completed 57 catalytic projects valued at R606 million by 2011/12.

The Thulamela gateway project entails the establishment of a primary, integrated transport orientated node with 2 secondary nodes linking new retail and community service centres. The secondary nodes consist of link roads and public transport facilities supporting these proposed new developments. The primary node is an extension of the existing central business district of Thohoyandou in Limpopo, while the secondary nodes are within Sibasa and Malamulele. The project seeks to provide enabling infrastructure to facilitate the provision of modern commercial activities as well as a range of public institutions. The project's grant contribution is approximately R245 million, with more than R2.3 billion leveraged off third party investors. R100 million of the grant's funds were invested in the project by 2012/13. The project is scheduled to conclude in 2013/14.

Kuyasa and various other nodes in Khayelitsha in Western Cape fall within a presidential urban renewal node, which consists of the Khayelitsha rail extension, the upgrading to Walter Sisulu Road, the upgrading of Harare Square, the establishment of Ntlazane work-live units, a library, and health facilities. The contribution to the project is approximately R200 million, with an additional R320 million sourced from third party investors.

The neighbourhood development partnership grant projects also involve the Diepsloot South local government development node in Gauteng. This project entails the upgrading of Ngonyama Road as well as public facilities such as a taxi rank and a linear informal trading market. It also focuses on the improvement of the interface of the existing social facilities, an activity street and the development of a primary node. The financial contribution is estimated at R16.7 million and R26 million has been leveraged off the municipality.

#### *Large projects*

Annual spending on infrastructure for the integrated financial management system has remained stable at approximately R177 million and is expected to increase marginally to R180.3 million over the medium term. The main purpose of the integrated financial management system is to replace the existing legacy financial management systems. The project has already spent R603.9 million on the development and implementation of the business intelligence, human resources management, procurement management and asset management modules by 2012/13.

The first phase of the business intelligence module has been completed and the module is currently undergoing testing before being rolled out. The rollout of the human resources management module has progressed well at the Department of Public Service and Administration lead site, while the progress at the Free State department of education has been hampered by delays in the development of the payroll module.

The rollout of the procurement management module at the lead sites, National Treasury and the Department of Defence, has progressed although there are systems integration issues at the Department of Defence. This module automates the procurement process and correctly classifies commodities to ensure appropriate and effective demand planning.

The asset management module had been successfully implemented at 5 departments in the Limpopo provincial government by the end of 2012 and these departments can now account for all their assets. However, capacity challenges within the province are likely to impact negatively on its ability to adequately maintain this positive outcome. The cost of this rollout up to March 2012 was R150.4 million, which included software licences and maintenance. The development of the financial management, payroll management and inventory management modules is estimated to cost R650 million.

#### *Refurbishment of buildings*

The following refurbishment works relate to Treasury office accommodation: There will be ICT and security upgrades in all Treasury office accommodation in Pretoria and Cape Town, and this will be completed in 2013/14. However, for the purposes of managing the budget, spending on this will only start once the refurbishment at the building at 38 Church Square in Pretoria is completed. This is slightly behind schedule and is now expected to be completed by the end of March 2013.

## Departmental receipts

Table 10.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
<b>Departmental receipts</b>	<b>2 543 597</b>	<b>3 340 611</b>	<b>3 409 060</b>	<b>3 400 539</b>	<b>3 564 539</b>	<b>11.9%</b>	<b>37.6%</b>	<b>3 709 646</b>	<b>3 531 619</b>	<b>3 475 114</b>	<b>-0.8%</b>	<b>39.9%</b>
<b>Sales of goods and services produced by department</b>	<b>300 418</b>	<b>50 955</b>	<b>71 687</b>	<b>40 450</b>	<b>40 450</b>	<b>-48.7%</b>	<b>1.4%</b>	<b>104 957</b>	<b>51 330</b>	<b>52 215</b>	<b>8.9%</b>	<b>0.7%</b>
Sales by market establishments of which:	85	92	91	200	200	33.0%	-	180	90	100	-20.6%	-
Rental parking: Covered and open	85	92	91	200	200	33.0%	-	180	90	100	-20.6%	-
Administration fees of which:	25	13	5	10	10	-26.3%	-	10	10	10	-	-
Required information: Duplicate certificate	25	13	5	10	10	-26.3%	-	10	10	10	-	-
Other sales of which:	300 308	50 850	71 591	40 240	40 240	-48.8%	1.4%	104 767	51 230	52 105	9.0%	0.7%
Commission: Insurance	46	55	63	80	80	20.3%	-	10	70	60	-9.1%	-
Directors fees	175	196	196	50	50	-34.1%	-	10	200	200	58.7%	-
Replacement of security cards	2	3	2	2	2	-	-	2	5	3	14.5%	-
Fees for government guarantee insurance	299 987	50 529	71 274	40 058	40 058	-48.9%	1.4%	104 745	50 955	51 842	9.0%	0.7%
Sales of assets less than R5 000	98	67	56	50	50	-20.1%	-	-	-	-	-100.0%	-
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>13</b>	<b>5</b>	<b>26</b>	<b>8</b>	<b>8</b>	<b>-14.9%</b>	<b>-</b>	<b>10</b>	<b>12</b>	<b>10</b>	<b>7.7%</b>	<b>-</b>
of which:												
Waste paper	3	5	14	8	8	38.7%	-	10	12	10	7.7%	-
Scrap	10	-	-	-	-	-100.0%	-	-	-	-	-	-
Departmental publications	-	-	12	-	-	-	-	-	-	-	-	-
<b>Interest, dividends and rent on land</b>	<b>2 085 054</b>	<b>2 609 482</b>	<b>2 861 771</b>	<b>3 109 481</b>	<b>3 273 481</b>	<b>16.2%</b>	<b>31.7%</b>	<b>2 524 139</b>	<b>2 410 277</b>	<b>2 342 889</b>	<b>-10.5%</b>	<b>29.4%</b>
Interest	2 006 143	2 456 183	2 735 115	2 973 500	3 137 500	16.1%	30.2%	2 381 500	2 290 500	2 200 500	-11.2%	27.9%
Dividends of which:	78 911	153 299	126 656	135 981	135 981	19.9%	1.4%	142 639	119 777	142 389	1.5%	1.5%
South African Reserve Bank	-	-	126 656	-	-	-	0.4%	-	-	-	-	-
Public Investment Corporation	78 911	-	-	-	-	-100.0%	0.2%	-	-	-	-	-
South African Special Risks Insurance Association	-	153 299	-	135 981	135 981	-	0.8%	142 639	119 777	142 389	1.5%	1.5%
<b>Sales of capital assets</b>	<b>202</b>	<b>86</b>	<b>-</b>	<b>100</b>	<b>100</b>	<b>-20.9%</b>	<b>-</b>	<b>40</b>	<b>-</b>	<b>1 080 000</b>	<b>-100.0%</b>	<b>-</b>
<b>Transactions in financial assets and liabilities</b>	<b>157 910</b>	<b>680 083</b>	<b>475 576</b>	<b>250 500</b>	<b>250 500</b>	<b>16.6%</b>	<b>4.6%</b>	<b>1 080 500</b>	<b>1 070 000</b>	<b>1 080 000</b>	<b>62.8%</b>	<b>9.7%</b>
<b>Extraordinary receipts</b>	<b>1 948 093</b>	<b>1 947 457</b>	<b>5 200 949</b>	<b>1 200 000</b>	<b>10 650 000</b>	<b>76.2%</b>	<b>57.7%</b>	<b>4 400 000</b>	<b>3 300 000</b>	<b>3 200 000</b>	<b>-33.0%</b>	<b>60.1%</b>
of which:												
Revaluation profits on foreign currency transactions	212 136	86 526	640 935	-	100 000	-22.2%	3.0%	-	-	-	-100.0%	0.3%
Debt portfolio restructuring	-	131 113	694 520	-	6 200 000	-	20.5%	1 100 000	-	-	-100.0%	20.4%
Premiums on loan transactions	1 631 126	1 558 533	2 788 511	1 200 000	4 300 000	38.1%	30.0%	3 300 000	3 300 000	3 200 000	-9.4%	39.4%
Liquidation of South African Special Risks Insurance Association investment	103 595	150 000	227 987	-	50 000	-21.6%	1.6%	-	-	-	-100.0%	0.1%
Saambou Bank liability	-	20 000	30 000	-	-	-	0.1%	-	-	-	-	-
Other	1 236	1 285	24 713	-	-	-100.0%	0.1%	-	-	-	-	-
Gold and foreign exchange contingency reserve account profits	-	-	794 283	-	-	-	2.3%	-	-	-	-	-
<b>National Revenue Fund receipts</b>	<b>1 000 000</b>	<b>600 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>4.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
of which:												
Rand block levy account	1 000 000	600 000	-	-	-	-100.0%	4.7%	-	-	-	-	-
<b>Total</b>	<b>5 491 690</b>	<b>5 888 068</b>	<b>8 610 009</b>	<b>4 600 539</b>	<b>14 214 539</b>	<b>37.3%</b>	<b>100.0%</b>	<b>8 109 646</b>	<b>6 831 619</b>	<b>6 675 114</b>	<b>-22.3%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 10.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
Ministry	2.8	2.8	3.0	3.6	9.4%	1.1%	3.8	4.0	4.2	5.5%	1.1%	
Departmental Management	28.1	29.7	31.1	37.3	9.8%	11.8%	39.1	40.4	41.8	3.9%	11.5%	
Corporate Services	85.9	77.4	80.3	103.8	6.5%	32.6%	105.5	106.6	107.2	1.1%	30.7%	
Enterprise Wide Risk Management	11.8	15.3	17.5	27.4	32.5%	6.8%	21.8	22.7	23.5	-5.1%	6.9%	
Financial Administration	25.3	28.7	30.1	37.1	13.6%	11.4%	40.3	42.3	56.4	15.0%	12.8%	
Legal Services	11.9	11.7	12.4	15.2	8.7%	4.8%	16.7	17.6	18.5	6.8%	4.9%	
Internal Audit	11.7	9.3	9.5	15.0	8.6%	4.3%	12.8	12.4	12.9	-5.0%	3.9%	
Communications	7.3	7.5	7.1	9.5	8.8%	2.9%	9.9	10.2	10.4	3.2%	2.9%	
Office Accommodation	58.0	66.1	63.4	72.3	7.6%	24.3%	91.7	92.5	93.8	9.1%	25.4%	
<b>Total</b>	<b>242.8</b>	<b>248.7</b>	<b>254.5</b>	<b>321.1</b>	<b>9.8%</b>	<b>100.0%</b>	<b>341.7</b>	<b>348.6</b>	<b>368.7</b>	<b>4.7%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				2.8			21.4	15.9	368.7			

Table 10.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R million											
<b>Current payments</b>	<b>233.8</b>	<b>242.7</b>	<b>245.6</b>	<b>292.1</b>	<b>7.7%</b>	<b>95.0%</b>	<b>324.2</b>	<b>341.5</b>	<b>361.9</b>	<b>7.4%</b>	<b>95.6%</b>
Compensation of employees	91.8	108.8	116.5	137.4	14.4%	42.6%	159.1	171.1	187.8	11.0%	47.5%
Goods and services	142.0	133.9	129.1	154.7	2.9%	52.4%	165.0	170.3	174.1	4.0%	48.1%
of which:											
Computer services	23.2	20.3	21.2	24.7	2.2%	8.4%	20.2	19.7	19.6	-7.4%	6.1%
Consultants and professional services:	13.9	10.5	7.2	11.9	-4.9%	4.1%	8.2	7.3	8.2	-11.8%	2.6%
Business and advisory services											
Operating leases	29.5	41.2	37.5	33.0	3.8%	13.2%	46.7	50.4	49.4	14.3%	13.0%
Travel and subsistence	12.2	13.0	11.7	16.9	11.4%	5.1%	14.5	14.6	14.8	-4.3%	4.4%
<b>Transfers and subsidies</b>	<b>1.3</b>	<b>1.5</b>	<b>2.4</b>	<b>2.6</b>	<b>24.7%</b>	<b>0.7%</b>	<b>2.2</b>	<b>2.2</b>	<b>2.2</b>	<b>-5.5%</b>	<b>0.7%</b>
Departmental agencies and accounts	0.4	0.4	0.5	0.6	20.2%	0.2%	0.6	0.6	0.6	0.7%	0.2%
Households	1.0	1.1	1.9	2.0	26.2%	0.6%	1.6	1.6	1.6	-7.6%	0.5%
<b>Payments for capital assets</b>	<b>7.6</b>	<b>4.2</b>	<b>6.5</b>	<b>26.5</b>	<b>51.5%</b>	<b>4.2%</b>	<b>15.3</b>	<b>5.0</b>	<b>4.6</b>	<b>-44.1%</b>	<b>3.7%</b>
Buildings and other fixed structures	-	-	-	5.0	-	0.5%	5.0	-	-	-100.0%	0.7%
Machinery and equipment	7.6	4.2	6.5	21.5	41.3%	3.7%	10.3	5.0	4.6	-40.0%	3.0%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>242.8</b>	<b>248.7</b>	<b>254.5</b>	<b>321.1</b>	<b>9.8%</b>	<b>100.0%</b>	<b>341.7</b>	<b>348.6</b>	<b>368.7</b>	<b>4.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.5%</b>	<b>0.7%</b>	<b>1.2%</b>	<b>1.5%</b>			<b>1.3%</b>	<b>1.3%</b>	<b>1.3%</b>		

## Details of selected transfers and subsidies

Households											
Other transfers to households											
Current											
	<b>0.9</b>	<b>1.0</b>	<b>1.4</b>	<b>1.9</b>	<b>26.8%</b>	<b>0.5%</b>	<b>1.6</b>	<b>1.6</b>	<b>1.6</b>	<b>-5.7%</b>	<b>0.5%</b>
Bursaries for non-employees	0.9	1.0	1.4	1.6	20.8%	0.5%	1.6	1.6	1.6	-1.0%	0.5%
Advocate Zubeida Barmania	-	-	-	0.3	-	-	-	-	-	-100.0%	-

## Personnel information

Table 10.6 Details of approved establishment and personnel numbers according to salary level

Administration	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	370	10	338	116.5	0.3	403	137.9	0.3	403	159.1	0.4	403	171.1	0.4	403	187.8	0.5	-	100.0%
1 - 6	55	-	53	7.6	0.1	55	9.1	0.2	55	9.7	0.2	55	10.1	0.2	55	10.6	0.2	-	13.6%
7 - 10	210	9	192	48.4	0.3	235	55.2	0.2	235	63.0	0.3	235	68.4	0.3	235	74.8	0.3	-	58.3%
11 - 12	60	1	54	25.8	0.5	66	32.3	0.5	63	37.8	0.6	63	41.5	0.7	63	44.5	0.7	-1.5%	15.8%
13 - 16	45	-	39	34.8	0.9	47	41.3	0.9	50	48.7	1.0	50	51.1	1.0	50	57.8	1.2	2.1%	12.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on ensuring improved governance by increasing the capacity of the internal audit function, IT and communications, and upgrading the infrastructure for ICT and security. Thus, spending in the *Corporate Services* and *Office Accommodation* subprogrammes together accounts for more than half of this programme's expenditure and budget allocations, mostly for spending on compensation of employees and goods and services.

Between 2009/10 and 2012/13, expenditure increased by R78.3 million, mainly in the *Corporate Services*, *Enterprise Wide Risk Management*, *Office Accommodation* and *Financial Administration* subprogrammes to: build capacity in the enterprise risk management and internal audit functions; upgrade the security system and provide infrastructure for ICT, including upgrading networks and old servers, providing storage and implementing security across the entire network architecture; and facilitate the improvements to office accommodation.

Over the medium term, expenditure is expected to increase to R368.7 million, mainly in the *Office Accommodation* and *Financial Administration* subprogrammes. The increase is to provide for the continued commitments for office accommodation, as well as the installation of an uninterrupted power supply system, a generator and a public announcement system. In addition, spending on compensation of employees is projected to increase by R50.4 million, primarily due to an additional allocation of R24.5 million for improved conditions of service. Over the same period, spending on goods and services is expected to increase by R19.4 million, mainly because of the devolution of funds from the Department of Public Works and an increase in audit fees. Payments for capital assets are expected to decrease to R4.6 million in 2015/16, primarily due to the completion of the project to enhance ICT infrastructure and the security system, as well as the completion of refurbishment works to office buildings. The programme receives an additional R24.5 million over the medium term for improved conditions of service.

To give effect to the Cabinet approved budget reductions of R20.3 million over the medium term, the department has implemented cost cutting measures, including the introduction of demand management to facilitate bulk buying and take advantage of economies of scale. The reductions have been mainly effected in the *Corporate Services* and *Office Accommodation* subprogrammes in spending on consultants, operating leases, and travel and subsistence.

The programme has a funded establishment of 370 posts and 10 posts are filled additional to the establishment. As at September 2012, the programme had 33 vacancies, which were expected to be filled by March 2013. Of these vacancies, 3 were internship positions that were filled in January 2013, 17 were due to attrition of employees and became vacant within the past 12 months, with the balance in specialised areas such as ICT. Consequently, the number of posts filled grew from 338 in 2011/12 to 403 in 2012/13 to provide mainly for ICT capacity requirements, and the higher intake of interns. Personnel numbers are expected to remain at this level over the medium term.

Most of the consultancy services are procured through the *Corporate Services* and *Legal Services* subprogrammes. Consultants mainly provide specialised ICT skills and legal services. Spending on consultants decreased by R772 000 between 2009/10 and 2012/13, and is projected to decrease further by R979 000 over the medium term as internal capacity to provide ICT and internal audit services grows.

## **Programme 2: Economic Policy, Tax, Financial Regulation and Research**

### **Objectives**

- Improve South Africa's macroeconomic and microeconomic framework by:
  - conducting ongoing analytical work and research, and developing policy advisory services in support of promoting economic growth, employment and macroeconomic stability and retirement reform
  - developing tax policy proposals and supporting legislation for the annual budget
  - monitoring the collection of revenue through ongoing consultation with relevant stakeholders and the consideration of contributing factors.

### **Subprogrammes**

- *Programme Management for Economic Policy, Financial Regulation and Research* provides overall programme management and policy advice to government relating to the promotion of economic growth, employment, and microeconomic and macroeconomic stability. In 2012/13, transfers and subsidies in this subprogramme accounted for 51.6 per cent of the subprogramme's total budget, with the bulk of the transfer payments allocated to Economic Research Southern Africa for conducting economic research. This subprogramme had a staff complement of 8 at 30 September 2012.
- *Research* promotes economic research institutions through the funding of economic research in the public interest, as well as more dedicated research on behalf of the department. This includes promoting the research capacity of local academic researchers in areas such as economic growth, job creation, macroeconomic stability, poverty alleviation, retirement reform and financial sector development. Most funding is for longer term agreements with institutions such as the Centre for Research into Economics and Finance in Southern Africa, and also for ad-hoc economic research related projects. In 2012/13, a total

adjusted budget adjusted for research of R12.7 million was used mainly for funding a number of economic and policy research initiatives. Key outputs in 2012/13 included the development of a discussion paper on youth unemployment through the Centre for Research into Economics and Finance in Southern Africa, research on a single payer and multiple payer national health insurance model, policy research towards the reform of pensions, and policy research towards the implementation of a twin peak model for reforming regulation and oversight in the financial sector. This regulatory structure involves separate prudential and market conduct regulators, aimed at creating a more resilient and stable financial system. This subprogramme has no staff complement as all work is undertaken by consultants under the supervision of the *Programme Management for Economic Policy, Financial Regulation and Research* subprogramme.

- *Financial Sector Policy* is responsible for developing policy on the regulation of the financial sector in South Africa, developing policies to broaden access to financial services by all South Africans, and developing policies to improve the national savings rate through reforms to the legislative framework governing the savings industry, including work being undertaken towards the implementation of retirement reform proposals. In 2012/13, the unit finalised and released a policy paper for public comment that involved an overview of proposals for strengthening retirement savings that were made in the 2012 Budget. Over the medium term, the unit intends to fully implement the twin peak model for reforming regulation and oversight in the financial sector. This will entail creating a prudential regulator housed in the South African Reserve Bank; and transforming the Financial Services Board into a dedicated market conduct regulator. This subprogramme had a staff complement of 30 as at 30 September 2012.
- *Tax Policy* is responsible for drafting annual tax proposals and legislation as part of the national budget as an effective, equitable and efficient tax policy framework and tax administrative system to ensure sustainable growth and delivery on government's mandate to address the needs of all South Africans. This includes providing tax proposals towards improved environmental sustainability. In 2011/12, the unit implemented the new dividend tax as part of the 2012 Budget, which replaced the secondary tax on companies. In 2012/13, the unit's outputs included considerations of public comments received on the carbon tax policy paper and finalised proposals for a carbon tax over the medium term. This subprogramme had a staff complement of 33 as at 30 September 2012.
- *Economic Policy* provides macroeconomic and microeconomic forecasts, regulatory technical and policy analysis, and scenario modelling to provide sound policy advice on the economic environment for the annual budget and other government processes. Policy advice is mainly focused on creating decent employment through inclusive economic growth. The subprogramme also provides analytical work and policy advice on a wide range of issues including inflation management, electricity pricing, economic growth, structural budget balances, and the exchange rate. In 2012/13, economic policies and plans that are focused on achieving higher sustainable economic growth and job creation were assessed, analyses and monitoring of capital flows and capital account management issues were conducted, as were global trends analyses in capital flows and policy. Activities over the medium term include reviewing the electricity pricing methodology, and providing advice on the economic impacts of alternative models for restructuring the energy sector and freight logistics systems to improve economic efficiency. This subprogramme had a staff complement of 31 as at 30 September 2012.
- *Cooperative Banking Development Agency* facilitates the transfer payment to the Cooperative Banking Development Agency, which provides for the registration, supervision and regulation of cooperative banks and the development of cooperative financial institutions such as savings and credit cooperatives, community banks, village banks and financial services cooperatives into cooperative banks. Over the medium term, transfers to the agency are expected to increase to support the agency's services. This subprogramme has no staff complement.

## Expenditure estimates

Table 10.7 Economic Policy, Tax, Financial Regulation and Research

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
	R million				2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
Programme Management for Economic Policy, Financial Regulation and Research	13.3	12.1	19.7	19.4	13.4%	15.3%	21.2	22.5	23.8	7.1%	15.0%
Research	8.5	11.2	9.7	12.7	14.3%	10.0%	17.4	16.1	16.6	9.4%	10.9%
Financial Sector Policy	17.5	17.7	61.5	23.3	9.9%	28.5%	29.3	30.5	32.7	12.0%	20.0%
Tax Policy	17.3	19.2	23.0	26.9	15.8%	20.6%	31.5	33.5	34.4	8.5%	21.9%
Economic Policy	15.3	17.7	17.2	24.2	16.7%	17.7%	30.1	31.7	33.1	11.0%	20.6%
Cooperative Banking Development Agency	–	8.2	9.3	16.0	–	8.0%	16.2	16.8	17.4	2.9%	11.5%
<b>Total</b>	<b>71.9</b>	<b>86.1</b>	<b>140.5</b>	<b>122.5</b>	<b>19.4%</b>	<b>100.0%</b>	<b>145.9</b>	<b>151.2</b>	<b>158.0</b>	<b>8.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(26.5)			(3.0)	(4.7)	158.0		

### Economic classification

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
<b>Current payments</b>	<b>66.4</b>	<b>72.2</b>	<b>119.6</b>	<b>95.8</b>	<b>13.0%</b>	<b>84.1%</b>	<b>119.2</b>	<b>122.9</b>	<b>128.3</b>	<b>10.2%</b>	<b>80.7%</b>
Compensation of employees	44.8	51.0	56.2	66.8	14.2%	52.0%	84.4	89.2	93.6	11.9%	57.8%
Goods and services	21.6	21.2	63.4	29.0	10.4%	32.1%	34.7	33.7	34.7	6.2%	22.9%
<i>of which:</i>											
Consultants and professional services:	8.5	11.2	11.1	13.3	16.2%	10.5%	20.4	19.5	20.2	14.8%	12.7%
Business and advisory services	0.1	0.1	0.1	0.2	19.1%	0.1%	0.3	0.3	0.2	5.1%	0.2%
Operating leases	4.4	4.4	5.1	6.4	13.1%	4.8%	6.5	7.0	6.9	2.6%	4.6%
Travel and subsistence	5.0	13.5	20.5	26.0	73.2%	15.5%	26.1	27.6	29.1	3.8%	18.8%
Transfers and subsidies	5.0	13.5	20.5	26.0	73.2%	15.5%	26.1	27.6	29.1	3.8%	18.8%
Departmental agencies and accounts	–	8.2	9.3	16.0	–	8.0%	16.2	16.8	17.4	2.9%	11.5%
Higher education institutions	5.0	–	–	–	-100.0%	1.2%	–	–	–	–	–
Public corporations and private enterprises	–	5.3	11.0	10.0	–	6.2%	9.9	10.8	11.6	5.2%	7.3%
Households	0.0	–	0.2	0.0	42.6%	0.1%	–	–	–	-100.0%	–
Payments for capital assets	0.5	0.4	0.4	0.7	12.5%	0.4%	0.6	0.7	0.6	-0.6%	0.4%
Machinery and equipment	0.5	0.4	0.4	0.7	12.5%	0.4%	0.6	0.7	0.6	-0.6%	0.4%
Payments for financial assets	0.0	0.0	0.0	–	-100.0%	–	–	–	–	–	–
<b>Total</b>	<b>71.9</b>	<b>86.1</b>	<b>140.5</b>	<b>122.5</b>	<b>19.4%</b>	<b>100.0%</b>	<b>145.9</b>	<b>151.2</b>	<b>158.0</b>	<b>8.9%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	0.1%	0.2%	0.7%	0.6%			0.6%	0.5%	0.6%		

### Details of selected transfers and subsidies

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	–	8.2	9.3	16.0	–	8.0%	16.2	16.8	17.4	2.9%	11.5%
Cooperative Banking Development Agency	–	8.2	9.3	16.0	–	8.0%	16.2	16.8	17.4	2.9%	11.5%
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	–	5.3	11.0	10.0	–	6.2%	9.9	10.8	11.6	5.2%	7.3%
Economic Research Southern Africa	–	5.3	11.0	10.0	–	6.2%	9.9	10.8	11.6	5.2%	7.3%
<b>Higher education institutions</b>											
<b>Current</b>	5.0	–	–	–	-100.0%	1.2%	–	–	–	–	–
University of Cape Town	5.0	–	–	–	-100.0%	1.2%	–	–	–	–	–

## Personnel information

Table 10.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Economic Policy, Tax, Financial Regulation and Research	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number							
	Number of funded posts	Number of posts additional to the establishment	Actual						Revised estimate <sup>3</sup>						Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16									
			Number	Cost	Unit	Cost	Unit	Cost	Number	Cost	Unit	Cost	Number	Cost	Unit	Cost						
Salary level	129	1	104	56.2	0.5	129	61.8	0.5	131	84.4	0.6	131	89.2	0.7	131	93.6	0.7	0.5%	100.0%			
1 – 6	1	–	1	0.1	0.1	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	–	0.8%			
7 – 10	22	–	20	8.2	0.4	35	10.2	0.3	35	12.0	0.3	35	12.8	0.4	35	13.4	0.4	–	26.8%			
11 – 12	56	1	47	20.4	0.4	46	20.7	0.4	47	28.6	0.6	47	30.2	0.6	47	31.7	0.7	0.7%	35.8%			
13 – 16	50	–	36	27.5	0.8	47	30.7	0.7	48	43.7	0.9	48	46.0	1.0	48	48.3	1.0	0.7%	36.6%			

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will continue to be on directing funds and resources towards the analysis of the country's economic and financial environment through the research and development of economic policies and financial frameworks in order to enable economic growth and financial stability. The *Financial Sector Policy*, *Tax Policy* and *Economic Policy* subprogrammes take up more than 60 per cent of this programme's expenditure and budget allocations. More than half of the programme's medium term spending is on compensation of employees; 22.9 per cent is on goods and services, which is mainly for consultants and travel and subsistence; and 18.8 per cent is on transfer payments to the Cooperative Banking Development Agency and Economic Research Southern Africa.

Between 2009/10 and 2012/13, expenditure increased by R50.6 million, mainly due to the introduction of transfer payments in 2010/11 to the Economic Research Southern Africa enterprise for economic research work as well as to the Cooperative Banking Development Agency. In addition, spending on compensation of employees increased by R22 million over the period due to the filling of 27 vacancies in the economic policy, tax policy and financial sector policy units. A once-off payment of R43 million in 2011/12 to the South African Reserve Bank to finance a voluntary disclosure programme relating to transgressions of exchange control measures also contributed to increased spending between 2009/10 and 2012/13. The R7.4 million increase in spending on goods and services was mainly due to: spending on consultants to provide economic research on topics such as the twin peak regulatory structure for South Africa and tax policies; and increased spending on travel and subsistence for international stakeholder engagements, including the G20 and summits involving the Brazil-Russia-India-China-South Africa (BRICS) group of countries.

Over the medium term, expenditure is expected to increase by R35.5 million, mainly due to economic research projects to be undertaken. The research projects include economic and financial sector research work on youth unemployment; mining tax royalties; the development of the financial sector market conduct as part of the twin peak model; retirement reforms, including savings and modelling forecasting through the dynamic stochastic general equilibrium macroeconomic policy analysis tool. The research projects have necessitated increasing the department's capacity in economic modelling and forecasting, and financial and tax sector policy development, which is projected to increase spending on compensation of employees by R26.8 million over the medium term. In addition, spending on consultants is projected to increase by R6.9 million over the same period to provide specialist and expert skills and knowledge within the research projects. The department expects to implement the twin peak model of regulating the financial sector by the end of the medium term. Spending on consultants accounts for 43.8 per cent of total spending on goods and services over the seven-year period, and increased by R4.8 million between 2009/10 and 2012/13.

To give effect to the Cabinet approved budget reductions of R9.5 million, the department has implemented cost saving measures in administrative costs and bank charges owed to the South African Reserve Bank; and reduced spending on consultants, travel and subsistence and operating payments with no adverse effect on the programme's core functions.

The programme has a funded establishment of 129 posts and 1 post is filled additional to the establishment. The number of posts filled is anticipated to increase from 104 in 2011/12 to 129 over the medium term to fully build capacity in the programme for the development and monitoring of various policies and regulatory frameworks such as tax policies, the twin peak oversight model, retirement reforms and youth employment. The programme receives an additional R8.1 million over the medium term for improved conditions of service. As at 30 September 2012, the department had 25 vacancies, mainly due to natural attrition as all 25 positions have been vacant for less than 12 months.

## Programme 3: Public Finance and Budget Management

### Objectives

- Give effect to government's economic, fiscal, social and development goals by engaging in an ongoing rigorous analytical and consultative process to produce the national budget to be tabled annually in Parliament in February.
- Promote accountability and transparency by:



- publishing the Budget Review, Estimates of National Expenditure and Medium Term Budget Policy Statement and appropriation legislation containing relevant, accurate and clear financial information and associated indicators of service delivery and performance on an annual basis
- providing the Minister of Finance with ongoing advice in response to submissions and Cabinet memorandums
- monitoring and analysing progress on these activities and processes on a quarterly and annual basis.
- Contribute to public policy and programme development by promoting sound planning, budgeting and project management, and increased support to public finance reform in provinces and municipalities on an ongoing basis.
- Promote and support public private partnerships, and provide a mechanism for accessing private sector finance and expertise to support the development and implementation of services infrastructure in all spheres of government by appropriately assessing all major infrastructure initiatives and employing the appropriate financing mechanism on an annual basis.
- Support the development and implementation of service infrastructure in all spheres of government and measure progress annually through completing assessments by:
  - promoting public private partnerships
  - providing a mechanism for accessing private sector finance and expertise
  - assessing major infrastructure initiatives in order to deploy appropriate financing mechanisms.
- Ensure the appropriate use of public and private financial resources for social and economic development and infrastructure investment by continuously improving the monitoring and analysis of public expenditure monthly, quarterly and annually.

## Subprogrammes

- *Programme Management for Public Finance and Budget Management* provides support to the planning, monitoring and delivery of the programme's strategy. Key activities include oversight and managing the processes related to the annual publication of the Medium Term Budget Policy Statement, the coordination of the Budget, and the production of the Division of Revenue Bill for the three spheres of government. This subprogramme had a staff complement of 10 as at 30 September 2012.
- *Public Finance* provides financial and budgetary analysis of government programmes, advises on policy and service delivery trends, and manages the National Treasury's relations with other national departments. Outputs include the phased implementation of contributory social security reforms and retirement industry legislative amendments; expenditure analysis, evaluation, monitoring, policy development as well as assess financing of major infrastructure projects in the energy and transport sectors. This subprogramme had a staff complement of 89 as at 30 September 2012.
- *Budget Office and Coordination* is responsible for the provision of fiscal policy advice and the alignment of government's medium term spending and revenue plans with government's longer term fiscal policy and strategic priorities. The unit leads the budget reform programme, coordinates international technical assistance and donor finance, provides advice on public service remuneration and pension arrangements, and compiles public finance statistics. It is also responsible for a coherent regulatory framework to promote a consistent approach to governance and the organisational and institutional design of public entities, government agencies and departmental business enterprises. Activities include managing and setting South Africa's annual budget and developing related models for national planning and reporting purposes. This subprogramme had a complement of 80 as at 30 September 2012.
- *Intergovernmental Relations* coordinates fiscal relations between national, provincial and local government; promotes sound provincial and municipal budgetary planning, reporting and financial management; and coordinates the city support programme for government with the aim of promoting improved planning, management of the built environment in cities and completion of infrastructure projects. Key annual outputs include publishing the Division of Revenue Act; implementing the cities support programme; and running 7 division of revenue workshops, 2 business planning training courses, and other training for 400 officials. This subprogramme had a staff complement of 62 as at 30 September 2012.

- *Financial and Fiscal Commission* facilitates the annual transfer payment to the Financial and Fiscal Commission, which provides independent, objective, impartial and unbiased advice to all three spheres of government regarding the division of revenue; as well as advice on the enactment of legislation pertaining to provincial taxes, municipal fiscal powers and functions, and provincial and municipal loans. This subprogramme has no staff complement.

## Expenditure estimates

**Table 10.9 Public Finance and Budget Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Programme Management for Public Finance and Budget Management	16.2	12.2	14.6	45.1	40.7%	11.7%	22.7	24.2	25.2	-17.6%	11.4%
Public Finance	39.1	46.1	58.4	64.0	17.8%	27.7%	72.1	75.5	77.9	6.8%	28.1%
Budget Office and Coordination	32.8	36.1	42.3	52.4	16.8%	21.8%	61.6	63.5	66.2	8.2%	23.7%
Intergovernmental Relations	30.7	34.4	48.1	48.7	16.6%	21.6%	57.2	58.0	59.9	7.2%	21.7%
Financial and Fiscal Commission	26.6	31.4	33.0	37.3	11.9%	17.1%	38.8	39.5	40.9	3.1%	15.2%
<b>Total</b>	<b>145.4</b>	<b>160.3</b>	<b>196.4</b>	<b>247.3</b>	<b>19.4%</b>	<b>100.0%</b>	<b>252.3</b>	<b>260.8</b>	<b>270.2</b>	<b>3.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				19.8			10.2	6.1	270.2		

### Economic classification

<b>Current payments</b>	<b>116.6</b>	<b>128.1</b>	<b>160.5</b>	<b>208.1</b>	<b>21.3%</b>	<b>81.8%</b>	<b>212.3</b>	<b>220.1</b>	<b>228.0</b>	<b>3.1%</b>	<b>84.3%</b>
Compensation of employees	91.8	109.6	130.8	148.3	17.3%	64.1%	172.8	182.2	191.0	8.8%	67.4%
Goods and services	24.8	18.5	29.7	59.8	34.1%	17.7%	39.5	37.9	37.0	-14.8%	16.9%
of which:											
Computer services	0.7	0.3	0.6	0.5	-12.6%	0.3%	1.4	1.1	1.0	30.7%	0.4%
Consultants and professional services:	8.3	4.7	12.1	38.8	67.3%	8.5%	16.8	14.2	11.7	-32.9%	7.9%
Business and advisory services											
Operating leases	0.3	0.2	0.2	0.4	10.0%	0.1%	0.4	0.4	0.4	6.1%	0.1%
Travel and subsistence	4.6	4.5	7.4	7.4	16.7%	3.2%	7.4	7.5	7.6	0.9%	2.9%
<b>Transfers and subsidies</b>	<b>27.8</b>	<b>31.4</b>	<b>35.3</b>	<b>37.4</b>	<b>10.4%</b>	<b>17.6%</b>	<b>38.8</b>	<b>39.5</b>	<b>40.9</b>	<b>3.0%</b>	<b>15.2%</b>
Departmental agencies and accounts	26.6	31.4	35.0	37.3	11.9%	17.4%	38.8	39.5	40.9	3.1%	15.2%
Higher education institutions	0.5	-	-	-	-100.0%	0.1%	-	-	-	-	-
Households	0.8	-	0.3	0.2	-41.6%	0.2%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>0.9</b>	<b>0.8</b>	<b>0.6</b>	<b>1.8</b>	<b>24.6%</b>	<b>0.6%</b>	<b>1.2</b>	<b>1.2</b>	<b>1.3</b>	<b>-10.8%</b>	<b>0.5%</b>
Machinery and equipment	0.9	0.8	0.6	1.8	24.6%	0.6%	1.2	1.2	1.3	-10.8%	0.5%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>145.4</b>	<b>160.3</b>	<b>196.4</b>	<b>247.3</b>	<b>19.4%</b>	<b>100.0%</b>	<b>252.3</b>	<b>260.8</b>	<b>270.2</b>	<b>3.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.3%</b>	<b>0.4%</b>	<b>0.9%</b>	<b>1.2%</b>			<b>1.0%</b>	<b>0.9%</b>	<b>1.0%</b>		

### Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>26.6</b>	<b>31.4</b>	<b>35.0</b>	<b>37.3</b>	<b>11.9%</b>	<b>17.4%</b>	<b>38.8</b>	<b>39.5</b>	<b>40.9</b>	<b>3.1%</b>	<b>15.2%</b>
Financial and Fiscal Commission	26.6	31.4	33.0	37.3	11.9%	17.1%	38.8	39.5	40.9	3.1%	15.2%
South African Local Government Association	-	-	2.0	-	-	0.3%	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>0.8</b>	<b>-</b>	<b>0.3</b>	<b>0.2</b>	<b>-41.6%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Employee social benefits	0.8	-	0.3	0.2	-41.6%	0.2%	-	-	-	-100.0%	-

## Personnel information

**Table 10.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
Public Finance and Budget Management			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	263	13	243	130.8	0.5	277	144.4	0.5	281	172.8	0.6	281	182.2	0.6	281	191.0	0.7	0.5%	100.0%
1 - 6	3	-	2	0.3	0.2	3	0.4	0.1	3	0.6	0.2	3	0.6	0.2	3	0.7	0.2	-	1.1%
7 - 10	90	3	84	22.7	0.3	93	28.0	0.3	95	33.7	0.4	95	36.3	0.4	95	38.0	0.4	0.7%	33.8%
11 - 12	87	6	81	39.3	0.5	92	45.6	0.5	94	57.0	0.6	94	59.7	0.6	94	62.5	0.7	0.7%	33.4%
13 - 16	83	4	76	68.4	0.9	89	70.3	0.8	89	81.4	0.9	89	85.6	1.0	89	89.8	1.0	-	31.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on building capacity within the programme, mainly at the senior management level to provide better support to the national, provincial and local spheres of government with regard to financial management, including budgeting and expenditure management. In support of programme objectives, medium term outputs will include the technical implementation support to cities and relevant national departments as part of the rollout of the cities support programme aimed at enabling cities to manage their built environment and ensuring that all member departments of the infrastructure development improvement programme implement the principles of the infrastructure delivery management toolkit. The *Public Finance, Budget Office and Coordination* and *Intergovernmental Relations* subprogrammes together account for more than 70 per cent of this programme's expenditure and budget allocations, with more than 80 per cent of that budget allocated to spending on compensation of employees and goods and services, mainly for consultants, stationery and printing, and travel and subsistence.

Between 2009/10 and 2012/13, expenditure increased by R101.9 million, mainly to provide for the increase in the establishment by 32 filled posts. This was in line with the changes effected to enhance performance and increase capacity in focal areas such as support to municipalities to improve spending and ensure value for money. Most of these posts were at the senior management level. The increase in the number of posts resulted in an increase in spending on compensation of employees of R56.5 million between 2009/10 and 2012/13. Spending on goods and services over this period increased by R35 million, most of which related to the cost of consultants contracted to provide web based system support; to develop the standard chart of accounts for local government; as well as to provide support for the implementation of the section 100 constitutional interventions, mainly in Limpopo.

The programme has continued to provide high quality budget documentation, including the Budget Review, the Estimates of National Expenditure, and the Medium Term Budget Policy Statement. These annual documents resulted in South Africa being awarded first place in the 2010 open budget index and second place in the 2012 survey, with a score of 90 out of 100 possible points. This affirms the progress the National Treasury has made since introducing the three-year forward planning framework for the planning and management of fiscal resources.

Over the medium term, spending on compensation of employees is expected to increase by R42.7 million to provide for improved conditions of service and increases in filled positions to support the three spheres of government. Over the same period, spending on goods and services is expected to decrease by R22.8 million, mainly because of a R26.3 million reduction in spending on consultants as a result of the anticipated completion of the section 100 interventions.

Consultants are used for short term assignment for the editing of budget documents, including the Estimates of National Expenditure, the Adjusted Estimates of National Expenditure, the Budget Review, the Medium Term Budget Policy Statement and the Medium Term Expenditure Reporting Framework. Consultants also provide services related to social retirement reforms and the multi-agent transport simulator project, which aims to develop the integrated public transport networks and determine the efficiency and effectiveness of a subsidised public transport system.

Transfers account for an average of 16.4 per cent of this programme's expenditure over the seven-year period, with the largest transfer payments allocated to the *Financial and Fiscal Commission*. The transfer payments to higher education institutions in 2009/10 relate to the annual international public finance conference, which was a public platform for discussing the fiscal reforms, including public spending. The once-off transfer of R2 million in 2011/12 to the South African Local Government Association was made to train new councillors in municipal finances and the budget reforms required by the Municipal Finance Management Act (2003).

To give effect to the Cabinet approved reductions of R15.5 million over the medium term, the department has implemented cost cutting measures, which include: scaling back on the use of consultants, where possible supported by training departmental personnel to fulfil roles usually performed by consultants; reducing spending on travel by flying economy class and using teleconferencing facilities instead of travelling to meeting venues; reducing the transfers to the *Financial and Fiscal Commission* by R2.5 million over the medium term; and conducting a review of personnel needs.

The programme has a funded establishment of 263 posts and 13 posts are filled additional to the establishment. The number of posts filled is expected to grow from 243 in 2011/12 to 281 over the medium term to provide for capacity to the programme for its expanding mandate, which includes the oversight of civil pension reforms as well as the oversight and implementation of the cities support programme.

This programme had 35 vacant positions as at 30 September 2012, all of which will have been filled by March 2013. Most vacancies are due to natural attrition, and only 8 positions have been vacant for more than 12 months because of delays in finding the requisite specialist skills, mainly in economics. Personnel numbers are expected to increase by another 4 positions in 2013/14 and will remain at this level in 2014/15 and 2015/16. This programme receives an additional R671 000 over the medium term for improved conditions of service.

## **Programme 4: Asset and Liability Management**

### **Objectives**

- Exercise oversight of state owned enterprises to enable them to achieve government's policy objectives in a financially sustainable manner by:
  - reviewing the corporate plans and annual financial statements of state owned enterprises regularly
  - coordinating state owned entities' borrowing programmes
  - tracking progress on capital expenditure programmes
  - reviewing applications for funding, guarantees and borrowing limits in terms of the Public Finance Management Act (1999), and monitoring progress on an ongoing basis.
- Finance government's gross borrowing requirement of R215.5 billion by March 2014 by sourcing such funds from the domestic and international markets over the same period.
- Ensure that government's liquidity requirements are consistently met through effective cash management by making sound cash forecasts on an ongoing basis.
- Enable government to manage financial risk and attract investment by reviewing credit, debt, country ratings and contingent liability risk benchmarks, and ensuring adherence to set standards on an ongoing basis.

### **Subprogrammes**

- *Programme Management for Asset and Liability Management* provides support for planning, monitoring and delivering the programme's activities. This subprogramme had a staff complement of 5 as at 30 September 2012.
- *State Owned Entity Financial Management and Governance* is responsible for overseeing and enabling state owned enterprises to meet government's policy objectives in a financially and fiscally sustainable manner. The subprogramme is also responsible for promoting sound corporate governance, which entails exercising financial oversight to ensure that financial resources are applied in accordance with government policy. This subprogramme had a staff complement of 42 as at 30 September 2012.
- *Government Debt Management* is responsible for government's long term funding needs and manages domestic and foreign debt, contributes to the development of financial markets and maintains sound investor relations. In 2012/13, government financed its gross borrowing requirement of R219.2 billion, mainly in the domestic capital and money markets. To meet government's foreign currency commitment, US\$500 million was borrowed in the international market, US\$424 million was purchased in the currency market while US\$420 million worth of currency swap was settled and cash balances with the South African Reserve Bank were utilised for the larger share of the commitment. To reduce refinancing risk, government entered into bond switch transactions, whereby short term local currency bonds were exchanged for long term bonds before their repayment dates. This subprogramme had a staff complement of 30 as at 30 September 2012.
- *Financial Operations* provides for government's short term funding needs, manages cash in all spheres of government, invests government surplus cash, supplies reliable systems and provides information relating to the division's operations. In 2012/13, more than R40 billion of public sector cash was available for bridging finance for government and provinces. The second module (domestic government bonds) of the new treasury management system will be implemented in 2013/14, with the remaining modules to be completed by the end of 2014/15. This subprogramme had a staff complement of 18 as at 30 September 2012.

- Strategy and Risk Management* develops and maintains a risk management framework for the debt and contingent liabilities of government and state owned entities, and implements debt management strategies that minimise government's exposure to adverse risks. In 2012/13, the domestic debt portfolio was at a 64.5 per cent fixed rate and a 35.5 per cent non-fixed rate, which is slightly below the acceptable deviation of 5 percentage points from the 70:30 fixed to non-fixed rate risk benchmarks. This was mainly due to increasing revaluations on inflation linked bonds and the fact that these instruments generate sufficient cash for government and are highly demand driven. While switch auctions announced in the 2012 Budget will continue as a strategy to reduce refinancing risk, the scenario model for cost risk analysis will be used to review the current strategic risk benchmarks of the 70:30 fixed to non-fixed rate exposure and 80:20 domestic to foreign currency debt exposure. This will provide a better medium to long term portfolio preference for government through testing numerous debt or financing strategies and their associated costs and risks in the government debt horizon, consistent with the revised fiscal framework and macro projections. Based on revised macro projections, foreign debt as a percentage of total gross government debt was 8.7 per cent in 2012/13, below the risk benchmark of 20-25 per cent. In line with government's countercyclical fiscal policy, net debt provisions and contingent liabilities were estimated to reach 51.2 per cent of GDP by the end of 2012/13, compared to the risk benchmark of 50 per cent. In 2012/13, South Africa's sovereign credit rating was downgraded by Moody's Investors Service (to Baa1 from A3), Standard & Poor's (to BBB from BBB+) and Fitch Ratings (to BBB from BBB+). Moody's Investors Service and Standard & Poor's maintained a negative outlook, while Fitch Ratings changed the outlook to stable from negative. Rating and Investment Information was the only ratings agency that affirmed South Africa's rating at A- with a stable outlook. This subprogramme had a staff complement of 18 as at 30 September 2012.
- Financial Investments* provides funding mainly for the recapitalisation of Eskom, the Land and Agricultural Development Bank of South Africa, Postbank, as well as the Development Bank of Southern Africa. Over the audited period between 2008/09 and 2010/11, Eskom was provided with a subordinated loan of R60 billion to enable it to build energy renewal capacity. In 2009/10, the Land and Agricultural Development Bank of South Africa's balance sheet was augmented with a guarantee of R3.5 billion, which was converted into capital injections of R2.7 billion over the previous three years. The balance of R800 million is allocated over the medium term, with R300 million in 2013/14 and R500 million in 2014/15 being the last payment. Regarding the implementation of the curatorship and emerging farmer support facility, the bank has (in conjunction with the departments of Rural Development and Land Reform and Agriculture, Forestry and Fisheries) begun a process of assessing 136 farms for inclusion under the facility. The recapitalisation of Postbank is in support of Cabinet's decision to establish a state owned bank that has the mandate of extending banking services to the unbanked. The recapitalisation will allow Postbank to acquire a core banking system and to employ skilled staff to meet the requirements of the registrar of banks. The recapitalisation of the Development Bank of Southern Africa is in support of the bank's refocused mandate on core infrastructure funding by increasing municipal lending, state owned enterprise infrastructure plans, regional lending and private public partnerships. The rebuilding of the bank's capital base will allow it to grow its assets to R91 billion by 2017 and enable loan disbursements of between R8 billion to R21 billion per year. This subprogramme has no staff complement.

## Expenditure estimates

**Table 10.11 Asset and Liability Management**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Programme Management for Asset and Liability Management	12.0	13.3	12.9	15.6	9.2%	0.1%	18.3	15.3	14.8	-1.7%	0.7%
State Owned Entity Financial Management and Governance	13.9	19.1	21.8	25.7	22.9%	0.2%	27.3	28.9	30.3	5.6%	1.2%
Government Debt Management	11.2	13.7	14.9	16.6	13.9%	0.1%	17.8	18.8	19.6	5.7%	0.7%
Financial Operations	10.1	13.9	14.8	16.5	17.6%	0.1%	17.1	17.5	18.3	3.6%	0.7%
Strategy and Risk Management	6.0	7.3	7.5	8.4	12.1%	0.1%	9.7	10.2	10.6	8.2%	0.4%
Financial Investments	31 000.0	20 746.7	750.0	200.0	-81.4%	99.5%	2 905.0	3 252.0	3 024.0	147.3%	96.3%
<b>Total</b>	<b>31 053.2</b>	<b>20 813.9</b>	<b>821.9</b>	<b>282.8</b>	<b>-79.1%</b>	<b>100.0%</b>	<b>2 995.2</b>	<b>3 342.6</b>	<b>3 117.7</b>	<b>122.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(3.8)			2 604.9	2 752.3	3 117.7		

**Table 10.11 Asset and Liability Management (continued)**

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Current payments</b>	<b>53.1</b>	<b>66.5</b>	<b>71.5</b>	<b>82.1</b>	<b>15.7%</b>	<b>0.5%</b>	<b>89.6</b>	<b>90.4</b>	<b>93.1</b>	<b>4.3%</b>	<b>3.6%</b>
Compensation of employees	38.1	47.5	53.5	61.5	17.3%	0.4%	66.0	69.7	73.1	5.9%	2.8%
Goods and services	15.0	19.1	18.0	20.6	11.2%	0.1%	23.6	20.6	20.0	-1.0%	0.9%
of which:											
Computer services	2.1	6.6	5.2	7.7	53.4%	-	8.2	7.0	5.3	-11.9%	0.3%
Consultants and professional services:	6.5	7.7	8.1	6.7	1.2%	0.1%	7.9	5.8	6.6	-1.0%	0.3%
Business and advisory services											
Operating leases	0.2	0.2	0.1	0.2	14.8%	-	0.3	0.3	0.3	4.6%	-
Travel and subsistence	1.9	2.4	2.0	2.4	8.2%	-	3.2	3.5	3.7	15.9%	0.1%
<b>Transfers and subsidies</b>	<b>-</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	-	0.0	0.1	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.6</b>	<b>0.3</b>	<b>0.7</b>	<b>88.4%</b>	<b>-</b>	<b>0.6</b>	<b>0.2</b>	<b>0.6</b>	<b>-4.3%</b>	<b>-</b>
Machinery and equipment	0.1	0.6	0.3	0.7	88.4%	-	0.6	0.2	0.6	-4.3%	-
<b>Payments for financial assets</b>	<b>31 000.0</b>	<b>20 746.7</b>	<b>750.0</b>	<b>200.0</b>	<b>-81.4%</b>	<b>99.5%</b>	<b>2 905.0</b>	<b>3 252.0</b>	<b>3 024.0</b>	<b>147.3%</b>	<b>96.3%</b>
<b>Total</b>	<b>31 053.2</b>	<b>20 813.9</b>	<b>821.9</b>	<b>282.8</b>	<b>-79.1%</b>	<b>100.0%</b>	<b>2 995.2</b>	<b>3 342.6</b>	<b>3 117.7</b>	<b>122.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>58.3%</b>	<b>54.4%</b>	<b>3.8%</b>	<b>1.3%</b>			<b>11.7%</b>	<b>12.0%</b>	<b>11.2%</b>		

## Personnel information

**Table 10.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			2012/13	2013/14	2014/15	2015/16	2011/12	2012/13	2013/14	2014/15	2015/16								
<b>Asset and Liability Management</b>			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	115	-	105	53.5	0.5	116	59.6	0.5	116	66.0	0.6	116	69.7	0.6	116	73.1	0.6	-	100.0%
1 - 6	4	-	4	0.7	0.2	4	0.8	0.2	5	1.0	0.2	5	1.1	0.2	5	1.1	0.2	7.7%	4.1%
7 - 10	47	-	41	14.6	0.4	48	16.4	0.3	45	16.3	0.4	45	17.3	0.4	45	18.1	0.4	-2.1%	39.4%
11 - 12	40	-	37	18.7	0.5	39	22.1	0.6	41	25.6	0.6	41	27.2	0.7	41	28.5	0.7	1.7%	34.9%
13 - 16	24	-	23	19.5	0.8	25	20.4	0.8	25	23.1	0.9	25	24.2	1.0	25	25.5	1.0	-	21.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing funding of R800 million for the further recapitalisation of the Land and Agricultural Development Bank of South Africa, R481 million for the recapitalisation of Postbank and R7.9 billion for the recapitalisation of the Development Bank of Southern Africa through the *Financial Investments* subprogramme, which supports the function and objective of oversight of public enterprises. The medium term focus will also be on enhancing the programme's human capital, skills and systems capacity.

Between 2009/10 and 2012/13, expenditure decreased by R30.8 billion, primarily in payments for financial assets. The decrease was due to the phasing out of the allocation for the Eskom subordinated loan, as well as the reduction in payments made to the Land and Agricultural Development Bank of South Africa. Excluding the allocations to Eskom and the Land and Agricultural Development Bank of South Africa, the programme's operational expenditure increased by R29 million over the period, with the bulk of these increases concentrated in spending on compensation of employees, which grew by R23.4 million. This increase was due to the department filling 21 additional posts on this programme's establishment for personnel needed for the formulation of policies for the capital structure and dividend policies of state owned entities, the reassessment of the treasury operations of state owned entities and the development of a treasury management system.

Expenditure on goods and services increased by R5.6 million between 2009/10 and 2012/13, mainly in spending on computer services, because of the upgrade of the treasury management system to manage government debt, and the bond and retail bond systems.

Over the medium term, expenditure is expected to increase by R2.8 billion due to the introduction of initiatives to recapitalise the Development Bank of Southern Africa and Postbank. Excluding the allocations to the Land and Agricultural Development Bank of South Africa, the Development Bank of Southern Africa and Postbank, the programme's operational expenditure is expected to increase marginally by R11 million. The bulk of this projected growth is concentrated in spending on compensation of employees, which is expected to increase by R11.6 million with an additional R967 000 being allocated for improved conditions of service and the 14 posts that are to be filled over the medium term to provide sectoral oversight for state owned entities.

To give effect to the Cabinet approved budget reductions, the department has implemented cost cutting measures of R5.5 million over the medium term. The measures aim to reduce spending on travel and subsistence, and computer services. The programme receives an additional R481 million over the medium term for the recapitalisation of the Postbank, and receives a further R7.9 billion for the recapitalisation of the Development Bank of Southern Africa. The programme also receives an additional R967 000 over the medium term for improved conditions of service.

The programme has a funded establishment of 115 posts. The number of posts filled is expected to increase to 116 over the medium term. As at 30 September 2012, the department had 7 vacancies, mainly due to challenges in sourcing specialist skills in investment analysis.

## Programme 5: Financial Systems and Accounting

### Objectives

- Ensure compliance with and the implementation of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) across the 3 spheres of government by:
  - convening regular meetings to address implementation challenges with provincial, local and other government officials from entities
  - facilitating and undertaking special investigations on an ongoing basis as part of government's efforts to improve financial management practices and support enforcement of the acts.
- Ensure sound financial management systems in implementation of the Public Finance Management Act (1999) and the Municipal Finance Management Act (2003) by:
  - providing capacity and support to all spheres of government on policies relating to accounting and reporting, internal auditing and risk management on an ongoing basis
  - developing and implementing government transversal accounting and reporting systems over the medium term
  - maintaining government's current financial systems at a level of 98 per cent availability including providing reliable, efficient and effective support and user training over the medium term
  - completing the development of the remaining integrated financial management systems modules (payroll), core financial management and inventory management, and begin the rollout over the medium term.
- Support government's financial management capacity building efforts across the 3 spheres of government by introducing minimum competency profiles and offering graduate internships in financial management annually.
- Improve financial management in provincial and local government by:
  - reviewing and implementing the revised Treasury Regulations by 2013/14
  - developing and implementing financial recovery plans and technical assistance by 2013/14
  - supporting municipalities to implement financial management reforms and ensuring their compliance with the Municipal Finance Management Act (2003) as required over the medium term.

### Subprogrammes

- *Programme Management for Financial Systems and Accounting* supports the planning, monitoring and coordinating deliverables of the programme plan, such as the development and implementation of the integrated financial management system; and facilitates accountability and governance in the public sector,

especially in terms of financial management. This subprogramme had a staff complement of 8 as at 30 September 2012.

- *Supply Chain Policy* develops policy that regulates the supply chain processes in all spheres of government. The unit comprises three sections: supply chain management policy, which regulates the supply chain management processes; norms and standards, which develops supply chain management norms and standards, and monitors compliance with the prescribed procedures; and contract management, which facilitates and manages transversal term contracts in the public sector. Activities include implementing the service procurement module, providing annual reviews and updates of the procurement catalogue, providing annual reports on identified gaps and weaknesses in supply chain policy processes, introducing remedial actions when required, and processing transversal term contracts that need to be renewed. This subprogramme had a staff complement of 56 as at 30 September 2012.
- *Financial Systems* maintains and improves existing financial management systems and develops and implements a new integrated financial management system. In 2012/13, activities included designing, developing and implementing the integrated financial management system in government departments; obtaining a 98 per cent availability of systems and providing training for systems; and maintaining and supporting the current transversal financial management systems. The following outputs were achieved in 2012/13 with regard to the transversal financial management systems: the revised standard chart of accounts was implemented, systems to provide for improved contract management were enhanced and supply chain management activities on these systems were managed. The following outputs were achieved in 2012/13 with regard to the integrated financial management system: the contract for the development of the core finance management module was concluded and the module was developed. It is to be tested and implemented in 2013/14. The inventory management module was also developed in-house by the State Information Technology Agency and is ready for testing and implementation in 2013/14. Work has also begun on the development of the payroll module, which will be completed in 2013/14. This subprogramme had a staff complement of 38 as at 30 September 2012.
- *Financial Reporting for National Accounts* is responsible for accounting for the National Revenue Fund and the Reconstruction and Development Programme Fund, providing banking services to national government, providing support for all spheres of government in implementing financial reporting frameworks and preparing consolidated financial statements. Activities include managing the National Revenue Fund and tabling the consolidated annual financial statements for national departments and for public entities, as well as tabling annual financial statements for the Reconstruction and Development Programme Fund. This subprogramme had a staff complement of 48 as at 30 September 2012.
- *Financial Management Policy and Compliance Improvement* is responsible for improving financial management; developing financial management regulatory frameworks for each sphere of government; aligning reporting frameworks with local and international best practice; developing and implementing accounting policies; and improving the financial management, risk management and internal audit capacity in government. Activities include reporting on the improvement of financial management in national and provincial institutions, continuously reviewing and rolling out monitoring tools, reporting on progress annually, providing assistance in investigations of malpractice in all spheres of government, and augmenting municipal allocations towards implementation of financial reforms in local government. This subprogramme had a staff complement of 108 as at 30 September 2012.
- *Audit Statutory Bodies* is a transfer payment that provides for compensation for certain shortfalls of statutory bodies and municipalities in terms of the Auditor General Act (1995). This subprogramme's total budget is transferred in full to fund municipalities that are unable to pay for audit services. In 2012/13, R30.2 million was allocated to be transferred to municipalities. This subprogramme has no staff complement.
- *Service Charges: Commercial Banks* is a transfer payment that provides for bank service charges for all departments' deposit accounts. In 2012/13, R180 000 was budgeted for this purpose. This subprogramme has no staff complement.



## Expenditure estimates

Table 10.13 Financial Systems and Accounting

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15		
R million											
Programme Management for Financial Systems and Accounting	11.7	7.2	8.3	10.5	-3.6%	1.6%	9.8	10.2	10.4	-0.2%	1.4%
Supply Chain Policy	30.6	31.6	34.1	35.9	5.5%	5.8%	40.6	44.6	45.2	7.9%	5.6%
Financial Systems	373.4	362.0	279.1	408.6	3.0%	62.1%	430.8	447.4	462.0	4.2%	59.3%
Financial Reporting for National Accounts	64.8	71.1	78.1	80.4	7.4%	12.8%	86.2	91.1	94.8	5.7%	12.0%
Financial Management Policy and Compliance Improvement	42.4	65.7	75.4	120.5	41.7%	13.3%	116.1	121.5	125.3	1.3%	16.4%
Audit Statutory Bodies	19.6	21.4	29.9	30.2	15.5%	4.4%	40.8	41.2	41.9	11.5%	5.2%
Service Charges: Commercial Banks	0.2	0.1	-	0.2	4.4%	-	0.2	0.2	0.2	4.3%	-
<b>Total</b>	<b>542.7</b>	<b>559.1</b>	<b>504.9</b>	<b>686.3</b>	<b>8.1%</b>	<b>100.0%</b>	<b>724.6</b>	<b>756.2</b>	<b>779.8</b>	<b>4.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				0.0			(24.9)	(24.4)	779.8		

### Economic classification

<b>Current payments</b>	<b>310.2</b>	<b>325.1</b>	<b>350.1</b>	<b>433.3</b>	<b>11.8%</b>	<b>61.9%</b>	<b>471.8</b>	<b>492.9</b>	<b>508.1</b>	<b>5.5%</b>	<b>64.7%</b>
Compensation of employees	90.4	108.5	125.7	141.5	16.1%	20.3%	156.7	168.0	176.4	7.6%	21.8%
Goods and services	219.8	216.6	224.4	291.8	9.9%	41.5%	315.1	324.9	331.7	4.4%	42.9%
of which:											
Computer services	183.1	173.5	181.9	208.6	4.5%	32.6%	240.5	247.2	253.1	6.7%	32.2%
Consultants and professional services:	11.6	18.9	18.9	49.9	62.8%	4.3%	42.1	42.5	42.7	-5.0%	6.0%
Business and advisory services											
Operating leases	0.5	0.4	0.4	0.6	6.4%	0.1%	0.6	0.7	0.7	2.8%	0.1%
Travel and subsistence	5.6	6.2	6.3	8.2	13.5%	1.1%	8.3	9.3	10.2	7.6%	1.2%
<b>Transfers and subsidies</b>	<b>52.8</b>	<b>62.2</b>	<b>73.4</b>	<b>72.5</b>	<b>11.1%</b>	<b>11.4%</b>	<b>83.6</b>	<b>86.0</b>	<b>88.3</b>	<b>6.8%</b>	<b>11.2%</b>
Departmental agencies and accounts	52.8	61.7	73.2	71.9	10.8%	11.3%	83.6	86.0	88.3	7.1%	11.2%
Households	-	0.5	0.2	0.6	-	0.1%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>179.7</b>	<b>171.9</b>	<b>80.4</b>	<b>180.6</b>	<b>0.2%</b>	<b>26.7%</b>	<b>169.2</b>	<b>177.3</b>	<b>183.4</b>	<b>0.5%</b>	<b>24.1%</b>
Machinery and equipment	2.2	2.2	0.8	3.4	15.7%	0.4%	3.0	3.1	3.1	-3.0%	0.4%
Software and other intangible assets	177.5	169.7	79.6	177.1	-0.1%	26.3%	166.2	174.1	180.3	0.6%	23.7%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.9</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>542.7</b>	<b>559.1</b>	<b>504.9</b>	<b>686.3</b>	<b>8.1%</b>	<b>100.0%</b>	<b>724.6</b>	<b>756.2</b>	<b>779.8</b>	<b>4.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.0%</b>	<b>1.5%</b>	<b>2.4%</b>	<b>3.2%</b>			<b>2.8%</b>	<b>2.7%</b>	<b>2.8%</b>		

### Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>52.8</b>	<b>61.7</b>	<b>73.2</b>	<b>71.9</b>	<b>10.8%</b>	<b>11.3%</b>	<b>83.6</b>	<b>86.0</b>	<b>88.3</b>	<b>7.1%</b>	<b>11.2%</b>
Accounting Standards Board	7.2	7.5	8.6	9.5	9.3%	1.4%	9.8	10.3	10.6	3.9%	1.4%
Independent Regulatory Board for Auditors	22.0	29.3	34.7	32.2	13.5%	5.2%	32.9	34.6	35.8	3.6%	4.6%
Institute for Public Finance and Auditing	3.9	-	-	-	-100.0%	0.2%	-	-	-	-	-
Public Administration Leadership and Management Academy	-	3.4	-	-	-	0.1%	-	-	-	-	-
Auditor-General of South Africa	19.6	21.4	29.9	30.2	15.5%	4.4%	40.8	41.2	41.9	11.5%	5.2%

## Personnel information

Table 10.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Salary level	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
<b>Financial Systems and Accounting</b>			<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>		
Salary level	278	5	256	125.7	0.5	286	139.1	0.5	289	156.7	0.5	289	168.0	0.6	289	176.4	0.6	0.3%	100.0%
1-6	9	2	8	1.7	0.2	14	2.5	0.2	14	2.6	0.2	14	3.4	0.2	14	3.6	0.3	-	4.9%
7-10	118	3	112	37.4	0.3	130	42.7	0.3	132	48.6	0.4	132	52.0	0.4	132	54.0	0.4	0.5%	45.6%
11-12	84	-	73	35.4	0.5	76	38.9	0.5	77	46.4	0.6	77	48.1	0.6	77	50.8	0.7	0.4%	26.6%
13-16	67	-	63	51.3	0.8	66	55.0	0.8	66	59.0	0.9	66	64.4	1.0	66	68.0	1.0	-	22.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will continue to be on: improving the regulatory framework for national, provincial and local government, and entities; building the capacity to implement and support financial accounting and reporting policies; promoting compliance with the legislation and regulatory frameworks; enhancing financial systems in government; enhancing capacity in the special audit services unit; and developing the integrated financial management system project. Most of these activities are carried out through the *Financial Systems* subprogramme, which uses the bulk of the programme's budget across the seven-year period. Spending in this subprogramme is mainly on computer services and software, and other intangible assets for the development of the integrated financial management system and the maintenance and operation of legacy systems.

Between 2009/10 and 2012/13, expenditure increased by R143.6 million due to: the increase in the programme's establishment by 20 posts; the chartered accountant training programme; and costs for formulating the financial management capability maturity model, which provides the basis to determine the capability of government institutions to discharge their financial management responsibilities. The phased implementation of the integrated financial management system project and the ongoing maintenance work on the legacy systems also contributed to the increase.

Over the medium term, expenditure is expected to increase moderately due to the capacity of the special audit services unit being enhanced through the department's recruitment processes and the ongoing development of the integrated financial management system. The special audit services unit is allocated R128.3 million over the medium term to support effective governance through measures to reduce corruption in government. In addition, R10.5 million is allocated to this programme for improved conditions of service.

The programme makes transfers to the Independent Regulatory Board for Auditors, Accounting Standards Board and the Auditor-General of South Africa. Transfers to the Independent Regulatory Board for Auditors increased by R10.2 million between 2009/10 and 2012/13 and are expected to increase to R35.8 million in 2015/16 due to the fluctuations in unforeseen legal fees for disciplinary cases and practice reviews. The transfer to the Accounting Standards Board increased by R2.2 million between 2009/10 and 2012/13 and is expected to increase to R10.6 million in 2015/16, mainly in line with inflationary projections. The transfer payments to the Auditor-General of South Africa increase by R22.3 million over the seven-year period, with the fluctuations attributable to the unpredictability of the number of statutory bodies and municipalities that request audit services.

The programme has a funded establishment of 278 posts and 5 posts are filled additional to the establishment. The number of filled posts is anticipated to grow from 256 in 2011/12 to 289 over the medium term. As at 30 September 2012, the programme had 24 vacancies, mainly due to increased capacity in supply chain policy, specialised audit skills and financial management policy and compliance improvement to support financial reforms in government. Expenditure on consultants is expected to decrease by R7.1 million over the medium term. Consultants are used in the development of accounting standards, financial recovery plans, the implementation of financial improvement plans, and investigations undertaken by special audit services to combat fraud and corruption.

## Programme 6: International Financial Relations

### Objectives

- Advance South Africa's national economic interests and those of Africa more generally by undertaking regular strategic analyses, engagements and negotiations at regional and global financial and economic forums on an ongoing basis.
- Increase sub-Saharan Africa's voice in the Bretton Woods institutions, the International Monetary Fund, the World Bank Group, the G20 forum, and other influential global financial and economic forums by:
  - advancing the reform of these institutions on an ongoing basis through the lobbying of regional groupings
  - securing the third board chair for the International Monetary Fund for the benefit of sub-Saharan Africa by the end of 2013/14.

- Enhance South Africa's participation in strategic regional, continental and global governance institutions by seconding South Africans into strategic positions of these institutions, informed by government's secondment policy, on an ongoing basis.
- Promote regional economic integration in the Southern African Development Community (SADC) and strengthen economic links within Africa by:
  - developing and implementing a policy of one-stop border posts by 2013
  - providing ongoing support to the SADC committees dealing with economic and financial protocols
  - supporting the Southern African Customs Union to meet regional challenges on an ongoing basis.

## Subprogrammes

- *Programme Management for International Financial Relations* supports the planning, monitoring and delivering of the programme's activities. The unit oversees South Africa's representation in international and regional financial institutions; manages bilateral and multilateral relationships on behalf of the National Treasury; and plans, implements and monitors programmes and activities that advance South Africa's national interests. Activities include supporting the planning, monitoring and delivery of the programme's activities. This subprogramme had a planned staff complement of 7 in 2012/13.
- *International Economic Cooperation* focuses on improving South Africa's participation in international and regional economic institutions, and also facilitates the deepening of South Africa's role in regional integration through processes of the SADC and the Southern African Customs Union. This entails working through key economic institutions and forums such as the African Development Bank, the United Nations Economic Commission for Africa, New Partnership for Africa's Development, the G20, and the India-Brazil-South Africa and BRICS groups of countries. Activities include providing support to the Minister of Finance and the president at the different international economic forums and organisations, with the aim of strengthening South Africa's position in these economic forums, an example of which is the upcoming World Economic Forum on Africa summit, to be held in May 2013 in Cape Town. This subprogramme had a staff complement of 34 as at 30 September 2012.
- *Common Monetary Area Compensation* facilitates the transfer of funds to Lesotho, Namibia and Swaziland for the rand monetary area agreement. In this agreement, South Africa compensates the member countries for the use of the rand currency within their respective borders. This subprogramme's total budget is transferred for the payment of the common monetary area compensation fee. In 2012/13, R602.1 million was budgeted. This subprogramme has no staff complement.
- *Financial and Technical Support* caters for support to programmes specific to Africa, which includes participation in African Development Bank meetings. This subprogramme makes transfer payments related to financial and technical support provided to qualifying African projects and initiatives. As from 2012/13, the subprogramme will fund South Africa's membership to the Infrastructure Consortium for Africa, with a R1 million contribution per year. This subprogramme has no staff complement.
- *African Development Bank and African Development Fund* transfers funds for the purpose of buying shares and subscriptions, and for accelerated encashment schedules to support African development. With a permanent seat on the board of directors of the African Development Bank, South Africa is in a position to shape the bank's policies. In 2011, the board nominated South Africa and Kenya to pilot 2 regional resource centres to represent the southern and eastern regions of the continent. The centres will increase the efficiency and effectiveness of the bank's operations and will bring it closer to its clients. The regional office, which was established in South Africa in 2009, will be upgraded to the regional resource centre. The centres, which are located in Pretoria, cover all the SADC countries but do not replace or result in the closure of the bank's field offices where they currently exist. This subprogramme's total budget is transferred for payments to the African Development Bank and the African Development Fund. In 2012/13, R241.9 million was budgeted. This subprogramme has no staff complement.
- *World Bank Group* transfers funds to the World Bank, including the International Development Association, which provides concessional loans and grants to low income countries. This includes South Africa's contribution to the general and selective capital increases of the authorised capital of the World Bank, as agreed on by World Bank members in 2010. This subprogramme's total budget is transferred in full to the

World Bank Group. In 2012/13, R142.5 million was budgeted . This subprogramme has no staff complement.

- *Collaborative Africa Budget Reform Initiative* transfers funds to the Collaborative Africa Budget Reform Initiative secretariat to provide capacity building in Africa's financial sector management, budget reform and governance. This subprogramme's total budget is transferred in full to the Collaborative Africa Budget Reform Initiative. In 2012/13, R1.3 million was budgeted. This subprogramme has no staff complement.
- *Commonwealth Fund for Technical Cooperation* transfers funds to the Commonwealth Fund for Technical Cooperation to assist developing member countries in acquiring the knowledge and institutional capacity needed to address development priorities. Between 2009 and 2011, beneficiary countries included Gambia, Ghana, the Maldives, Sierra Leone and Swaziland. This subprogramme's total budget is transferred in full to the Commonwealth Fund for Technical Cooperation. In 2012/13, R4.7 million was budgeted. This subprogramme has no staff complement.
- *International Funding Facility for Immunisation* transfers funds to the Global Alliance for Vaccines and Immunisation to support health care, particularly the provision of vaccines to reduce the number of vaccine preventable deaths among children in low income countries. Since 2000, 370 million children have been immunised against leading vaccine preventable diseases in the world's poorest countries. As at 31 August 2012, the alliance had committed US\$7.9 billion in programme support until 2016 to developing countries, of which 80 per cent has been committed towards the purchase of vaccines. This subprogramme's total budget is transferred in full to the Global Alliance for Vaccines and Immunisation for payments to the international funding facility for immunisation. In 2012/13, R10 million was budgeted. This subprogramme has no staff complement.
- *Investment Climate Facility* provides for transfers to the Investment Climate Facility for Africa to support initiatives on climate change. South Africa's contribution, along with several other contributions from other governments and the private sector, supported the facility in making Africa a better place to do business by systematically focusing on areas where practical steps can be taken to remove identified constraints and problems. Focus areas include: property rights and contract enforcement, business registration and licensing, taxation and customs, financial markets, and corruption and crime. The last payment of R7.6 million was processed in 2009/10 in terms of the agreement South Africa had with the facility. This subprogramme has no staff complement.
- *African Regional Technical Assistance Centre for Southern Africa* transfers funds to the Infrastructure Consortium for Africa to improve the generation of data and knowledge products related to infrastructure investment, and the coordination of development policies between the G20 and African countries. This subprogramme's total budget is transferred in full for payments to the African Regional Technical Assistance Centre for Southern Africa. The transfer will begin over the medium term with R350 000 per year. This subprogramme has no staff complement.
- *Infrastructure Consortium for Africa* transfers funds to the Infrastructure Consortium for Africa for advocacy and the coordination of interventions, sharing best practices, capacity building and collecting data for monitoring and evaluation endeavours to support infrastructure development for Africa. This entails generating data and coordinating policies for shared growth. Funding of R1 million per year was initiated in 2012/13 and will continue until 2014/15. This subprogramme has no staff complement.

## Expenditure estimates

**Table 10.15 International Financial Relations**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Programme Management for International Financial Relations	2.7	6.2	6.6	8.5	47.1%	0.8%	10.3	9.1	9.5	3.8%	0.8%
International Economic Cooperation	19.9	20.4	19.3	21.5	2.6%	2.7%	26.9	26.3	27.5	8.6%	2.2%
Common Monetary Area Compensation	409.9	397.8	450.3	602.1	13.7%	61.3%	653.9	706.6	725.1	6.4%	58.2%
Financial and Technical Support	–	–	–	6.7	–	0.2%	5.7	13.0	28.2	61.9%	1.2%
African Development Bank and African Development Fund	57.3	55.1	244.3	241.9	61.6%	19.7%	268.6	284.7	297.8	7.2%	23.7%
World Bank Group	68.0	68.0	124.7	142.5	28.0%	13.3%	129.5	148.5	155.3	2.9%	12.5%
Collaborative Africa Budget Reform Initiative	–	1.1	1.2	1.3	–	0.1%	1.3	1.4	1.5	5.4%	0.1%
Commonwealth Fund for Technical Cooperation	3.5	3.0	3.8	4.7	10.0%	0.5%	5.0	5.3	5.5	5.5%	0.4%
International Funding Facility for Immunisation	7.5	7.1	7.5	10.0	10.3%	1.1%	10.0	10.0	10.5	1.5%	0.9%
Investment Climate Facility	7.6	–	–	–	-100.0%	0.3%	–	–	–	–	–
African Regional Technical Assistance Centre for Southern Africa	–	–	–	0.4	–	–	0.4	0.4	0.4	1.5%	–
Infrastructure Consortium for Africa	–	–	–	1.0	–	–	1.0	1.0	–	-100.0%	0.1%
<b>Total</b>	<b>576.4</b>	<b>558.7</b>	<b>857.8</b>	<b>1 040.5</b>	<b>21.8%</b>	<b>100.0%</b>	<b>1 112.5</b>	<b>1 206.2</b>	<b>1 261.3</b>	<b>6.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				2.3			(0.8)	(3.1)	1 261.3		

### Economic classification

<b>Current payments</b>	<b>22.5</b>	<b>26.5</b>	<b>25.8</b>	<b>29.8</b>	<b>9.9%</b>	<b>3.4%</b>	<b>37.2</b>	<b>35.3</b>	<b>36.9</b>	<b>7.4%</b>	<b>3.0%</b>
Compensation of employees	14.3	16.5	17.6	19.7	11.3%	2.2%	25.0	26.4	27.6	11.9%	2.1%
Goods and services	8.2	10.0	8.1	10.1	7.3%	1.2%	12.1	8.9	9.3	-2.6%	0.9%
of which:											
Computer services	0.1	0.0	0.0	0.0	-33.8%	–	0.0	0.0	0.0	-12.6%	–
Consultants and professional services: Business and advisory services	0.5	0.5	0.2	0.3	-13.0%	0.1%	2.2	0.3	0.2	-13.7%	0.1%
Travel and subsistence	4.8	5.3	4.5	4.9	0.6%	0.6%	5.6	5.4	5.7	5.7%	0.5%
<b>Transfers and subsidies</b>	<b>553.8</b>	<b>532.1</b>	<b>831.9</b>	<b>1 010.5</b>	<b>22.2%</b>	<b>96.5%</b>	<b>1 075.3</b>	<b>1 170.8</b>	<b>1 224.2</b>	<b>6.6%</b>	<b>97.0%</b>
Foreign governments and international organisations	553.8	532.1	831.9	1 010.5	22.2%	96.5%	1 075.3	1 170.8	1 224.2	6.6%	97.0%
Households	–	–	0.1	0.0	–	–	–	–	–	-100.0%	–
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>20.3%</b>	<b>–</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-12.6%</b>	<b>–</b>
Machinery and equipment	0.1	0.1	0.1	0.2	20.3%	–	0.1	0.1	0.1	-12.6%	–
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>-100%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>576.4</b>	<b>558.7</b>	<b>857.8</b>	<b>1 040.5</b>	<b>21.8%</b>	<b>100.0%</b>	<b>1 112.5</b>	<b>1 206.2</b>	<b>1 261.3</b>	<b>6.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.1%</b>	<b>1.5%</b>	<b>4.0%</b>	<b>4.9%</b>			<b>4.4%</b>	<b>4.3%</b>	<b>4.5%</b>		

### Details of selected transfers and subsidies

Foreign governments and international organisations											
Current	2009/10	2010/11	2011/12	2012/13	Average growth rate (%)	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	Average growth rate (%)	Expenditure/total: Average (%)
Common Monetary Area Compensation	409.9	397.8	450.3	602.1	13.7%	61.3%	653.9	706.6	725.1	6.4%	58.2%
Collaborative Africa Budget Reform Initiative	–	1.1	1.2	1.3	–	0.1%	1.3	1.4	1.5	5.4%	0.1%
Commonwealth Fund for Technical Cooperation	3.5	3.0	3.8	4.7	10.0%	0.5%	5.0	5.3	5.5	5.5%	0.4%
International Funding Facility for Immunisation	7.5	7.1	7.5	10.0	10.3%	1.1%	10.0	10.0	10.5	1.5%	0.9%
Investment Climate Facility	7.6	–	–	–	-100.0%	0.3%	–	–	–	–	–
African Regional Technical Assistance Centre for Southern Africa	–	–	–	0.4	–	–	0.4	0.4	0.4	1.5%	–
Infrastructure Consortium for Africa	–	–	–	1.0	–	–	1.0	1.0	–	-100.0%	0.1%
<b>Capital</b>	<b>125.3</b>	<b>123.1</b>	<b>369.0</b>	<b>391.0</b>	<b>46.1%</b>	<b>33.2%</b>	<b>403.7</b>	<b>446.2</b>	<b>481.3</b>	<b>7.2%</b>	<b>37.3%</b>
Financial and technical support	–	–	–	6.7	–	0.2%	5.7	13.0	28.2	61.9%	1.2%
African Development Bank and African Development Fund	57.3	55.1	244.3	241.9	61.6%	19.7%	268.6	284.7	297.8	7.2%	23.7%
World Bank Group	68.0	68.0	124.7	142.5	28.0%	13.3%	129.5	148.5	155.3	2.9%	12.5%

## Personnel information

Table 10.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
International Financial Relations		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	39	2	33	17.6	0.5	41	18.3	0.4	41	25.0	0.6	41	26.4	0.6	41	27.6	0.7	-	100.0%
1 – 6	2	-	2	0.4	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	-	2.4%
7 – 10	10	-	7	3.2	0.5	12	3.0	0.2	12	3.9	0.3	12	4.1	0.3	12	4.3	0.4	-	29.3%
11 – 12	15	-	13	5.9	0.5	13	5.8	0.4	13	8.1	0.6	13	8.6	0.7	13	8.9	0.7	-	31.7%
13 – 16	12	2	11	8.1	0.7	15	9.3	0.6	15	12.9	0.9	15	13.5	0.9	15	14.2	0.9	-	36.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on directing funds to international obligations to manage South Africa's interests in shaping regional and global policies to advance the economic, financial and developmental objectives of the country and the rest of Africa. This includes enhancing South Africa's membership and shareholding in the Africa Export Import Bank, the permanent management by South Africa of the Southern African Customs Union common revenue pool, and the use of the role within the finance committee to address spending inefficiencies and ensure the alignment of resource allocation with regional priorities.

96.8 per cent of this programme's expenditure over the seven-year period goes towards transfer payments to foreign governments and international organisations to meet the country's international obligations.

Between 2009/10 and 2012/13, expenditure increased by R464.1 million, mainly due to the impact of increased rand circulation in Lesotho, Namibia and Swaziland; and the recapitalisation of the African Development Bank and the World Bank. Spending on compensation of employees, which increased by R5.4 million over the period, also contributed to this increase, as an additional 7 posts were added to the personnel establishment to provide the capacity to manage the greater role in international commitments such as the BRICS group of countries and to provide needed support for the development of economies of various developing countries.

This programme will complete an evaluation of the World Bank country strategy paper in 2012/13 at a cost of R1 million. The programme's main achievements over this period included issuing a joint statement with the BRICS group of countries and Australia to advocate for the process to select International Monetary Fund senior management to be open and merit based; and the acquisition of shares for R191 million in the African Development Bank in 2011/12, which resulted in an increase in the country's shareholding to 4.6 per cent. This excluded the additional relinquished shares allocated from the African Development Bank's sixth general capital increase.

Over the medium term, expenditure is expected to increase to R1.3 billion, mainly because of the international commitments for the recapitalisation of the African Development Bank and the expected increase in the circulation of rand related to the common monetary area compensation agreement. Spending on compensation of employees is expected to increase by R7.9 million over the medium term due to the filling of 8 funded vacant positions.

The programme has a funded establishment of 39 posts and 2 posts are filled additional to the establishment. Consultants are used to provide research capacity to this programme, including for planned research over the medium term regarding the creation of a development bank institution for the BRICS group of countries.

## Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits

### Objectives

- Provide policy analysis and advice on an ongoing basis to National Treasury by completing annual reviews and implementing recommendations in accordance with stakeholder agreements reached on pension reforms, post-retirement medical benefits, political office bearers and pension legislation.
- Ensure good service to eligible applicants and recipients by:
  - processing member applications and making payments as required by applicable legislation punctually
  - processing post-retirement medical benefit applications within 60 days of receipt and paying all medical subsidies within 7 days of receiving a valid and correct claim
  - eliminating the backlog on implementing the Special Pensions Amendment Act (2008) by the end of March 2013/14, and ensuring that the administration deals with applications within 3 months of receipt
  - accurately processing and paying injury on duty benefits to civil servants within 45 days of receiving complete documentation
  - ensuring punctual and accurate payments of military pensions within 45 days of receipt and medical accounts within 30 days of receipt of the claim, while maintaining a zero backlog.

### Subprogrammes

- *Programme Management for Civil and Military Pensions, Contributions to Funds and Other Benefits* provides policy analysis or advice and support to the planning, monitoring and deliverables of the programme's activities. Policy analysis or advice is also provided to the Government Employees Pension Fund, and public entity oversight is provided on the Government Pension Administration Agency. This subprogramme has neither a staff complement nor an associated budget as the oversight and management function is undertaken by the *Public Finance and Budget Management* programme.
- *Government Pensions Administration Agency* provides administrative services in accordance with the Temporary Pension Fund Act (1979), the Associated Institution Pension Fund Act (1963); and post-retirement medical subsidies as provided for and regulated by Public Service Coordinating Bargaining Council resolutions, the Military Pensions Act (1976), military pensions in terms of this act, injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act (1993) and special pensions in terms of the Special Pensions Act (1996) on behalf of National Treasury. This subprogramme is managed through a service level agreement between the National Treasury and the Government Pensions Administration Agency, and thus has no staff complement.
- *Civil Pensions and Contributions to Funds* provides for the processing and payment of pensions and medical subsidies to retired civil servants; and pension payments to the injured, disabled and the dependants of deceased civil servants and to former struggle veterans in terms of various statutes, collective bargaining agreements and other commitments. The *Government Pensions Administration Agency* subprogramme administers all payments related to this subprogramme. The bulk of this subprogramme's budget is transferred for payments to households in terms of member pension, post retirement medical subsidies which makes bulk payments and other benefit payments. R2.9 billion was budgeted to be transferred in 2012/13. This subprogramme has no staff complement.
- *Military Pensions and Other Benefits* provides for the processing and payment of military pension benefits and medical claims arising from injuries sustained during various wars, including South Africa's liberation wars. This includes payments to former members of the legislative assembly of the former Venda, Transkei, Ciskei and Bophuthatswana governments; judges or their own widows in terms of the Judges' Remuneration and Conditions of Employment Act (1989); and former state presidents, among other benefits. In 2012/13, more than half of the subprogramme's allocation was for the new R200 million non-statutory forces transfer payment, and 32.9 per cent of the allocation was for the South African citizen force. The function of processing the transfer payments to households is administered by the *Government Pensions Administration Agency* subprogramme. This subprogramme has no staff complement.

## Expenditure estimates

**Table 10.17 Civil and Military Pensions, Contributions to Funds and Other Benefits**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R million											
Programme Management for Civil and Military Pensions, Contributions to Funds and Other Benefits	-	-	1.0	-	-	-	-	-	-	-	-
Government Pensions Administration Agency	25.5	38.0	63.9	43.9	19.8%	1.2%	51.9	55.6	50.7	4.9%	1.4%
Civil Pensions and Contributions to Funds	4 767.7	2 495.2	3 068.3	2 910.9	-15.2%	92.5%	2 936.6	3 143.9	3 377.5	5.1%	85.1%
Military Pensions and Other Benefits	161.9	164.6	180.9	391.1	34.2%	6.3%	508.6	523.3	539.8	11.3%	13.5%
<b>Total</b>	<b>4 955.1</b>	<b>2 697.8</b>	<b>3 314.2</b>	<b>3 345.9</b>	<b>-12.3%</b>	<b>100.0%</b>	<b>3 497.0</b>	<b>3 722.8</b>	<b>3 967.9</b>	<b>5.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(2.4)			(20.2)	(5.4)	3 967.9		

### Economic classification

<b>Current payments</b>	<b>25.3</b>	<b>37.9</b>	<b>65.0</b>	<b>43.9</b>	<b>20.2%</b>	<b>1.2%</b>	<b>51.9</b>	<b>55.6</b>	<b>50.7</b>	<b>4.9%</b>	<b>1.4%</b>
Compensation of employees	-	-	1.0	-	-	-	-	-	-	-	-
Goods and services	25.3	37.9	63.9	43.9	20.2%	1.2%	51.9	55.6	50.7	4.9%	1.4%
of which:											
Consultants and professional services:	25.3	37.9	63.9	43.9	20.2%	1.2%	51.9	55.6	50.7	4.9%	1.4%
Business and advisory services											
<b>Transfers and subsidies</b>	<b>4 929.6</b>	<b>2 659.8</b>	<b>3 249.1</b>	<b>3 302.0</b>	<b>-12.5%</b>	<b>98.8%</b>	<b>3 445.2</b>	<b>3 667.2</b>	<b>3 917.3</b>	<b>5.9%</b>	<b>98.6%</b>
Foreign governments and international organisations	1.4	1.6	2.0	2.2	17.4%	0.1%	2.1	2.2	2.3	1.2%	0.1%
Non-profit institutions	0.1	-	0.1	0.1	7.7%	-	-	-	-	-100.0%	-
Households	4 928.2	2 658.2	3 247.1	3 299.7	-12.5%	98.7%	3 443.0	3 665.0	3 915.0	5.9%	98.5%
<b>Payments for financial assets</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4 955.1</b>	<b>2 697.8</b>	<b>3 314.2</b>	<b>3 345.9</b>	<b>-12.3%</b>	<b>100.0%</b>	<b>3 497.0</b>	<b>3 722.8</b>	<b>3 967.9</b>	<b>5.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>9.3%</b>	<b>7.1%</b>	<b>15.5%</b>	<b>15.8%</b>			<b>13.7%</b>	<b>13.4%</b>	<b>14.2%</b>		

### Details of selected transfers and subsidies

<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>4 928.2</b>	<b>2 658.2</b>	<b>3 247.1</b>	<b>3 299.7</b>	<b>-12.5%</b>	<b>98.7%</b>	<b>3 443.0</b>	<b>3 665.0</b>	<b>3 915.0</b>	<b>5.9%</b>	<b>98.5%</b>
Contribution to provident funds for associated institutions	0.6	0.5	0.5	0.5	-3.6%	-	0.5	0.5	0.5	1.7%	-
Other benefits	70.0	68.0	69.8	77.2	3.3%	2.0%	77.8	81.9	86.6	3.9%	2.2%
Injury on Duty	376.2	399.1	498.9	490.2	9.2%	12.3%	542.7	567.0	594.2	6.6%	15.1%
Post-Retirement Medical scheme contributions	1 451.7	1 589.7	1 785.7	1 680.9	5.0%	45.5%	1 558.0	1 702.2	1 865.1	3.5%	46.8%
Special Pensions	337.4	402.1	480.7	428.5	8.3%	11.5%	501.1	524.5	550.6	8.7%	13.8%
Pension benefits: President of South Africa	4.6	4.7	5.9	8.2	21.0%	0.2%	8.5	8.9	9.3	4.5%	0.2%
Military Pensions: Ex-Servicemen	36.1	33.9	31.4	32.4	-3.5%	0.9%	33.1	34.4	35.9	3.5%	0.9%
South African citizen force	103.5	109.1	122.8	128.6	7.5%	3.2%	204.8	214.6	225.6	20.6%	5.3%
Civil protection	0.0	0.0	0.0	0.0	5.0%	-	0.0	0.0	0.0	5.7%	-
Other benefits: Ex-servicemen	22.2	21.6	26.6	30.0	10.4%	0.7%	70.7	74.2	78.2	37.7%	1.7%
Non-statutory Forces	-	-	-	200.0	-	1.4%	200.0	200.0	200.0	-	5.5%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>1.4</b>	<b>1.6</b>	<b>2.0</b>	<b>2.2</b>	<b>17.4%</b>	<b>0.1%</b>	<b>2.1</b>	<b>2.2</b>	<b>2.3</b>	<b>1.2%</b>	<b>0.1%</b>
United Kingdom tax	1.4	1.6	2.0	2.2	17.4%	0.1%	2.1	2.2	2.3	1.2%	0.1%

## Personnel information

**Table 10.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
			2011/12	2012/13	2013/14	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16										
Civil and Military Pensions, Contributions to Funds and Other Benefits			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	3	-	1	1.0	1.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 - 10	1	-	1	0.2	0.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 - 12	1	-	-	0.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 - 16	1	-	-	0.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

2. Rand million.

3. As at 30 September 2012.



## Expenditure trends

The spending focus over the medium term will be on providing administrative support to the department in terms of managing the post-retirement pension pay out, medical subsidies and other benefits including special pensions. The support will be provided through the automation of core processes to enhance service delivery and, concurrently, the reduction of backlogs on the different benefits such as the injury on duty and special pensions. 98.6 per cent of this programme's expenditure over the seven-year period is in the form of transfer payments to households, 46.2 per cent of which goes towards post-retirement medical scheme contributions, 15 per cent for the political office bearers pension fund, 13.8 per cent for injury on duty payments and 12.8 per cent for special pensions.

Between 2009/10 and 2012/13, government's contributions to pensions, military and other benefits on behalf of retired civil servants decreased by R1.6 million mainly because of a once-off R2.5 billion transfer payment to the political office bearers pension fund for pensions after the 2009 general elections.

Over the medium term, expenditure is expected to increase by R622 million due to additional allocations of R300 million for implementing the benefit equalisation for political office bearers and the eradication of the backlog on injury on duty claims. The backlog has thus far been reduced from 700 to 329 cases, and steps are being taken to appoint a client liaison officer to follow up on documents that employers had not yet submitted, and to develop a system to reduce the processing time of finalised claims payments.

Medium term baseline reprioritisation of R257.4 million was effected in this programme to mitigate the adverse impact of Cabinet approved budget reductions mainly affecting the international commitments and local government conditional grant allocations in the *International Financial Relations* and *Technical Support and Development Finance* programmes respectively.

The Government Pensions Administration Agency, which is contracted as a consultant to the department, provides administrative support to this programme. Expenditure on consultants is therefore expected to increase by R36.8 million over the MTEF period to support the operations of the programme, including the work of actuarial services and health risk assessment experts.

## Programme 8: Technical Support and Development Finance

### Objectives

- Build public sector client capacity by offering a combination of diagnostic services, organisation development and programme and project implementation support over the MTEF period.
- Improve capacity in public private partnership and capital projects planning and oversight by:
  - providing advisory support to all public private partnership and large capital projects in development and implementation.
- Assist National Treasury in its regulatory function as and when requested.
- Build sustainable capacity in selected municipalities and provincial departments of health, education and public works to improve infrastructure delivery through the implementation of the infrastructure delivery improvement programme over the medium term.
- Strengthen the capacity of provincial treasuries and municipalities to fully implement the Municipal Finance Management Act (2003) and associated financial reforms by appointing more than 1 500 graduate financial management interns to support them.
- Promote and mobilise public and private sector investment in community and economic infrastructure by supporting 62 municipalities in planning and implementing integrated neighbourhood development programmes in 150 townships over the medium term.
- Improve the long term employment prospects for unemployed people, particularly youth and women, by promoting innovative and partnership based approaches to job creation and business opportunities, and supporting project development in the implementation of the Jobs Fund over the medium term.

## Subprogrammes

- *Programme Management for Technical Support and Development Finance* provides advisory and capacity building initiatives focused on public private partnerships, project management, infrastructure service delivery and public finance information systems. In 2012/13, the consolidation of technical assistance into a government component began; and a review of the public private partnership advisory and regulatory functions was completed, and this is being fed into the process of establishing a government component for the provision of advisory services. This subprogramme had a staff complement of 67 as at 30 September 2012.
- *Local Government Financial Management and Skills Development Grant* provides for transfers to municipalities and assists them with building financial management capacity regulated in terms of the Municipal Finance Management Act (2003). This entails augmenting municipal budgets allocated towards the implementation of financial reforms in local government. The financial management grant was separated from the other support initiative, which assists municipalities in building capacity in water and other sectors, and is administered by the intergovernmental relations unit. In 2012/13, a new reporting template for this grant was introduced to improve reporting and management of deliverables, namely, incorporating financial and non-financial information to be phased in over the medium term. This subprogramme has no staff complement.
- *Neighbourhood Development Partnership Grant* aims to improve the quality of life of people living and working in townships through the creation of economically sustainable neighbourhoods. The neighbourhood development partnership also facilitates the employment of local labour and supports the expanded public works programmes in local government. In 2011/12, more than 6 000 jobs were created through neighbourhood development partnership projects. In 2012/13, the neighbourhood development partnership approved more than 280 project plans valued at R2.9 billion for grant funding. The partnership had completed 57 catalytic projects valued at R606 million by 2011/12. This subprogramme had a total adjusted budget of R658.1 million in 2012/13, of which R578.1 million was for grant transfers to qualifying municipalities. This subprogramme has no staff complement.
- *Gautrain Loan* provided for a once-off transfer of R4.2 billion in 2009/10 to fund the shortfall for the Gautrain rapid rail link project. There are no further allocations for this subprogramme and it has no staff complement.
- *Municipal Finance Improvement Programme* renders technical assistance and support to provincial treasuries and municipalities through the placement of financial experts in these areas to facilitate skills and capacity transfers to provincial and municipal officials in all aspects of the Municipal Finance Management Act (2003). Outputs include: the improved capacity of provincial treasuries to undertake their responsibilities in terms of sections 5 and 6 of the act, the improved capacity of municipalities and provincial treasuries to implement the act, the improved overall compliance with the act, and improved financial management performance. This subprogramme's total budget is transferred in full to the Development Bank of Southern Africa, which is the implementing agent for the subprogramme's outputs. 78 municipalities and 8 provinces are currently receiving support. This subprogramme has no staff complement.
- *Employment Creation Facilitation Fund*, including the Jobs Fund, aims to give effect to the new growth path and national development plan by facilitating and supporting innovative approaches and initiatives that contribute to the development of the economy; and aims to provide sustainable new job opportunities. The programme will create 150 000 jobs in its lifespan thus far. By the third quarter of 2012/13, 65 projects had been allocated funding. The Development Bank of Southern Africa is the implementing agency for the fund, which will co-finance successful proposals from government departments, municipalities, the private sector and non-governmental organisations. The fund has initially identified 4 broad funding windows: enterprise development, infrastructure development, support for work seekers and institutional capacity building. Support to winning bidders is being provided by the Development Bank of Southern Africa and the National Treasury for project preparation. In 2010/11, this subprogramme was allocated R9 billion to facilitate the achievement of the Job Fund's objectives over a 3-year period beginning in 2011/12. Subsequently, due to the intensive nature of the preliminary implementation activities and the desired long term impact of the initiative, R9 billion was rescheduled over a 5-year period ending 2015/16, and is expected to go beyond

2016/17. In 2012/13, R535.5 million was budgeted for the payment to the Development Bank of Southern Africa. This subprogramme has no staff complement.

- *Infrastructure Grant to Provinces* provides for transfers to provinces and for monitoring them. The grant supports accelerated infrastructure development and the maintenance of roads, schools, health facilities and rural development. The subprogramme's monitoring and oversight functions were devolved to the provincial sector departments in 2011/12 and unspent funds were rolled over from 2010/11 to 2011/12 for a once-off transfer to the provincial department that had previously defaulted on compliance with the Division of Revenue Act. This subprogramme has no staff complement.
- *Integrated City Development Grant* has been introduced to respond to the implementation support needs of cities in 4 critical areas of the built environment: governance and planning, human settlements, public transport, and environmental sustainability and climate resilience. The grant is being implemented through the provision of technical assistance, peer learning and collaborative performance reviews linked to incentives. An integrated city development grant is being introduced to provide incentives for cities to strengthen planning and delivery capacity, and target infrastructure spending to transform the inefficient spatial form of South African cities so that they are more inclusive, productive and sustainable. The programme also facilitates national policy and regulatory reviews to empower cities to perform their functions effectively. This subprogramme has no staff complement.

## Expenditure estimates

**Table 10.19 Technical Support and Development Finance**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Programme Management for Technical Support and Development Finance	144.1	124.2	169.1	161.4	3.9%	5.1%	181.9	191.5	199.0	7.2%	6.4%
Local Government Financial Management and Skills Development Grant	300.0	364.6	423.6	478.2	16.8%	13.5%	523.3	603.6	649.0	10.7%	19.6%
Neighbourhood Development Partnership Grant	578.1	881.8	808.4	658.1	4.4%	25.1%	653.0	649.5	665.0	0.3%	22.8%
Gautrain Loan	4 200.0	–	–	–	-100.0%	36.1%	–	–	–	–	–
Municipal Finance Improvement Programme	88.5	100.7	100.0	110.0	7.5%	3.4%	121.5	128.8	134.7	7.0%	4.3%
Employment Creation Facilitation Fund	–	–	272.5	591.9	–	7.4%	1 258.0	1 900.0	1 318.0	30.6%	44.0%
Infrastructure Grant to Provinces	–	–	1 089.7	–	–	9.4%	–	–	–	–	–
Integrated City Development Grant	–	–	–	–	–	–	40.0	150.0	150.0	–	3.0%
<b>Total</b>	<b>5 310.7</b>	<b>1 471.3</b>	<b>2 863.3</b>	<b>1 999.6</b>	<b>-27.8%</b>	<b>100.0%</b>	<b>2 777.8</b>	<b>3 623.3</b>	<b>3 115.8</b>	<b>15.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(405.1)			(1 204.0)	96.8	3 115.8		

### Economic classification

<b>Current payments</b>	<b>125.0</b>	<b>101.4</b>	<b>153.3</b>	<b>148.2</b>	<b>5.9%</b>	<b>4.5%</b>	<b>161.4</b>	<b>170.0</b>	<b>176.3</b>	<b>5.9%</b>	<b>5.7%</b>
Compensation of employees	30.9	34.3	35.7	40.9	9.8%	1.2%	46.5	48.9	50.8	7.5%	1.6%
Goods and services	94.1	67.1	117.6	107.4	4.5%	3.3%	114.9	121.0	125.5	5.3%	4.1%
of which:											
Computer services	0.1	0.7	0.0	0.6	131.2%	–	0.8	0.6	0.6	0.2%	–
Consultants and professional services:	87.1	60.4	104.4	88.9	0.7%	2.9%	96.5	102.4	105.9	6.0%	3.4%
Business and advisory services											
Operating leases	0.2	0.2	0.3	0.3	19.9%	–	0.4	0.4	0.5	20.8%	–
Travel and subsistence	2.7	2.4	3.3	4.3	16.9%	0.1%	4.4	4.4	4.7	3.6%	0.2%
<b>Transfers and subsidies</b>	<b>5 185.5</b>	<b>1 369.4</b>	<b>2 709.5</b>	<b>1 850.4</b>	<b>-29.1%</b>	<b>95.4%</b>	<b>2 615.7</b>	<b>3 452.8</b>	<b>2 938.7</b>	<b>16.7%</b>	<b>94.3%</b>
Provinces and municipalities	5 008.1	1 196.4	2 251.7	1 056.3	-40.5%	81.7%	1 161.3	1 344.7	1 399.0	9.8%	43.1%
Departmental agencies and accounts	88.9	72.4	218.0	139.5	16.2%	4.5%	126.5	133.5	143.6	1.0%	4.7%
Higher education institutions	–	–	–	9.0	–	0.1%	10.0	12.0	12.5	11.7%	0.4%
Public corporations and private enterprises	88.5	100.7	239.7	645.5	93.9%	9.2%	1 317.9	1 962.5	1 383.5	28.9%	46.1%
Households	–	–	0.1	0.0	–	–	–	–	–	-100.0%	–
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>1.0</b>	<b>71.6%</b>	<b>–</b>	<b>0.8</b>	<b>0.6</b>	<b>0.8</b>	<b>-7.4%</b>	<b>–</b>
Machinery and equipment	0.2	0.3	0.4	1.0	71.6%	–	0.8	0.6	0.8	-7.4%	–
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>5 310.7</b>	<b>1 471.3</b>	<b>2 863.3</b>	<b>1 999.6</b>	<b>-27.8%</b>	<b>100.0%</b>	<b>2 777.8</b>	<b>3 623.3</b>	<b>3 115.8</b>	<b>15.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>10.0%</b>	<b>3.8%</b>	<b>13.4%</b>	<b>9.4%</b>			<b>10.9%</b>	<b>13.1%</b>	<b>11.2%</b>		

Table 10.19 Technical Support and Development Finance (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>88.9</b>	<b>72.4</b>	<b>218.0</b>	<b>139.5</b>	<b>16.2%</b>	<b>4.5%</b>	<b>126.5</b>	<b>133.5</b>	<b>143.6</b>	<b>1.0%</b>	<b>4.7%</b>
Project development facility trading account	-	3.0	11.6	35.0	-	0.4%	29.3	30.7	32.1	-2.8%	1.1%
Technical assistance unit trading entity	18.9	19.4	136.4	24.5	9.0%	1.7%	42.2	44.5	46.5	23.8%	1.4%
Neighbourhood development partnership grant	70.0	50.0	70.0	80.0	4.6%	2.3%	55.0	58.3	65.0	-6.7%	2.2%
<b>Higher education institutions</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9.0</b>	<b>-</b>	<b>0.1%</b>	<b>10.0</b>	<b>12.0</b>	<b>12.5</b>	<b>11.7%</b>	<b>0.4%</b>
University of Cape Town	-	-	-	9.0	-	0.1%	10.0	12.0	12.5	11.7%	0.4%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>139.7</b>	<b>535.5</b>	<b>-</b>	<b>5.8%</b>	<b>1 196.4</b>	<b>1 833.8</b>	<b>1 248.8</b>	<b>32.6%</b>	<b>41.8%</b>
Development Bank of Southern Africa	-	-	139.7	535.5	-	5.8%	1 196.4	1 833.8	1 248.8	32.6%	41.8%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>300.0</b>	<b>364.6</b>	<b>423.6</b>	<b>478.2</b>	<b>16.8%</b>	<b>13.5%</b>	<b>523.3</b>	<b>603.6</b>	<b>649.0</b>	<b>10.7%</b>	<b>19.6%</b>
Local government financial management grant	300.0	364.6	423.6	402.8	10.3%	12.8%	424.8	449.1	469.8	5.3%	15.2%
Infrastructure skills development grant	-	-	-	75.5	-	0.6%	98.5	154.4	179.2	33.4%	4.4%
<b>Capital</b>	<b>508.1</b>	<b>831.8</b>	<b>738.4</b>	<b>578.1</b>	<b>4.4%</b>	<b>22.8%</b>	<b>638.0</b>	<b>741.2</b>	<b>750.0</b>	<b>9.1%</b>	<b>23.5%</b>
Neighbourhood development partnership grant	508.1	831.8	738.4	578.1	4.4%	22.8%	598.0	591.2	600.0	1.2%	20.6%
Integrated City Development Grant	-	-	-	-	-	-	40.0	150.0	150.0	-	3.0%
<b>Provinces and municipalities</b>											
<b>Provincial Revenue Funds</b>											
Gautrain loan	4 200.0	-	-	-	-100.0%	36.1%	-	-	-	-	-
Infrastructure grant to provinces	-	-	1 089.7	-	-	9.4%	-	-	-	-	-

## Personnel information

Table 10.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual									Medium-term expenditure estimate					Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)	
			2011/12			2012/13			2013/14			2014/15		2015/16					
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost			Unit Cost
<b>Technical Support and Development Finance</b>	<b>75</b>	<b>2</b>	<b>68</b>	<b>35.7</b>	<b>0.5</b>	<b>74</b>	<b>38.9</b>	<b>0.5</b>	<b>76</b>	<b>45.5</b>	<b>0.6</b>	<b>76</b>	<b>47.8</b>	<b>0.6</b>	<b>76</b>	<b>49.6</b>	<b>0.7</b>	<b>0.9%</b>	<b>100.0%</b>
Salary level																			
1 - 6	-	-	2	0.4	0.2	2	0.4	0.2	2	0.4	0.2	2	0.4	0.2	2	0.5	0.2	-	2.6%
7 - 10	22	1	22	7.3	0.3	26	7.9	0.3	26	9.1	0.3	26	9.4	0.4	26	10.0	0.4	-	34.4%
11 - 12	28	1	23	11.5	0.5	24	11.2	0.5	24	13.1	0.5	24	13.9	0.6	24	13.7	0.6	-	31.8%
13 - 16	25	-	21	16.6	0.8	22	19.4	0.9	24	22.8	1.0	24	24.1	1.0	24	25.4	1.1	2.9%	31.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on supporting job creation initiatives in the country by funding transfers through the *Employment Creation Facilitation Fund* subprogramme to the Development Bank of Southern Africa for the Jobs Fund, and infrastructure development through the city support programme, the neighbourhood development partnership grant and the infrastructure delivery improvement programme. Over the medium term, 150 000 job opportunities are to be created through the implementation of projects in the *Employment Creation Facilitation Fund* subprogramme. By providing funding to the neighbourhood development partnership grant and the local financial management and skills development grant, the department expects that capacity will be built to support the financial reforms in local and provincial government, enable

infrastructure development and promote public private partnership objectives. The programme receives an additional R462.1 million over the medium term, mainly for the integrated city development grant and the infrastructure skills development grant.

Between 2009/10 and 2012/13, expenditure decreased by R3.3 billion mainly due to a once-off provincial transfer of R4.2 billion for the Gautrain loan in 2009/10. Excluding the Gautrain loan, expenditure increased by R888.9 million over the period mainly due to the implementation of the Jobs Fund through the *Employment Creation Facilitation Fund* subprogramme.

Over the medium term, expenditure in this programme is expected to increase by R1.1 billion, with a significant portion of the growth occurring in the transfer payments to the Development Bank of Southern Africa and municipalities. These transfers are projected to increase by R713.3 million and R342.7 million over the medium term respectively. These increases are mainly due to the implementation of the local government financial management and infrastructure skills development grants; the introduction and full implementation of the city support programme to enhance governance, especially on infrastructure, for the metropolitan municipalities; as well as the activities of the *Employment Creation Facilitation Fund* subprogramme.

Spending on the local government financial management grant increases by R169.8 million over the seven-year period to allow all municipalities to receive support through initiatives such as the rollout of graduate interns to the municipalities to enhance their finance function capacity. The newly established infrastructure skills development grant, which received its first allocation in 2012/13, is projected to increase by R103.7 million over the medium term. The grant is to provide for approximately 675 graduates and interns training in infrastructure with the intention to be registered as professional artisans, technicians, engineers and other specialists in line with the national development plan of professionalising local government and creating capable staff.

To give effect to the Cabinet approved budget reductions of R685.3 million over the medium term, the department has implemented cost saving measures in this programme. These include reductions in transfers to local government to yield savings of R93.3 million, and the rescheduling of the job creation projects, which amounts to a baseline reduction of R92 million from transfers through the *Employment Creation Facilitation Fund* subprogramme. The R93.3 million reduction in local government transfers was reprioritised back to the programme to mitigate the adverse effects of the reductions on the contracted commitments of technical assistants.

Cabinet approved baseline reductions have been partially reversed through subsequent internal reprioritisation to mitigate any adverse impact on the contracted commitments of technical assistants, with the exception of savings of R592 million for the *Employment Creation Facilitation Fund* subprogramme.

The programme has a funded establishment of 75 posts and 2 posts are filled additional to the establishment. The number of filled posts is expected to increase from 68 in 2011/12 to 76 over the medium term. The programme had 5 vacant positions as at 30 September 2012, which were current due to the natural attrition of employees in that year. The vacancies are expected to be filled by the end of March 2013. Spending on consultants in this programme accounts for 86.6 per cent or R647.8 million of spending on goods and services over the seven-year period. Consultants are used to carry out work at the local level, which involves assisting municipalities and provinces with the implementation of financial reforms, and to provide technical assistance on infrastructure projects.

## **Programme 9: Revenue Administration**

### **Objectives**

- Centralise registration, accreditation and licensing capabilities by improving the South African Revenue Service's registration database, and moving the customs service into the unified trader and traveller master using web based registration and entity level risk assessment.
- Contribute to revenue generation and improved compliance over the medium term by:
  - ensuring that 90 per cent of all annual import declarations are submitted by 10 per cent of traders and South African Revenue Service targets

- increasing annual trader declaration by 50 per cent
- achieving an uptake in electronic declaration (Southern African Customs Union) of 95 per cent.
- Manage migration, customs and land borderline control services and efficiently coordinate other departments in the ports of entry by:
  - establishing a border management agency over the medium term
  - achieving a 100 per cent success rate in investigative audits, seizures of counterfeit cigarettes, counterfeit CDs and DVDs, clothing, drug cases, and medicament continually.
- Manage the South African Revenue Service’s R60 billion plus debtors book efficiently by:
  - establishing and employing an integrated debt management solution
  - recovering cash from the debt book of R11 billion per year over the medium term.
- Improve processing of payments and accuracy of payments referencing of incoming payments by achieving a percentage reduction in outstanding returns of 5 per cent over the medium term.
- Improve payment reconciliation and allocation of PAYE tax by achieving an average processing turnaround time for personal income tax returns of 2 working days over the medium term.

## Subprogrammes

- *South African Revenue Service* transfers funds to the South African Revenue Service to provide core tax administration services and maintain the IT services that support its operations. The entity’s operational activities include branch operations, taxpayer audits, call centre operations, processing operations, debt management and IT support. In 2012/13, R9.1 billion was allocated to support these activities. This subprogramme has no staff complement.

## Expenditure estimates

Table 10.21 Revenue Administration

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
South African Revenue Service	7 148.4	8 142.2	8 653.6	9 149.4	8.6%	100.0%	9 534.4	9 983.7	10 335.6	4.1%	100.0%
<b>Total</b>	<b>7 148.4</b>	<b>8 142.2</b>	<b>8 653.6</b>	<b>9 149.4</b>	<b>8.6%</b>	<b>100.0%</b>	<b>9 534.4</b>	<b>9 983.7</b>	<b>10 335.6</b>	<b>4.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(45.0)			(147.8)	(258.9)	10 335.6		
<b>Economic classification</b>											
Transfers and subsidies	7 148.4	8 142.2	8 653.6	9 149.4	8.6%	100.0%	9 534.4	9 983.7	10 335.6	4.1%	100.0%
Departmental agencies and accounts	7 148.4	8 142.2	8 653.6	9 149.4	8.6%	100.0%	9 534.4	9 983.7	10 335.6	4.1%	100.0%
<b>Total</b>	<b>7 148.4</b>	<b>8 142.2</b>	<b>8 653.6</b>	<b>9 149.4</b>	<b>8.6%</b>	<b>100.0%</b>	<b>9 534.4</b>	<b>9 983.7</b>	<b>10 335.6</b>	<b>4.1%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	13.4%	21.3%	40.5%	43.2%			37.3%	36.0%	37.1%		
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>6 996.5</b>	<b>7 972.0</b>	<b>7 855.0</b>	<b>8 299.7</b>	<b>5.9%</b>	<b>94.0%</b>	<b>8 676.3</b>	<b>9 085.3</b>	<b>9 405.4</b>	<b>4.3%</b>	<b>90.9%</b>
South African Revenue Service	6 996.5	7 972.0	7 855.0	8 299.7	5.9%	94.0%	8 676.3	9 085.3	9 405.4	4.3%	90.9%
<b>Capital</b>	<b>152.0</b>	<b>170.2</b>	<b>798.6</b>	<b>849.7</b>	<b>77.5%</b>	<b>6.0%</b>	<b>858.1</b>	<b>898.4</b>	<b>930.2</b>	<b>3.1%</b>	<b>9.1%</b>
South African Revenue Service	152.0	170.2	798.6	849.7	77.5%	6.0%	858.1	898.4	930.2	3.1%	9.1%

## Expenditure trends

This programme makes transfer payments to the South African Revenue Service to fund the entity’s spending on compensation of employees, goods and services, and capital assets.

Between 2009/10 and 2012/13, expenditure increased by R2 billion mainly because of heightened border control activities, the start of specific customs projects, the graduate recruitment programme and the modernisation of ICT systems. Over the medium term, expenditure is expected to increase by R1.2 billion due to the implementation of enforcement initiatives and continued IT enhancements.

To give effect to the Cabinet approved budget reductions of R623.1 million over the medium term, the department has implemented cost saving measures in this programme. The measures implemented mainly involve the rescheduling of projects, which is not expected to have an adverse effect on performance.

## Programme 10: Financial Intelligence and State Security

### Objectives

- Combat money laundering and terror financing activities by continuously monitoring and ensuring compliance of the Financial Intelligence Centre Act (2001) and imposing certain duties on institutions and other persons who might be used for money laundering and terror financing.
- Combat crime and financial terrorism by:
  - providing services and products to law enforcement authorities such as the South African Revenue Service and the State Security Agency to ensure compliance with the law and contribute to state crime prevention strategic objectives on an ongoing basis
  - collaborating closely with counterparts in African countries and in international organisations as part of a web of nodal points for information exchange on an ongoing basis
  - collaborating with the financial intelligence centre and the financial action task force which reports to the G20 summit processes and several standards setting bodies on an ongoing basis
  - processing 3 568 requests from national and international law enforcement authority counterparts over the medium term.

### Subprogrammes

- *Financial Intelligence Centre* facilitates the transfer payment to the Financial Intelligence Centre, which enhances the integrity of the South African financial system while creating new means for investigating authorities to combat criminal activity. This subprogramme's total budget is transferred in full to the centre. In 2012/13, R197.3 million was allocated for transfer. This subprogramme has no staff complement.
- *Secret Services* facilitates the transfer payment to the South African Secret Services Account, which provides government with accurate, topical, policy relevant and timeous foreign intelligence to promote, enhance and protect national security and the interests of South Africa and its citizens. This subprogramme's total budget is transferred in full to the agency. In 2012/13, R3.8 billion was allocated for transfer. This subprogramme has no staff complement.

### Expenditure estimates

Table 10.22 Financial Intelligence and State Security

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Financial Intelligence Centre	141.6	181.4	136.5	197.3	11.7%	4.6%	201.0	178.1	186.5	-1.9%	4.5%
Secret Services	3 052.2	3 306.8	3 618.5	3 784.8	7.4%	95.4%	3 973.6	4 168.2	4 308.3	4.4%	95.5%
<b>Total</b>	<b>3 193.9</b>	<b>3 488.2</b>	<b>3 755.0</b>	<b>3 982.1</b>	<b>7.6%</b>	<b>100.0%</b>	<b>4 174.6</b>	<b>4 346.3</b>	<b>4 494.8</b>	<b>4.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				84.3			4.3	(45.7)	4 494.8		
<b>Economic classification</b>											
Transfers and subsidies	3 193.9	3 488.2	3 755.0	3 982.1	7.6%	100.0%	4 174.6	4 346.3	4 494.8	4.1%	100.0%
Departmental agencies and accounts	3 193.9	3 488.2	3 755.0	3 982.1	7.6%	100.0%	4 174.6	4 346.3	4 494.8	4.1%	100.0%
<b>Total</b>	<b>3 193.9</b>	<b>3 488.2</b>	<b>3 755.0</b>	<b>3 982.1</b>	<b>7.6%</b>	<b>100.0%</b>	<b>4 174.6</b>	<b>4 346.3</b>	<b>4 494.8</b>	<b>4.1%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	6.0%	9.1%	17.6%	18.8%			16.3%	15.7%	16.1%		

Table 10.22 Financial Intelligence and State Security (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>2 739.9</b>	<b>3 075.9</b>	<b>3 401.1</b>	<b>3 710.0</b>	<b>10.6%</b>	<b>89.6%</b>	<b>3 695.3</b>	<b>3 868.9</b>	<b>4 001.9</b>	<b>2.6%</b>	<b>89.9%</b>
Financial Intelligence Centre	99.5	108.6	85.7	124.8	7.9%	2.9%	170.0	170.7	177.8	12.5%	3.8%
Secret Services	2 640.4	2 967.3	3 315.4	3 585.1	10.7%	86.7%	3 525.3	3 698.3	3 824.2	2.2%	86.1%
<b>Capital</b>	<b>454.0</b>	<b>412.3</b>	<b>354.0</b>	<b>272.2</b>	<b>-15.7%</b>	<b>10.4%</b>	<b>479.2</b>	<b>477.3</b>	<b>492.9</b>	<b>21.9%</b>	<b>10.1%</b>
Financial Intelligence Centre	42.2	72.8	50.8	72.5	19.8%	1.7%	31.0	7.4	8.7	-50.6%	0.7%
Secret Services	411.8	339.5	303.2	199.7	-21.4%	8.7%	448.3	469.9	484.1	34.3%	9.4%

## Expenditure trends

This programme's entire allocation is transferred to the Financial Intelligence Centre, which accounts for 5 per cent of the 2012/13 adjusted budget; and the Secret Services account, as per provisions made by the Secret Services Act (1978), which accounts for 95 per cent of the 2012/13 adjusted budget. Expenditure on transfers to the Financial Intelligence Centre increased by R55.7 million between 2009/10 and 2012/13, mainly due to the enhancement of ICT systems to improve the centre's capacity to monitor and detect money laundering and other activities. Over the same period, expenditure on transfers to the Secret Services account increased by R732.6 million mainly because of the expansion of the agency's operations.

Over the medium term, expenditure on transfers to the Financial Intelligence Centre is expected to decrease by R10.8 million mainly because of the completion of the ICT enhancements, while transfers to the Secret Services account are projected to increase due to allocations for the modernisation of systems and improved conditions of service, for which an additional R103.9 million is allocated over the medium term.

To give effect to the Cabinet approved budget reductions of R256.3 million over the medium term, the department has implemented cost saving measures to reduce the transfer payment to the Secret Services account.

## Public entities and other agencies

### Development Bank of Southern Africa

#### Mandate and goals

The Development Bank of Southern Africa was reconstituted in terms of the Development Bank of Southern Africa Act (1997) as a development finance institution. Its primary purpose is to promote economic development and growth, human resources development and institutional capacity building by mobilising financial and other resources from the national and international private and public sectors for sustainable development projects and programmes in South Africa and regions in the rest of Southern Africa.

The bank aims to become a preferred source of innovative, integrated and workable infrastructure solutions, offering a one-stop solution through its multiple roles as financier, adviser, partner, integrator and implementer. This strategy therefore spans both financing and non-financing developmental activities. The strategy also supports the government outcome of an efficient, effective and development oriented public service and an empowered and fair, inclusive citizenship (outcome 12).

The bank is reorganising itself as a centre of excellence for infrastructure development, complementing its ongoing work in local government with new initiatives and partnerships with various national departments, to accelerate and deepen delivery in the key priority sectors of energy, transport and logistics, water, ICT, health and education.

The bank's strategic goals over the medium term are to:

- appraise, plan and monitor the implementation of development projects and programmes



- facilitate the participation of the private sector and community organisations in development projects and programmes
- provide technical assistance, particularly in respect of human resources development and training with regard to the identification, preparation, evaluation, financing, implementation and management of development projects and programmes
- fund or mobilise wholesale funding, as determined in regulations, for initiatives to minimise or mitigate any adverse effect of development projects or programmes on the environment
- assist other international, national, regional and provincial initiatives to achieve an integrated finance system for development
- assist other institutions in the national or international, public and private sectors with the management of specific funds.

## Selected performance indicators

**Table 10.23 Development Bank of Southern Africa**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of disbursements (loans and equity) to infrastructure related projects per year <sup>1</sup>	Infrastructure development funding	R8.3bn	R8.3bn	R8.1bn	R6.9bn	R11bn	R13.2bn	R15bn
Value of sustainable earnings per year	Development finance	R823m	R853m	R677m	R788m	R327m	R598m	R761mn
Co-funding ratio (other funding as proportion of bank disbursements) <sup>1</sup>	Infrastructure development funding	1:1.3	1:1.3	1:1.3	1:1.3	1:1.3	1:1.3	1:1.3
Cost to income ratio	Infrastructure development funding	40.5%	41.2%	39.9%	44.2%	52.4%	45.0%	41.9%
Value of municipality infrastructure grant and other infrastructure expenditure grants implemented in projects per year	Other	R5bn	R5bn	R6bn	R6bn	R6bn	R6bn	R6bn
Number of technical projects completed per year	Siyenza Manje	840	840	770	847	932	932	932

1. Excluding disbursements outside South Africa.

## Programmes/activities/objectives

**Table 10.24 Development Bank of Southern Africa**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
Development finance	3 243.4	3 453.3	4 520.2	5 503.4	19.3%	93.4%	4 006.0	4 584.6	5 186.9	-2.0%	97.2%
Non-financing development activities	340.9	257.0	263.0	258.6	-8.8%	6.6%	79.6	108.1	135.8	-19.3%	2.8%
<b>Total expense</b>	<b>3 584.3</b>	<b>3 710.3</b>	<b>4 783.2</b>	<b>5 762.0</b>	<b>17.1%</b>	<b>100.0%</b>	<b>4 085.6</b>	<b>4 692.7</b>	<b>5 322.7</b>	<b>-2.6%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 10.25 Development Bank of Southern Africa**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>4 118.6</b>	<b>3 739.7</b>	<b>4 412.3</b>	<b>4 143.1</b>	<b>0.2%</b>	<b>100.0%</b>	<b>4 605.0</b>	<b>5 335.8</b>	<b>6 171.0</b>	<b>14.2%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	88.6	68.5	41.2	154.0	20.2%	2.2%	154.0	154.0	185.0	6.3%	3.2%
of which:											
Sales by market establishment	88.6	68.5	41.2	154.0	20.2%	2.2%	154.0	154.0	185.0	6.3%	3.2%
Other non-tax revenue	4 030.0	3 671.3	4 371.1	3 989.1	-0.3%	97.8%	4 450.9	5 181.8	5 985.9	14.5%	96.8%
<b>Total revenue</b>	<b>4 118.6</b>	<b>3 739.7</b>	<b>4 412.3</b>	<b>4 143.1</b>	<b>0.2%</b>	<b>100.0%</b>	<b>4 605.0</b>	<b>5 335.8</b>	<b>6 171.0</b>	<b>14.2%</b>	<b>100.0%</b>

Table 10.25 Development Bank of Southern Africa (continued)

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)		
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16	2012/13 - 2015/16
	R million												
<b>Expenses</b>													
<b>Current expenses</b>	3 175.9	3 352.1	4 358.3	5 503.4	20.1%	91.4%	4 006.0	4 584.6	5 186.9	-2.0%	97.2%		
Compensation of employees	483.6	530.0	480.3	577.2	6.1%	12.0%	564.3	589.7	616.3	2.2%	12.0%		
Goods and services	704.0	861.0	1 572.8	2 430.0	51.1%	29.5%	688.3	761.2	836.6	-29.9%	22.7%		
Depreciation	17.0	15.5	19.6	19.6	5.0%	0.4%	19.6	19.6	19.6	-	0.4%		
Interest, dividends and rent on land	1 971.3	1 945.5	2 285.6	2 476.6	7.9%	49.5%	2 733.7	3 214.1	3 714.3	14.5%	62.0%		
<b>Transfers and subsidies</b>	408.4	358.2	424.9	258.6	-14.1%	8.6%	79.6	108.1	135.8	-19.3%	2.8%		
<b>Total expenses</b>	3 584.3	3 710.3	4 783.2	5 762.0	17.1%	100.0%	4 085.6	4 692.7	5 322.7	-2.6%	100.0%		
<b>Surplus/(Deficit)</b>	534.0	29.0	(371.0)	(1 619.0)	-244.7%		519.0	643.0	848.0	-180.6%			
<b>Statement of financial position</b>													
Carrying value of assets	471.2	546.6	567.7	567.7	6.4%	1.1%	567.7	567.7	567.7	-	0.8%		
<i>of which:</i>													
<i>Acquisition of assets</i>	91.6	51.5	31.9	19.6	-40.1%	0.1%	19.6	19.6	19.6	-	0.0%		
Investments	8 770.4	7 717.8	8 932.4	8 196.9	-2.2%	16.9%	9 155.8	9 455.8	9 755.8	6.0%	12.6%		
Loans	32 968.5	37 845.1	40 418.3	43 100.3	9.3%	76.9%	52 538.2	63 937.9	75 595.3	20.6%	79.1%		
Receivables and prepayments	139.0	108.0	305.7	315.9	31.5%	0.4%	314.9	313.9	313.1	-0.3%	0.4%		
Cash and cash equivalents	2 706.8	1 179.6	2 113.2	3 665.8	10.6%	4.8%	5 413.9	5 542.0	6 050.6	18.2%	7.0%		
<b>Total assets</b>	45 056.0	47 397.1	52 337.2	55 846.6	7.4%	100.0%	67 990.5	79 817.4	92 282.5	18.2%	100.0%		
Accumulated surplus/(deficit)	-	12 480.3	11 967.2	10 348.3	-	16.9%	10 867.8	11 510.8	12 359.1	6.1%	15.6%		
Capital and reserves	17 802.3	5 371.0	5 560.3	5 360.3	-33.0%	17.8%	5 360.3	5 360.3	5 360.3	-	7.5%		
Capital reserve fund	-	-	-	2 577.7	-	1.2%	7 752.2	11 127.9	14 610.1	78.3%	11.4%		
Borrowings	26 326.6	28 588.4	33 611.8	36 565.3	11.6%	62.1%	43 015.2	50 823.3	58 958.0	17.3%	64.1%		
Trade and other payables	693.1	690.2	837.8	995.0	12.8%	1.6%	995.0	995.0	995.0	-0.0%	1.4%		
Provisions	233.9	262.8	354.9	-	-100.0%	0.4%	-	-	-	-	-		
Derivatives financial instruments	-	4.5	5.2	-	-	0.0%	-	-	-	-	-		
<b>Total equity and liabilities</b>	45 056.0	47 397.1	52 337.2	55 846.6	7.4%	100.0%	67 990.5	79 817.4	92 282.5	18.2%	100.0%		

## Personnel information

Table 10.26 Development Bank of Southern Africa

Salary level	Number of funded posts	Post status estimated for 31 March 2013	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		2014/15		2015/16						
				Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost			Number	Cost	
	839	-	-	785	480.3	0.6	839	577.2	0.7	839	564.3	0.7	839	589.7	0.7	839	616.3	0.7	-	100.0%
1-6	56	-	-	16	1.6	0.1	56	3.3	0.1	56	3.3	0.1	56	3.4	0.1	56	3.6	0.1	-	6.7%
7-10	169	-	-	198	45.8	0.2	169	44.3	0.3	169	43.3	0.3	169	45.2	0.3	169	47.3	0.3	-	20.1%
11-12	170	-	-	161	71.8	0.4	170	81.0	0.5	170	79.2	0.5	170	82.8	0.5	170	86.5	0.5	-	20.3%
13-16	431	-	-	404	348.9	0.9	431	421.0	1.0	431	411.5	1.0	431	430.1	1.0	431	449.4	1.0	-	51.4%
17-22	13	-	-	6	12.2	2.0	13	27.6	2.1	13	27.0	2.1	13	28.2	2.2	13	29.5	2.3	-	1.5%

1. Rand million.

## Expenditure trends

The Development Bank of Southern Africa generates 97.4 per cent of its total revenue from other non-tax revenue, mainly from interest income from loans and borrowing. Interest income is largely derived from the development loan book. Over the medium term, revenue is expected to increase by a large margin mainly because of increased interest payments on the development loan book, as well as increased payments on disbursement goals.

It is anticipated that approximately 97 per cent of the bank's expenditure over the medium term will be on supporting its development finance objective, with the main performance indicator being the growth in development assets. The spending focus over the medium term will therefore be on expanding and enabling the delivery of basic and social services; providing and building human and institutional capacity; and promoting broad based economic growth, efficiency, fixed capital formation and regional integration. The medium term focus will also be on the bank's recapitalisation initiatives.

Expenditure increased significantly between 2009/10 and 2012/13, mainly because of the appointment of professional employees and advisory services to work on the government's infrastructure development objective, and the higher number of personnel in the risk management function to sustain growth in the loan book. The largest increase in spending in this period was on goods and services, mainly due to impairments on loan and equity investments. The revaluation of equity investments and impairments of loans included in the goods and services expense category had a significant effect on the spending trend of this expense category. A general impairment provision based on funding activities is included in the forecast for 2013/14 to 2015/16, resulting in a slight decrease in expenditure. The decrease relates to the impairment of loans and financial markets asset revaluations between 2012/13 and 2013/14.

Over the medium term, the bank will be recapitalised with R2.4 billion in 2013/14, R2.5 billion in 2014/15 and R3 billion in 2015/16. The recapitalisation is in support of its refocused mandate on its core infrastructure funding by increasing municipal lending, state owned company infrastructure plans, regional lending and private public partnerships. The rebuilding of the bank's capital base will allow it to increase its assets to R91 billion by 2017 and allow loan disbursements from R8 billion to R21 billion per year.

The budget in 2011/12 enabled the bank to record approvals of R27.5 billion and R8.4 billion in commitments and R8.1 billion in disbursements. In the first three quarters of 2012/13, the bank recorded development finance approvals of R13.3 billion, commitments of R10.8 billion and disbursements of R6.6 billion.

Cost saving measures applied within the bank include: a reduction in the number of cell phones in use throughout the organisation, the introduction of a call monitoring system and monthly call limits, and a shared minute bank to improve the effectiveness of call and data usage. Other cost saving measures being explored include reducing entertainment budgets for events hosted, a focus on hosting more events internally to reduce venue costs, and running campaigns on reducing the carbon footprint with the aim of cutting back on printing and energy costs.

As at 30 September 2012, the bank had 839 funded posts in its establishment, all of which were filled. The number of filled posts is expected to remain constant over the medium term. Spending on consultants increased from R21.3 million in 2009/10 to R55.4 million in 2012/13, and is expected to decrease to R53 million in 2015/16. Consultants are mainly used for the organisational review. Due to the ad-hoc nature of an organisational review and to increase the credibility of the process, the board decided to make use of an external service provider to consult on the process and to assist management with the implementation of the revised strategy.

## **Government Pensions Administration Agency**

### **Mandate and goals**

The Government Pensions Administration Agency provides pensions administration services to the Government Employees Pension Fund in terms of the Government Employees Pension Act (1996), the Temporary Employees Pension Fund Act (1979), the Associated Institutions Pension Fund Act (1963), the post-retirement medical subsidies as provided for and regulated by Public Service Coordinating Bargaining Council resolutions, military pensions in terms of the Military Pensions Act (1976), injury on duty payments in terms of the Compensation for Occupational Injuries and Diseases Act (1993), and special pensions in terms of the Special Pensions Act (1996). The agency is mandated to ensure that benefits are paid on time, maintain accurate information on paid and payable pension benefits, communicate with members and build relationships with employer government departments.

The agency's overarching goal is to achieve greater client satisfaction through improved service delivery, and through service level agreements that have been drawn up to monitor service delivery targets for administering the processing and paying of benefits, including the improvement of turnaround times.

The agency's strategic goals over the medium term are to:

- ensure customer satisfaction through the timeous and accurate payment of benefits to members
- honour the service level agreements of National Treasury and the Government Employees Pension Fund
- respond to customer needs and reduce backlogs
- build relationships with employer departments and facilitate the submission of accurate member information at the time of retirement, resignation, death or the transfer of pensions
- ensure stakeholder satisfaction through an efficient corporate governance and financial management framework
- build operational capacity through enabling technologies
- ensure employee satisfaction by developing employees' core skills, enabling culture change and creating a conducive working environment
- transform the agency's operational effectiveness and efficiency by modernising processes and systems
- develop human capital through skills development and wellness programmes.

## Selected performance indicators

**Table 10.27 Government Pensions Administration Agency**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of members receiving special pensions per year	Civil and military pensions	6 486	6 764	7 200	7 650	7 800	7 850	8 000
Number of beneficiaries receiving post-retirement medical benefits per year	Civil and military pensions	71 117	73 459	74 928	77 338	78 955	80 000	81 500
Value of contribution to medical aid scheme paid on behalf of members per year	Civil and military pensions	R1.4bn	R1.7bn	R1.8bn	R1.9bn	R1.6bn	R1.8bn	R1.9bn
Number of beneficiaries paid due to withdrawal from fund per year	Civil and military pensions	67 500	54 830	56 000	60 000	60 000	60 000	60 000
Value of military pension benefits paid to beneficiaries per year	Civil and military pensions	R173.6m	R182m	R187.8m	R200.1m	R310.7m	R327.8m	R346.8m
Number of beneficiaries paid for funeral benefits per year	Employee benefits	20 000	17 000	17 500	18 000	18 000	18 000	18 000
Value of benefits paid due to withdrawal from fund per year	Employee benefits	R25.8m	R 25.9m	R26m	R29.5m	R33.4m	R 35.1m	R36.3m

## Programmes/activities/objectives

**Table 10.28 Government Pensions Administration Agency**

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
R million											
Civil and military pensions	30.1	39.0	39.3	43.9	13.4%	7.9%	55.0	59.3	54.6	7.6%	7.1%
Employee benefits	42.3	54.3	60.3	76.0	21.6%	11.9%	87.3	89.5	93.6	7.2%	11.7%
Customer relationship management	90.4	109.0	108.1	130.9	13.1%	22.7%	153.5	159.7	166.8	8.4%	20.5%
Auxiliary divisions	222.3	228.1	271.6	354.5	16.8%	55.1%	388.8	406.9	423.3	6.1%	53.0%
Modernisation	–	2.1	6.8	52.3	–	2.5%	56.4	59.0	61.7	5.7%	7.7%
<b>Total expense</b>	<b>385.0</b>	<b>432.5</b>	<b>486.0</b>	<b>657.5</b>	<b>19.5%</b>	<b>100.0%</b>	<b>741.1</b>	<b>774.4</b>	<b>800.1</b>	<b>6.8%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 10.29 Government Pensions Administration Agency**

Statement of financial performance		Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
		2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million												
<b>Revenue</b>												
<b>Non-tax revenue</b>		<b>385.0</b>	<b>463.9</b>	<b>481.6</b>	<b>657.5</b>	19.5%	100.0%	<b>741.1</b>	<b>774.4</b>	<b>800.1</b>	6.8%	100.0%
Sale of goods and services other than capital assets		384.9	429.7	481.3	657.5	19.5%	98.1%	741.1	774.4	800.1	6.8%	100.0%
of which:												
Administrative fees		384.9	429.7	481.3	657.5	19.5%	98.1%	741.1	774.4	800.1	6.8%	100.0%
Other non-tax revenue		0.1	34.2	0.3	-	-100.0%	1.9%	-	-	-	-	-
<b>Total revenue</b>		<b>385.0</b>	<b>463.9</b>	<b>481.6</b>	<b>657.5</b>	<b>19.5%</b>	<b>100.0%</b>	<b>741.1</b>	<b>774.4</b>	<b>800.1</b>	<b>6.8%</b>	<b>100.0%</b>
<b>Expenses</b>												
<b>Current expenses</b>		<b>385.0</b>	<b>432.5</b>	<b>486.0</b>	<b>657.5</b>	<b>19.5%</b>	<b>100.0%</b>	<b>741.1</b>	<b>774.4</b>	<b>800.1</b>	<b>6.8%</b>	<b>100.0%</b>
Compensation of employees		195.2	241.4	272.3	334.6	19.7%	53.4%	399.2	420.3	439.0	9.5%	53.5%
Goods and services		179.7	178.1	200.3	274.2	15.1%	42.7%	310.5	324.2	329.7	6.3%	41.7%
Depreciation		10.2	13.1	13.3	48.7	68.7%	4.0%	31.5	29.9	31.3	-13.7%	4.9%
<b>Total expenses</b>		<b>385.0</b>	<b>432.5</b>	<b>486.0</b>	<b>657.5</b>	<b>19.5%</b>	<b>100.0%</b>	<b>741.1</b>	<b>774.4</b>	<b>800.1</b>	<b>6.8%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>		<b>-</b>	<b>31.0</b>	<b>(4.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>												
Carrying value of assets		31.4	37.0	33.1	43.0	11.0%	64.6%	46.0	44.0	46.5	2.7%	55.4%
of which:												
Acquisition of assets		27.2	50.1	9.4	48.7	21.4%	61.1%	31.5	29.9	31.3	-13.7%	44.6%
Inventory		1.1	0.6	0.5	0.8	-9.2%	1.6%	0.5	1.2	1.4	18.1%	1.2%
Receivables and prepayments		-	25.4	16.0	26.0	-	24.4%	16.5	15.3	15.8	-15.3%	23.2%
Cash and cash equivalents		-	0.6	28.8	-	-	9.4%	23.2	22.5	23.3	-	20.2%
<b>Total assets</b>		<b>32.5</b>	<b>63.6</b>	<b>78.4</b>	<b>69.8</b>	<b>29.0%</b>	<b>100.0%</b>	<b>86.2</b>	<b>83.0</b>	<b>87.0</b>	<b>7.6%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		-	31.3	27.0	31.3	-	32.1%	27.0	27.0	27.0	-4.9%	34.9%
Capital and reserves		32.5	-	-	1.7	-62.6%	25.6%	-	-	-	-100.0%	0.6%
Trade and other payables		-	15.6	31.3	18.8	-	22.8%	32.5	31.0	33.0	20.7%	35.0%
Provisions		-	16.7	20.1	18.0	-	19.4%	26.7	25.0	27.0	14.4%	29.5%
<b>Total equity and liabilities</b>		<b>32.5</b>	<b>63.6</b>	<b>78.4</b>	<b>69.8</b>	<b>29.0%</b>	<b>100.0%</b>	<b>86.2</b>	<b>83.0</b>	<b>87.0</b>	<b>7.6%</b>	<b>100.0%</b>

## Personnel information

**Table 10.30 Government Pensions Administration Agency**

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number			
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
				2011/12		2012/13	2013/14		2014/15		2015/16								
				Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	2012/13 - 2015/16
	1 026	-	833	272.3	0.3	1 026	334.6	0.3	1 026	399.2	0.4	1 026	420.3	0.4	1 026	439.0	0.4	-	100.0%
1-6	149	-	93	50.3	0.5	149	58.2	0.4	149	69.3	0.5	149	75.2	0.5	149	78.9	0.5	-	14.5%
7-10	762	-	670	177.8	0.3	762	202.7	0.3	762	252.4	0.3	762	263.8	0.3	762	274.8	0.4	-	74.3%
11-12	71	-	52	28.4	0.5	71	39.4	0.6	71	41.4	0.6	71	43.5	0.6	71	45.6	0.6	-	6.9%
13-16	44	-	18	15.7	0.9	44	34.3	0.8	44	36.0	0.8	44	37.8	0.9	44	39.7	0.9	-	4.3%

1. Rand million.

## Expenditure trends

The Government Pensions Administration Agency receives the bulk of its revenue from the Government Employees Pension Fund and the balance from the National Treasury in administration fees. Revenue increased

between 2009/10 and 2012/13, mainly because of increases in administration fees as approved by the pension fund's board of trustees. Over the medium term, revenue is expected to increase because of increases in administration fees, which is attributable to the increase in contributors.

The spending focus over the medium term will continue to be on the modernisation project, which began in 2009/10 and is expected to be finalised in 2015/16. The project's purpose is to improve service delivery.

Expenditure increased between 2009/10 and 2012/13 mainly because of activities relating to the modernisation project, which involved increases in personnel, computer support services and consultants. Over the medium term, expenditure is expected to continue to increase due to annual salary adjustments, the addition of 23 posts to the tracing department in finance and 44 additional client service agents for mobile and satellite offices that will be fully operational in 2013/14, and the cost of running these mobile and satellite offices. The budget allocations will enable the agency to administer services to members receiving special pensions and post-retirement medical benefits, and manage the relationships with all stakeholders by providing high quality and responsive client services.

The agency realised savings of R103 million from the reprioritisation of the following activities: the upgrading of the agency's head office building and parking area; and the buying of new furniture and computers, which was delayed. These activities were reprioritised as part of the modernisation programme.

The agency has a funded establishment of 1 026 posts, with no vacancies as at 30 September 2012. Personnel numbers are expected to remain at this level over the medium term. Spending on consultants increased from R23 million in 2009/10 to R62.9 million in 2012/13, and is expected to increase to R72.3 million by 2015/16. Consultants are mainly used for the modernisation project and specialised skills requirements, such as actuarial work.

## Land and Agricultural Development Bank of South Africa

### Mandate and goals

The mandate of the Land and Agricultural Development Bank of South Africa, as a development finance institution, is to address agricultural and rural development in South Africa. The bank operates in the agricultural and agribusiness sectors and is regulated by the Land and Agricultural Development Bank Act (2002) and the Public Finance Management Act (1999). The bank is resuming the development component of its mandate, with a particular focus on addressing the plight of developing farmers.

The bank's strategic goals over the medium term are to:

- continue to increase its development focus by building more support structures for emerging farmers and strengthening the agriculture value chain
- increase the amount of development lending in its loan book by R5 billion
- create 360 000 new jobs and an average of 250 000 jobs maintained annually through its lending activities
- contribute to the equitable ownership of agricultural land, in particular the increase of ownership of agricultural land by historically disadvantaged individuals
- promote agrarian reform, land redistribution and development programmes aimed at historically disadvantaged people.

### Selected performance indicators

Table 10.31 Land and Agricultural Development Bank of South Africa

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Cost efficiency	Financing of development farmers and agricultural related businesses	59%	82%	81%	72%	79%	74%	71%
Capital adequacy ratio <sup>1</sup>	Financing of development farmers and agricultural related businesses	42%	42.6%	43%	26%	22%	20%	20%
Gross interest margin	Financing of development farmers and agricultural related businesses	60%	43%	42%	41%	39%	35%	35%

1. Ratio of a bank's capital to its risk

## Programmes/activities/objectives

Table 10.32 Land and Agricultural Development Bank of South Africa

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Financing of development farmers and agricultural related businesses	1 766.6	1 399.8	1 503.1	1 760.5	-0.1%	100.0%	1 994.7	2 318.9	2 673.3	14.9%	100.0%
<b>Total expense</b>	<b>1 766.6</b>	<b>1 399.8</b>	<b>1 503.1</b>	<b>1 760.5</b>	<b>-0.1%</b>	<b>100.0%</b>	<b>1 994.7</b>	<b>2 318.9</b>	<b>2 673.3</b>	<b>14.9%</b>	<b>100.0%</b>

## Expenditure estimates

Table 10.33 Land and Agricultural Development Bank of South Africa

Statement of financial performance											
R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>2 145.7</b>	<b>1 664.8</b>	<b>1 664.5</b>	<b>2 022.3</b>	<b>-2.0%</b>	<b>100.0%</b>	<b>2 247.5</b>	<b>2 587.4</b>	<b>2 966.5</b>	<b>13.6%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	81.4	89.6	53.9	26.5	-31.2%	3.4%	37.3	41.2	44.2	18.6%	1.5%
<i>of which:</i>											
Administrative fees	61.9	33.8	22.0	15.2	-37.4%	1.7%	26.6	29.2	32.1	28.5%	1.0%
Sales by market establishment	19.5	55.7	31.9	11.3	-16.6%	1.7%	10.8	12.0	12.0	2.0%	0.5%
Other non-tax revenue	2 064.4	1 575.3	1 610.6	1 995.8	-1.1%	96.6%	2 210.2	2 546.2	2 922.4	13.6%	98.5%
<b>Total revenue</b>	<b>2 145.7</b>	<b>1 664.8</b>	<b>1 664.5</b>	<b>2 022.3</b>	<b>-2.0%</b>	<b>100.0%</b>	<b>2 247.5</b>	<b>2 587.4</b>	<b>2 966.5</b>	<b>13.6%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>1 743.5</b>	<b>1 373.0</b>	<b>1 479.5</b>	<b>1 735.0</b>	<b>-0.2%</b>	<b>98.4%</b>	<b>1 967.2</b>	<b>2 290.2</b>	<b>2 648.9</b>	<b>15.1%</b>	<b>98.8%</b>
Compensation of employees	263.8	307.4	344.1	352.2	10.1%	19.9%	393.7	414.8	411.8	5.4%	18.3%
Goods and services	399.4	260.6	289.0	194.8	-21.3%	17.9%	205.9	214.7	162.0	-6.0%	9.2%
Depreciation	10.0	11.2	23.7	25.5	36.6%	1.1%	25.3	26.4	32.1	8.0%	1.3%
Interest, dividends and rent on land	1 070.2	793.9	822.8	1 162.6	2.8%	59.5%	1 342.3	1 634.3	2 043.0	20.7%	70.1%
<b>Total expenses</b>	<b>1 766.6</b>	<b>1 399.6</b>	<b>1 503.1</b>	<b>1 760.5</b>	<b>-0.1%</b>	<b>100.0%</b>	<b>1 994.7</b>	<b>2 318.9</b>	<b>2 673.3</b>	<b>14.9%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>379.0</b>	<b>265.0</b>	<b>161.0</b>	<b>262.0</b>	<b>-11.6%</b>		<b>253.0</b>	<b>269.0</b>	<b>293.0</b>	<b>3.8%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	231.7	214.3	237.5	154.7	-12.6%	1.0%	144.6	135.0	143.4	-2.5%	0.4%
<i>of which:</i>											
Acquisition of assets	20.5	29.5	13.3	31.6	15.5%	0.1%	13.7	13.7	18.8	-15.9%	0.1%
Investments	1 073.9	1 199.3	1 140.7	1 292.0	6.4%	5.6%	332.1	351.1	371.1	-34.0%	1.9%
Inventory	184.7	207.3	159.7	319.6	20.0%	1.0%	181.4	191.7	202.7	-14.1%	0.7%
Loans	66.4	102.5	83.1	-	-100.0%	0.3%	-	-	-	-	-
Receivables and prepayments	12 434.6	14 481.1	21 855.7	24 313.7	25.0%	81.7%	28 355.4	32 494.1	37 296.7	15.3%	90.0%
Cash and cash equivalents	1 934.8	2 087.5	1 941.4	2 584.3	10.1%	10.0%	2 000.0	2 000.0	2 000.0	-8.2%	6.5%
Non-current assets held for sale	-	-	-	162.4	-	0.1%	136.1	121.0	3.3	-72.6%	0.3%
Derivatives financial instruments	29.9	6.9	-	155.2	73.1%	0.2%	-	-	-	-100.0%	0.1%
<b>Total assets</b>	<b>15 956.0</b>	<b>18 298.9</b>	<b>25 418.1</b>	<b>28 981.9</b>	<b>22.0%</b>	<b>100.0%</b>	<b>31 149.7</b>	<b>35 293.0</b>	<b>40 017.2</b>	<b>11.4%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	3 586.0	4 612.0	5 518.6	6 310.6	20.7%	22.8%	6 156.0	6 420.2	6 700.3	2.0%	19.1%
Capital and reserves	121.7	107.5	112.2	112.2	-2.7%	0.5%	112.2	112.2	112.2	-0.0%	0.3%
Borrowings	10 798.9	12 058.1	18 014.7	20 922.8	24.7%	69.2%	24 000.9	27 902.2	32 297.4	15.6%	77.3%
Trade and other payables	821.3	890.6	1 086.6	680.5	-6.1%	4.2%	185.8	196.4	207.6	-32.7%	1.0%
Provisions	606.4	609.0	676.6	710.5	5.4%	3.1%	685.8	652.4	689.6	-1.0%	2.1%
Derivatives financial instruments	21.6	21.7	15.4	245.2	124.6%	0.3%	9.0	9.5	10.0	-65.6%	0.2%
<b>Total equity and liabilities</b>	<b>15 956.0</b>	<b>18 298.9</b>	<b>25 424.2</b>	<b>28 981.9</b>	<b>22.0%</b>	<b>100.0%</b>	<b>31 149.7</b>	<b>35 293.0</b>	<b>40 017.2</b>	<b>11.4%</b>	<b>100.0%</b>

Table 10.34 Land and Agricultural Development Bank of South Africa

Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number				
Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/ total: Average (%)			
		2011/12			2012/13			2013/14			2014/15			2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Salary level	631	48	592	344.1	0.6	583	352.2	0.6	594	393.7	0.7	594	414.8	0.7	594	411.8	0.7	0.6%	100.0%		
1 – 6	53	–	75	107.0	1.4	73	120.7	1.7	73	107.2	1.5	73	120.6	1.7	73	129.6	1.8	–	12.3%		
7 – 10	469	41	419	159.8	0.4	408	147.2	0.4	419	196.4	0.5	419	197.7	0.5	419	179.0	0.4	0.9%	70.4%		
11 – 12	80	4	72	46.7	0.6	76	52.0	0.7	76	55.6	0.7	76	59.5	0.8	76	63.7	0.8	–	12.9%		
13 – 16	28	3	25	27.7	1.1	25	29.4	1.2	25	31.5	1.3	25	33.7	1.3	25	36.0	1.4	–	4.2%		
17 – 22	1	–	1	2.8	2.8	1	2.8	2.8	1	3.0	3.0	1	3.3	3.3	1	3.5	3.5	–	0.2%		

1. Rand million.

## Expenditure trends

The Land and Agricultural Development Bank of South Africa has generated 96.6 per cent of its revenue from interest on loans and the provision of supporting services. Various financial instruments are issued in order to meet the demands of its growing loan book and market share. Total revenue declined between 2009/10 and 2012/13 due to the reclassification of suspended income and a drop in the lending rate. Over the medium term, revenue is expected to increase due to the African Development Bank's approval of a R1 billion long term loan for the bank to fund existing business as well as development projects.

The spending focus over the medium term will be on: financing emerging farmers; growing the investment portfolio and delivering better performance from investments; promoting equitable ownership of agricultural land, in particular the increase of ownership of agricultural land by historically disadvantaged persons; and agrarian reform through the use of land redistribution and development programmes aimed at historically disadvantaged individuals.

Between 2009/10 and 2012/13, expenditure in compensation of employees increased due to growth in the number of professional employees hired to improve service delivery. Expenditure on goods and services decreased in this period due to a decrease in the payment of interest related to the funding instruments used to fund the loan book. The drop in interest payable between 2009/10 and 2011/12 was attributable to the decline in the prime lending rate, and an increase in the loan book of just more than R2 billion in the same period. Interest expenses increased to R822.8 million in 2011/12 because of significant growth in the loan book that saw funding liabilities increase by R6 billion. Over the medium term, interest expenses are expected to increase as the bank continues to expand its operations.

The budget allocation between 2009/10 and 2012/13 enabled the bank to ensure that its performing loan book increased by 54.4 per cent in 2011/12 and the non-performing loans decreased from R3.2 billion in 2009/10 to R1.4 billion in 2012/13. The wholesale finance facility had approved funding applications valued at R235 million additional to the R100 million already disbursed, thereby benefiting more than 800 farmers.

With the implementation of the Fit for the Future project over the medium term, the bank seeks to address operational efficiencies through restructuring. This is aimed at reducing any of its projects overlapping in their focus. In the same period, the bank will also save on travelling and accommodation costs through planned grouping, where clients will be encouraged to visit the head office or branches as opposed to bank officials going out on visits to clients, as was done in the past.

The bank uses consultants for complex loan transactions that require extensive validation regarding their financial feasibility and economic soundness, resolving legal matters, and to develop and modify ICT systems. Spending on consultants decreased from R58.5 million in 2009/10 to R30.6 million in 2012/13 due to the building of internal capacity to address day-to-day operational matters that had previously been handled by consultants because of capacity constraints. Over the medium term, consulting costs are expected to decline as the bank wraps up its work in the Fit for the Future project.



The bank has a funded establishment of 631 posts, of which 48 were vacant as at 30 September 2012, mainly as a result of natural attrition. The number of filled posts is expected to increase to 594 in 2013/14 as vacancies are filled to strengthen the level of skills and expertise among its existing staff.

## Public Investment Corporation

### Mandate and goals

The Public Investment Corporation manages assets for the Government Employees Pension Fund, and is one of the largest investment managers in Africa. The corporation is mandated to invest funds on behalf of its clients, based on the investment mandates set by each and approved by the Financial Services Board. The corporation's clients are public sector entities, most of which are pension, provident, social security, development and guardian funds. The corporation is a registered financial services provider.

The corporation's strategic goals over the medium term are to:

- grow the property assets under its management
- outperform integrated development plan benchmarks
- streamline its property management business
- incorporate environmental social responsibility and governance into the property investment process
- enhance its management capabilities.

### Selected performance indicators

Table 10.35 Public Investment Corporation

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of revenue per year	Incurring on investing funds on behalf of clients	R345m	R395m	R446m	R558m	R806m	R895m	R967m
Value of operating expenses per year	Incurring on investing funds on behalf of clients	R275m	R285m	R352m	R423m	R638m	R783m	R862m
Value of net profit after tax per year	Incurring on investing funds on behalf of clients	R 72m	R110m	R94m	R96m	R121m	R81m	R76m
Total amount of funds under management	Incurring on investing funds on behalf of clients	R910.9bn	R1 032bn	R1 132bn	R1 166bn	R1 280bn	R1 393bn	R1 477bn
Number of clients per year	Incurring on investing funds on behalf of clients	38	38	40	43	45	48	51

### Programmes/activities/objectives

Table 10.36 Public Investment Corporation

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Incurring on investing funds on behalf of clients	275.3	285.4	351.8	462.6	18.9%	100.0%	685.0	814.5	891.3	24.4%	100.0%
<b>Total expense</b>	<b>275.3</b>	<b>285.4</b>	<b>351.8</b>	<b>462.6</b>	<b>18.9%</b>	<b>100.0%</b>	<b>685.0</b>	<b>814.5</b>	<b>891.3</b>	<b>24.4%</b>	<b>100.0%</b>

### Expenditure estimates

Table 10.37 Public Investment Corporation

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>347.0</b>	<b>395.7</b>	<b>446.0</b>	<b>566.1</b>	<b>17.7%</b>	<b>100.0%</b>	<b>805.6</b>	<b>895.5</b>	<b>967.4</b>	<b>19.6%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	310.2	346.6	409.0	531.7	19.7%	90.7%	767.8	856.7	931.9	20.6%	95.3%
<i>of which:</i>											
<i>Sales by market establishment</i>	310.2	346.6	409.0	531.7	19.7%	90.7%	767.8	856.7	931.9	20.6%	95.3%
<i>Other non-tax revenue</i>	36.8	49.0	37.0	34.4	-2.2%	9.3%	37.8	38.7	35.5	1.0%	4.7%
<b>Total revenue</b>	<b>347.0</b>	<b>395.7</b>	<b>446.0</b>	<b>566.1</b>	<b>17.7%</b>	<b>100.0%</b>	<b>805.6</b>	<b>895.5</b>	<b>967.4</b>	<b>19.6%</b>	<b>100.0%</b>

Table 10.37 Public Investment Corporation (continued)

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
	R million										
<b>Expenses</b>											
<b>Current expenses</b>	<b>229.5</b>	<b>248.0</b>	<b>311.5</b>	<b>423.4</b>	<b>22.6%</b>	<b>87.6%</b>	<b>638.2</b>	<b>783.0</b>	<b>861.8</b>	<b>26.7%</b>	<b>94.4%</b>
Compensation of employees	134.2	135.5	190.3	268.5	26.0%	52.1%	422.4	556.3	623.4	32.4%	64.5%
Goods and services	88.7	103.5	107.8	140.0	16.4%	32.3%	193.4	203.7	213.8	15.2%	26.9%
Depreciation	6.4	8.3	13.4	14.7	32.2%	3.0%	22.3	23.0	24.5	18.6%	3.0%
Interest, dividends and rent on land	0.2	0.7	0.0	0.3	0.8%	0.1%	–	–	–	-100.0%	0.0%
<b>Total expenses</b>	<b>275.3</b>	<b>285.4</b>	<b>351.8</b>	<b>462.6</b>	<b>18.9%</b>	<b>100.0%</b>	<b>685.0</b>	<b>814.5</b>	<b>891.3</b>	<b>24.4%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>72.0</b>	<b>110.0</b>	<b>94.0</b>	<b>103.0</b>	<b>12.7%</b>		<b>121.0</b>	<b>81.0</b>	<b>76.0</b>	<b>-9.6%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	31.4	30.3	28.0	80.9	37.1%	7.8%	93.6	130.0	301.0	55.0%	15.3%
<i>of which:</i>											
<i>Acquisition of assets</i>	20.9	9.3	14.0	34.9	18.8%	3.7%	67.8	59.4	195.5	77.5%	8.9%
Investments	260.5	26.3	19.2	17.7	-59.2%	17.5%	21.5	22.8	24.2	11.0%	2.3%
Receivables and prepayments	34.5	41.0	57.0	44.5	8.8%	8.8%	62.1	66.6	68.9	15.7%	6.5%
Cash and cash equivalents	107.2	191.4	294.8	224.2	27.9%	40.5%	429.5	476.7	377.7	19.0%	39.7%
Taxation	13.4	12.9	17.0	5.4	-26.3%	2.5%	9.7	14.2	9.6	21.4%	1.0%
Derivatives financial instruments	–	260.5	4.6	287.7	–	22.7%	315.3	334.2	354.3	7.2%	35.2%
<b>Total assets</b>	<b>447.0</b>	<b>562.3</b>	<b>420.5</b>	<b>660.2</b>	<b>13.9%</b>	<b>100.0%</b>	<b>931.7</b>	<b>1 044.6</b>	<b>1 135.7</b>	<b>19.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	136.0	235.3	329.5	323.3	33.4%	42.4%	546.0	626.9	702.9	29.6%	57.4%
Capital and reserves	278.0	278.0	278.0	278.0	–	48.6%	278.0	278.0	278.0	–	30.8%
Borrowings	1.6	–	–	–	-100.0%	0.1%	–	–	–	–	–
Finance lease	–	0.8	0.1	–	–	0.0%	–	–	–	–	–
Trade and other payables	22.2	17.5	27.3	12.7	-16.9%	3.5%	29.6	31.4	33.3	37.8%	2.8%
Provisions	9.2	30.7	46.9	46.2	71.3%	5.3%	78.1	108.3	121.5	38.0%	9.1%
<b>Total equity and liabilities</b>	<b>447.0</b>	<b>562.3</b>	<b>681.7</b>	<b>660.2</b>	<b>13.9%</b>	<b>100.0%</b>	<b>931.7</b>	<b>1 044.6</b>	<b>1 135.7</b>	<b>19.8%</b>	<b>100.0%</b>

## Personnel information

Table 10.38 Public Investment Corporation

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost
				Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost	Number	Cost	
		391	–	332	190.3	0.6	391	268.5	0.7	519	422.2	0.8	551	556.1	1.0	546	596.0	1.1	11.8%	100.0%
1 – 6		60	–	59	5.9	0.1	60	5.5	0.1	21	3.8	0.2	33	4.2	0.1	41	4.5	0.1	-11.9%	8.2%
7 – 10		144	–	130	33.9	0.3	144	33.5	0.2	136	37.5	0.3	134	38.5	0.3	107	36.6	0.3	-9.4%	26.7%
11 – 12		97	–	69	42.1	0.6	97	61.1	0.6	172	88.9	0.5	176	125.7	0.7	150	115.2	0.8	15.6%	29.3%
13 – 16		85	–	67	82.4	1.2	85	135.3	1.6	170	213.0	1.3	190	318.1	1.7	229	367.8	1.6	39.1%	32.7%
17 – 22		5	–	7	26.0	3.7	5	33.0	6.6	20	79.2	4.0	18	69.5	3.9	19	71.8	3.8	56.0%	3.0%

1. Rand million.

## Expenditure trends

Most of the revenue received by the Public Investment Corporation is generated from management fees for the management of clients' assets, including those of the Government Employees Pension Fund. Revenue increased between 2009/10 and 2012/13 mainly because of an increase in the market value of assets under management, as well as significant growth planned for the Isibaya portfolio. Over the medium term, revenue is expected to rise due to management fees increasing as the asset value continues to grow.

The spending focus over the medium term will be on ensuring that the restructuring of the Isibaya programme and the property business units is implemented properly, which includes investing in offshore markets.

Expenditure increased between 2009/10 and 2012/13 because of an increase in payroll costs due to an increase in the corporation's staff complement. This increase was due to an increase in property and assets under management, as well as the increase in Government Employees Pension Fund monies in offshore investments in Africa and overseas. The budget allocation in 2011/12 and 2012/13 enabled the corporation to increase assets under management to R1.17 trillion, an increase of 13 per cent over the two financial years.

Over the medium term, the increase in expenditure on goods and services is primarily due to increased expenditure on IT systems as a result of the growth in the number of corporation offices outside the borders of South Africa to be able to better manage its investments outside the country. Personnel numbers continue to increase significantly over the medium term due to the restructuring of the Isibaya programme and growth in the properties business units, including the acquisition of CBS Property Portfolio Limited. This can be seen in an increase in the allocation for compensation of employees in the period to 2015/16.

The corporation has set certain financial sustainability ratios. The aim of the ratios is to ensure that costs are contained within set limits, thereby ensuring that the corporation remains financially sustainable for the foreseeable future.

The corporation has a funded establishment of 391 posts, all of which were filled as at 30 September 2012. Personnel numbers are expected to increase to 546 over the medium term due to the restructuring of the Isibaya programme and the increase in the properties business units. Spending on consultants increased from R7.3 million in 2009/10 to R18.6 million in 2012/13, and is expected to increase to R23.6 million in 2015/16, mainly for IT systems. Consultants are mainly used for information management projects, legal advice, certain investment requirements and specialised audits, as these skills are not available within the corporation.

## **South African Revenue Service**

### **Mandate and goals**

The South African Revenue Service's mandate in terms of the South African Revenue Service Act (1997) is to collect all revenue due to the state; and to administer trade to support government in meeting its key growth developmental objectives by facilitating legitimate trade, protecting South African ports of entry and eliminating illegal trade and tax evasion. The organisation's purpose is also to contribute to the economic and social development of South Africa through collecting the resources needed by government to meet its policy and delivery priorities. The organisation is also responsible for ensuring maximum compliance with tax and customs legislation and providing a customs service that maximises revenue collection, and protects South Africa's borders and facilitates trade.

The organisation's goals over the medium term are to:

- increase customs compliance
- increase tax compliance
- deploy its officers to reach all current and potential taxpayers
- improve the ease and fairness with which it conducts its business
- improve the cost effectiveness and efficiency of its operations
- carry out outreach and education and other compliance activities
- develop and procure mobile registration kits to facilitate the registration of new taxpayers.

## Selected performance indicators

Table 10.39 South African Revenue Service

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of revenue collected excluding customs revenue per year <sup>1</sup>	Operations	R589.bn	R651bn	R604.7bn	R672.bn	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Customs revenue collected per year <sup>1</sup>	Operations	R19.6bn	R109.2bn	R136bn	R141.4bn	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Trade volume coverage by preferred traders per year	Operations	-	-	21%	5%	12%	25%	30%
Percentage of cargo declarations targeted per year	Operations	-	14%	12%	12%	12%	11%	11%
Uptake in electronic manifest submissions per year	Modernisation and impactful initiatives	-	-	80%	90%	90%	95%	95%
Percentage compliance of personal income tax filing: number of personal income tax returns submitted in tax year due vs. total number of personal income tax returns required in tax year	Operations	-	79%	83%	83%	84%	85%	85%
Cash recovered from debt book	Operations	-	R 9bn	R14.7bn	R11bn	R11bn	R11bn	R11bn
Audit coverage of registered taxpayers (personal income tax, corporate income tax, value added tax/excise and PAYE tax) above the threshold per year	Operations	2%	3%	8%	3%	4%	5%	5%
Uptake in electronic filing, declaration and payment submissions for all tax products (number of electronic filing, declaration and payment submissions vs. total filing, declaration and payment submissions) per year	Modernisation and impactful initiatives	-	80%	94%	94%	94%	95%	95%
Percentage uptake in electronic customs bills/declarations per year	Modernisation and impactful initiatives	-	70%	95%	96%	96%	96%	96%
Average processing turnaround time for personal income tax returns (in working days)	Operations	-	2	1	0.5	0.5	0.5	0.5
Average processing turnaround time for corporate income tax returns (in working days)	Operations	-	3	3	1.5	1.50	1.5	1.5
Average processing turnaround time for value added tax refunds (in working days)	Modernisation and impactful initiatives	-	21	46	21	21	21	21

1. Targets will be as agreed upon with the Minister of Finance.

## Programmes/activities/objectives

Table 10.40 South African Revenue Service

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Operations	3 983.8	4 556.5	4 872.2	5 180.1	9.1%	56.6%	5 582.8	6 015.8	6 481.1	7.8%	58.4%
Large business centre	208.5	231.3	278.5	353.0	19.2%	3.2%	380.5	410.1	442.0	7.8%	4.0%
Customs border management	132.9	-	-	-	-100.0%	0.5%	-	-	-	-	-
African tax administration forum	-	3.9	7.8	16.2	-	0.1%	17.3	18.6	19.9	7.1%	0.2%
Strategy enablement and enforcement	612.1	-	-	558.7	-3.0%	3.7%	599.9	644.2	691.9	7.4%	6.3%
Support services	1 773.0	2 315.6	2 653.8	2 277.0	8.7%	27.4%	2 379.5	2 582.2	2 802.8	7.2%	25.2%
Modernisation and impactful initiatives	334.3	120.5	107.6	278.5	-5.9%	2.6%	234.3	185.1	123.8	-23.7%	2.1%
Tax and customs enforcement investigations	-	271.0	307.8	347.8	-	2.7%	374.6	403.5	434.7	7.7%	3.9%
Returns to National Treasury	-	-	1 201.9	-	-	3.2%	-	-	-	-	-
<b>Total expense</b>	<b>7 044.7</b>	<b>7 498.7</b>	<b>9 429.7</b>	<b>9 011.4</b>	<b>8.6%</b>	<b>100.0%</b>	<b>9 568.9</b>	<b>10 259.5</b>	<b>10 996.2</b>	<b>6.9%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 10.41 South African Revenue Service**

Statement of financial performance		Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
		2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million												
<b>Revenue</b>												
<b>Non-tax revenue</b>												
		349.3	423.8	428.9	338.0	-1.1%	4.5%	310.0	310.0	310.0	-2.8%	3.2%
	Other non-tax revenue	349.3	423.8	428.9	338.0	-1.1%	4.5%	310.0	310.0	310.0	-2.8%	3.2%
<b>Transfers received</b>												
		7 148.4	8 138.1	8 653.6	9 149.4	8.6%	95.5%	9 534.4	9 983.7	10 335.6	4.1%	96.8%
<b>Total revenue</b>												
		7 497.7	8 561.9	9 082.5	9 487.4	8.2%	100.0%	9 844.4	10 293.7	10 645.6	3.9%	100.0%
<b>Expenses</b>												
<b>Current expenses</b>												
		7 044.7	7 498.7	8 227.7	9 011.4	8.6%	96.8%	9 568.9	10 259.5	10 996.2	6.9%	100.0%
	Compensation of employees	4 367.2	4 985.5	5 502.5	5 796.7	9.9%	62.8%	6 253.8	6 747.4	7 279.6	7.9%	65.4%
	Goods and services	2 273.9	2 069.1	2 252.4	2 715.1	6.1%	28.5%	2 775.8	2 929.9	3 088.0	4.4%	28.9%
	Depreciation	382.8	423.1	451.5	487.6	8.4%	5.3%	526.6	568.7	614.2	8.0%	5.5%
	Interest, dividends and rent on land	20.8	21.1	21.4	12.1	-16.6%	0.2%	12.8	13.5	14.4	6.0%	0.1%
	Transfers and subsidies	-	-	1 201.9	-	-	3.2%	-	-	-	-	-
<b>Total expenses</b>												
		7 044.7	7 498.7	9 429.7	9 011.4	8.6%	100.0%	9 568.9	10 259.5	10 996.2	6.9%	100.0%
<b>Surplus/(Deficit)</b>												
		453.0	1 063.0	(347.0)	476.0	1.7%		275.0	34.0	(351.0)	-190.3%	
<b>Statement of financial position</b>												
	Carrying value of assets	1 276.4	1 641.1	1 888.9	2 280.8	21.3%	46.1%	2 641.3	3 046.8	3 364.5	13.8%	66.5%
of which:												
	Acquisition of assets	536.5	758.4	701.6	1 165.0	29.5%	20.5%	800.9	717.4	609.8	-19.4%	19.4%
	Loans	-	81.6	75.2	75.2	-	1.4%	75.2	75.2	75.2	-	1.8%
	Receivables and prepayments	81.7	110.0	132.0	135.5	18.4%	3.0%	142.1	144.8	146.0	2.5%	3.3%
	Cash and cash equivalents	1 358.9	2 160.6	2 470.4	1 665.1	7.0%	49.6%	1 509.5	1 160.3	517.5	-32.3%	28.4%
<b>Total assets</b>												
		2 717.1	3 993.3	4 566.5	4 156.7	15.2%	100.0%	4 368.1	4 427.1	4 103.3	-0.4%	100.0%
	Accumulated surplus/(deficit)	1 213.7	2 276.8	1 962.0	2 353.9	24.7%	50.3%	2 564.4	2 552.4	2 203.1	-2.2%	56.7%
	Capital and reserves	61.8	102.6	77.1	77.1	7.7%	2.1%	77.1	77.1	77.1	-	1.8%
	Finance lease	400.8	159.3	152.0	142.3	-29.2%	6.4%	132.6	122.9	113.2	-7.4%	3.0%
	Deferred income	1.2	0.3	0.2	0.2	-40.5%	0.0%	0.2	0.2	0.2	-	0.0%
	Trade and other payables	693.5	855.9	921.0	916.1	9.7%	22.3%	926.1	1 004.8	1 038.8	4.3%	22.8%
	Provisions	346.1	419.3	1 250.6	464.1	10.3%	15.4%	466.2	468.9	471.0	0.5%	11.0%
	Derivatives financial instruments	-	179.1	203.4	202.8	-	3.5%	201.4	200.8	199.8	-0.5%	4.7%
<b>Total equity and liabilities</b>												
		2 717.1	3 993.3	4 566.5	4 156.7	15.2%	100.0%	4 368.1	4 427.1	4 103.3	-0.4%	100.0%

## Personnel information

**Table 10.42 South African Revenue Service**

Salary level	Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number		
		Number of funded posts		Number of vacant posts		Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)
						2011/12		2012/13			2013/14		2014/15		2015/16		2012/13 - 2015/16		
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	
	14 944	571	14 556	5 062.2	0.3	14 373	5 309.0	0.4	15 061	5 729.2	0.4	15 147	6 183.4	0.4	15 147	6 677.1	0.4	1.8%	100.0%
1 - 6	632	-	653	105.5	0.2	632	119.7	0.2	632	128.8	0.2	632	138.5	0.2	632	147.9	0.2	-	4.2%
7 - 10	11 128	284	10 905	3 033.7	0.3	10 844	3 266.3	0.3	11 204	3 513.4	0.3	11 260	3 777.4	0.3	11 260	4 035.5	0.4	1.3%	74.6%
11 - 12	2 057	287	1 969	1 146.6	0.6	1 770	1 059.5	0.6	2 098	1 158.3	0.6	2 128	1 269.0	0.6	2 128	1 426.9	0.7	6.3%	13.6%
13 - 16	1 127	-	1 029	776.4	0.8	1 127	863.4	0.8	1 127	928.7	0.8	1 127	998.5	0.9	1 127	1 066.7	0.9	-	7.6%

1. Rand million.

## Expenditure trends

The South African Revenue Service receives a transfer of approximately 96.2 per cent of its total revenue from the National Treasury. Other revenue consists of interest received from the bank and commission income from collecting funds on behalf of the Unemployment Insurance Fund. The increase in revenue over the medium term is mainly due to the enforcement of initiatives and the continuation of IT enhancements as part of the modernisation programme.

The spending focus over the medium term will be on increased deployment of tax field officers to take processes and products to all taxpayers and potential taxpayers, the development and procurement of mobile registration kits to facilitate the registration of new taxpayers, and the modernisation of corporate income tax and customs.

Expenditure increases between 2009/10 and 2012/13 were mainly due to increased spending on compensation of employees and the modernisation of the organisation's tax collection operations. Spending on compensation of employees increased due to the organisation having built capacity in high end specialised audit and tax skills in an effort to strengthen the enforcement level of compliance with tax laws and customs requirements. The workforce plan includes building capability in certain core, critical and scarce roles such as audit transfer pricing, forensic and investigation, compliance risk analysis, border protection, and trade facilitation. The spending increase on goods and services was mainly because of an increase in the number of fixed branches across the country and the lease costs associated with this as well as IT related costs to support the modernisation initiative. These increases in costs have, in turn, resulted in increased tax revenue collection.

The projected spending increase over the medium term is mainly due to the uptake of more skilled tax and audit specialists in the remaining divisions, such as the large business centre for corporate income tax and customs collection, and the inflationary pressures on staff costs. Depreciation also increases because of continued investment in modernisation and the organisation's programme to expand its mobile footprint. The investment for the modernisation initiative is mainly propelled by the requirements of the income and customs tax IT infrastructure, with the resultant increase in IT related expenditure, such as data communication and maintenance. Over the medium term, expenditure on compensation of employees will increase to absorb wage increases greater than the consumer price index, as well as the increase in the headcount.

The budget allocation in 2011/12 and 2012/13 enabled the organisation to collect R742 billion in revenue in 2011/12, register 6 million individual taxpayers, register 420 000 companies for income tax and register 397 000 value added tax vendors. The organisation was able to continue with the modernisation of its customs systems and processes at offices and ports of entry, thereby offering the trade benefits of greater ease of movement of goods, faster turnaround times, and cost savings.

Measures were put in place to effect savings of R646.1 million over the medium term on the following items: an automated telephone management system; support and maintenance costs for networks; and support costs for the maintenance of servers, hardware and printers. These savings were reprioritised to fund the continued implementation of the modernisation programme to improve operational efficiency through automated systems. Expenditure is also reprioritised for the organisation to increase its presence in regions where taxpayers are not accessible.

The organisation has a funded establishment of 14 944 posts, of which 571 were vacant as at 30 September 2012. These vacancies were mainly the result of delays in acquiring high end audit skills. Over the medium term, personnel numbers are expected to increase to 15 147 as a result of the planned deployment of tax field officers to regional offices and areas where taxpayers cannot access the organisation's services. Because the organisation lacks capacity in certain specialised fields, consultants are used for work requiring scarce legal and auditing skills, IT related services, and employee related matters. Spending on consultants increased from R198.9 million in 2009/10 to R234.5 million in 2012/13, and is expected to decrease to R177.2 million in 2015/16 as the organisation strives to build internal capacity in these areas.

## Other public entities and agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Accounting Standards Board** sets standards of generally recognised accounting practice for all spheres of government in terms section 216(1)(a) of the Constitution and the Public Finance Management Act (1999). It also promotes the effective management of revenue and expenditure, and the assets and liabilities of entities to which the standards apply, and ensures that there is transparent reporting on these. The agency's total budget for 2013/14 is R10 million.
- The **Cooperative Banks Development Agency** provides for the registration of cooperative banks, supervises and regulates deposit-taking financial services co-operatives, savings and credit co-operatives, community banks and village banks as co-operative banks. The agency also facilitates, promotes and funds the education and training of cooperative banks personnel. The agency's total budget for 2013/14 is R16.2 million.
- The **Financial Advisory and Intermediary Services Ombud** deals with complaints against financial institutions. The agency's role is to resolve disputes between financial service providers and their clients in a procedurally fair, informal, economical and expeditious manner. The ombud's total budget for 2013/14 is R35.3 million.
- The **Financial and Fiscal Commission** provides advice to government on relevant legislative authorities regarding the financial and fiscal requirements for national, provincial and local spheres of government in terms of Section 220 of Constitution. The commission's total budget for 2013/14 is R39 million.
- The **Financial Intelligence Centre** combats financial crime such as money laundering and terror financing activities. The agency also ensures that the information it provides to the law enforcement authorities such as the South African Police Service and the South African Revenue Service, is used in a non-partisan manner, particularly where successful prosecution can have a high impact. The centre's total budget for 2013/14 is R202.4 million.
- The **Financial Service Board** supervises and regulates the non-banking financial services industry in the following: long term and short term insurance, retirement funds and friendly societies, financial service providers; collective investment schemes and capital markets. The board also advises the Minister of Finance through various advisory committees comprising of industry experts. The board's total budget for 2013/14 is R524.4 million.
- The **Independent Regulatory Board for Auditors** develops and maintains auditing and ethical standards that are internationally comparable, provide an appropriate framework for the education and training of properly qualified auditors, inspect and review the work of registered auditors, and investigate and take appropriate action against registered auditors who do not comply with standards and are guilty of improper conduct. The board's total budget for 2013/14 is R86.3 million.
- The **Office of the Pension Fund Adjudicator** investigates and determines complaints of abuse of power, maladministration, disputes of fact or law and employer dereliction of duty in respect of pension funds. The adjudicator's total budget for 2013/14 is R42.9 million.
- The **South African Special Risks Insurance Association** provides cover of the following risks such as riots, strikes, political unrest, terror attacks, civil commotion, public disorder and labour disturbances, as defined in the Reinsurance of Material Damages and Losses Act (1989). The association's total budget for 2013/14 is R891.7 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2009/10	2010/11		2013/14	2014/15
<b>R million</b>								
<b>Departmental infrastructure</b>								
Integrated financial management system	Replace outdated systems with ones that comply with the Public Finance Management Act (1999)	Various	–	177.5	169.7	79.6	166.2	174.1
38 Church Square	Refurbishment of office accommodation to create a better working environment	Various	10.3	–	–	–	5.0	–
<b>Infrastructure transfers to other spheres, agencies and departments</b>								
Neighbourhood development partnership grant	To townships for long term regeneration planning, catalytic and third party nodal development	Various	–	508.1	831.8	738.4	592.1	579.4
Neighbourhood development partnership grant	Technical assistance for long term township regeneration planning, catalytic and third party nodal development	Various	–	70.0	50.0	70.0	54.5	57.1
<b>Total</b>			<b>–</b>	<b>755.6</b>	<b>1 051.5</b>	<b>887.9</b>	<b>817.7</b>	<b>810.6</b>
								<b>824.9</b>



# Vote 11

## Public Enterprises

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	127.1	124.7	0.1	2.3	135.2	141.0
Legal and Governance	23.8	23.8	–	–	26.1	27.5
Portfolio Management and Strategic Partnerships	85.9	85.9	–	–	98.5	110.9
<b>Total expenditure estimates</b>	<b>236.9</b>	<b>234.5</b>	<b>0.1</b>	<b>2.3</b>	<b>259.8</b>	<b>279.3</b>

Executive authority Minister of Public Enterprises  
Accounting officer Director General of Public Enterprises  
Website address [www.dpe.gov.za](http://www.dpe.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Drive investment, productivity and transformation in the department's portfolio of state owned companies, to unlock growth, drive industrialisation, create jobs and develop skills.*

### Mandate

The mandate of the Department of Public Enterprises is to exercise shareholder responsibility over the following state owned companies that are central to the developmental objectives set out in the new growth path, the industrial policy action plan and the national development plan: Alexkor, Broadband Infraco, Eskom, South African Forestry Company Limited, South African Airways, South African Express Airways, Transnet, Denel and Pebble Bed Modular Reactor. Except for Denel and the Pebble Bed Modular Reactor, all the state owned companies are established in terms of their own legislation. The department is the custodian of all legislation relating to the establishment of the state owned companies. The department aims to ensure the sustainability of the state owned companies and supports the government's strategic priorities of economic growth, expanding employment and developing infrastructure.

### Strategic goals

The department's strategic goals over the medium term are to:

- provide decisive strategic direction to the state owned companies by ensuring they have credible business and capital expenditure plans
- ensure the reliable generation, distribution and transmission of electricity
- support the logistics system through oversight of the implementation of Transnet's market demand strategy
- mobilise external funding sources
- strengthen the state owned companies' competitive supplier development programmes to contribute to the reindustrialisation of the economy
- monitor implementation of skills development programmes within state owned companies

- develop and implement programmes with state owned companies that contribute to social and economic transformation.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide strategic management, direction and administrative support to the department that enables the department to meet its strategic objectives.

### Programme 2: Legal and Governance

**Purpose:** Provide legal services and corporate governance systems, and facilitate the implementation of all legal aspects of transactions that are strategically important to the department and state owned companies, and ensure alignment with government's strategic intent by, among others, monitoring the state owned companies' indicators.

### Programme 3: Portfolio Management and Strategic Partnerships

**Purpose:** Align the corporate strategies of state owned companies with government's strategic intent, and monitor and benchmark their financial and operational performance and capital investment plans. Align shareholder oversight with overarching government economic, social and environmental policies, and build focused strategic partnerships between state owned companies, strategic customers, suppliers and financial institutions.

## Selected performance indicators

**Table 11.1 Public Enterprises**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of shareholder compacts signed per year	Portfolio Management and Strategic Partnerships	Outcome 6: An efficient, competitive and responsive economic infrastructure network	9	8	7 <sup>1</sup>	9 <sup>1</sup>	8	8	8
Number of new corporate plans reviewed per year	Portfolio Management and Strategic Partnerships		9	8	8	8	8	8	8
Number of quarterly financial reviews per year	Portfolio Management and Strategic Partnerships		36	32	31 <sup>2</sup>	32	32	32	32
Number of departmental projects provided with technical and financial support per year <sup>3</sup>	Portfolio Management and Strategic Partnerships		8	5	6	— <sup>3</sup>	— <sup>3</sup>	— <sup>3</sup>	— <sup>3</sup>

1. Signature of the shareholder compact with Broadband Infraco for 2011/12 was delayed to April 2012 due to the appointment of the new board. The signing of this compact is reflected in the 2012/13 figure.

2. The third quarterly financial review for South African Express was not completed due to the company's financials being re-stated.

3. This process ceased to exist from 2012/13 as the department realigned its programmes.

## The national development plan

The key objectives of the national development plan are to grow the economy, reduce poverty and increase employment. The department plans to contribute to these objectives through Eskom's build programme and Transnet's capital expenditure programme in order to improve industrial capabilities and the productive capacity of the economy. The department will also focus on the development of the business plans for the strategic integrated projects to meet these objectives.

## Expenditure estimates

Table 11.2 Public Enterprises

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R million													
Administration	79.2	88.2	108.6	108.5	108.5	11.1%	6.2%	127.1	135.2	141.0	9.1%	23.8%	
Legal and Governance	16.6	14.7	19.5	26.2	26.2	16.5%	1.2%	23.8	26.1	27.5	1.5%	4.8%	
Portfolio Management and Strategic Partnerships	3 887.5	437.2	218.0	1 242.0	1 242.0	-31.6%	92.6%	85.9	98.5	110.9	-55.3%	71.4%	
<b>Total</b>	<b>3 983.3</b>	<b>540.0</b>	<b>346.1</b>	<b>1 376.8</b>	<b>1 376.8</b>	<b>-29.8%</b>	<b>100.0%</b>	<b>236.9</b>	<b>259.8</b>	<b>279.3</b>	<b>-41.2%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				127.7	127.7			26.1	36.6	45.9			

### Economic classification

	2009/10	2010/11	2011/12	2012/13	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
<b>Current payments</b>	<b>165.0</b>	<b>160.1</b>	<b>185.1</b>	<b>206.2</b>	<b>206.2</b>	<b>7.7%</b>	<b>11.5%</b>	<b>234.5</b>	<b>255.6</b>	<b>275.6</b>	<b>10.2%</b>	<b>45.1%</b>
Compensation of employees	75.2	83.1	96.2	111.5	111.5	14.0%	5.9%	130.7	144.5	155.5	11.7%	25.2%
Goods and services	89.8	77.1	88.9	94.7	94.7	1.8%	5.6%	103.8	111.1	120.1	8.2%	20.0%
of which:												
Consultants and professional services: Business and advisory services	40.8	26.8	26.8	33.4	33.4	-6.5%	2.0%	32.2	35.7	41.3	7.3%	6.6%
Agency and support/outsourced services	3.7	2.9	2.5	3.6	3.6	-0.3%	0.2%	4.9	5.1	5.3	13.6%	0.9%
Property payments	5.9	5.4	6.9	7.7	7.7	9.3%	0.4%	8.1	8.5	8.9	4.9%	1.5%
Travel and subsistence	14.2	12.2	24.3	20.2	20.2	12.5%	1.1%	25.0	26.3	27.5	10.8%	4.6%
<b>Transfers and subsidies</b>	<b>2 059.4</b>	<b>238.0</b>	<b>157.0</b>	<b>118.5</b>	<b>118.5</b>	<b>-61.4%</b>	<b>41.2%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-90.4%</b>	<b>5.5%</b>
Public corporations and private enterprises	2 058.7	237.3	156.3	118.3	118.3	-61.4%	41.2%	-	-	-	-100.0%	5.5%
Households	0.7	0.7	0.7	0.2	0.2	-36.2%	0.0%	0.1	0.1	0.1	-15.8%	0.0%
<b>Payments for capital assets</b>	<b>1.3</b>	<b>3.2</b>	<b>4.1</b>	<b>2.1</b>	<b>2.1</b>	<b>18.0%</b>	<b>0.2%</b>	<b>2.3</b>	<b>4.1</b>	<b>3.6</b>	<b>19.8%</b>	<b>0.6%</b>
Machinery and equipment	1.3	3.2	3.9	2.1	2.1	17.9%	0.2%	2.3	4.1	3.6	20.4%	0.6%
Software and other intangible assets	0.0	-	0.1	0.0	0.0	26.0%	0.0%	-	-	-	-100.0%	0.0%
<b>Payments for financial assets</b>	<b>1 757.6</b>	<b>138.7</b>	<b>0.0</b>	<b>1 050.0</b>	<b>1 050.0</b>	<b>-15.8%</b>	<b>47.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>48.8%</b>
<b>Total</b>	<b>3 983.3</b>	<b>540.0</b>	<b>346.1</b>	<b>1 376.8</b>	<b>1 376.8</b>	<b>-29.8%</b>	<b>100.0%</b>	<b>236.9</b>	<b>259.8</b>	<b>279.3</b>	<b>-41.2%</b>	<b>100.0%</b>

## Personnel information

Table 11.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
Public Enterprises			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	191	3	191	94.6	0.5	170	108.4	0.6	220	126.0	0.6	227	136.8	0.6	227	145.2	0.6	10.1%	100.0%
1 - 6	15	3	16	3.8	0.2	16	4.5	0.3	17	3.4	0.2	17	3.5	0.2	17	3.7	0.2	2.0%	7.9%
7 - 10	72	-	71	21.7	0.3	66	24.7	0.4	78	23.4	0.3	78	25.5	0.3	78	26.6	0.3	5.7%	35.5%
11 - 12	31	-	31	14.3	0.5	30	18.8	0.6	39	21.0	0.5	43	23.1	0.5	43	25.5	0.6	12.7%	18.4%
13 - 16	73	-	73	54.9	0.8	58	60.3	1.0	86	78.2	0.9	89	84.6	1.0	89	89.3	1.0	15.3%	38.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on continuing to strengthen and expand the department's oversight capacity over the state owned companies' plans and the rollout of the strategic integrated projects, including Transnet's fleet procurement plans and Eskom's build programme. As a result, the personnel establishment is expected to increase to 227 over the medium term, with spending on compensation of

employees increasing accordingly. This projected increase is a continuation of the trend of increasing personnel numbers and spending on compensation of employees between 2009/10 and 2012/13. The increase over the medium term is further informed by additional allocations to the department for improved conditions of service. Spending on goods and services increases over the seven-year period to provide support for the growing personnel establishment and consultants to provide specialised services.

Between 2009/10 and 2012/13, spending in the *Portfolio Management and Strategic Partnerships* programme decreased significantly due mainly to the once-off capital payment of R1.5 billion in 2009/10 to the Pebble Bed Modular Reactor, which has been placed into care and maintenance, and the R1.7 billion recapitalisation of South African Airways in 2009/10. Spending in this programme over the medium term is expected to decrease further because the department does not expect to make transfer payments or payments for financial assets to state owned companies, and will instead direct efforts over this period towards maximising the contribution of state owned companies to the nation's developmental objectives.

As at 30 September 2012, the department had an approved establishment of 191 funded posts. The department received approval and funding for an additional 12 posts in August 2012, bringing the number of funded posts to 202. There were 32 vacant posts as at 30 September 2012 and the department expects to fill them in due course in line with its strategy to build the capacity to exercise oversight over the state owned companies. Most of the vacancies were in salary levels 13 to 15. The ratio of support staff to line function staff was 1.85:1 as at 30 September 2012.

The 2013 Budget includes allocations of R20.1 million in 2013/14, R31.6 million in 2014/15 and R35.9 million in 2015/16 for spending on the following policy priorities:

- R10.4 million for improved conditions of service as a result of negotiated salary increases
- R40.2 million to increase personnel
- R38.1 million reallocated from the National Treasury to this department for additional personnel
- R20 million from the economic competitiveness support package for the research and development of a long term national freight network design.

Consultants are used for highly technical research projects requiring specialised skills beyond the capacity of the department. Spending on consultants decreased between 2009/10 and 2012/13 following the department's decision to recruit new staff and reduce its reliance on consultants.

## Departmental receipts

Table 11.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
<b>Departmental receipts</b>	<b>1 168</b>	<b>266</b>	<b>66</b>	<b>576</b>	<b>576</b>	<b>-21.0%</b>	<b>100.0%</b>	<b>97</b>	<b>102</b>	<b>107</b>	<b>-42.9%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>36</b>	<b>44</b>	<b>51</b>	<b>54</b>	<b>54</b>	<b>14.5%</b>	<b>8.9%</b>	<b>48</b>	<b>50</b>	<b>52</b>	<b>-1.3%</b>	<b>23.1%</b>
Other sales	36	44	51	54	54	14.5%	8.9%	48	50	52	-1.3%	23.1%
of which:												
Garage rent	27	31	35	34	34	8.0%	6.1%	35	36	37	2.9%	16.1%
Commission insurance	9	13	16	20	20	30.5%	2.8%	13	14	15	-9.1%	7.0%
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>-</b>	<b>0.2%</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>35.7%</b>	<b>1.6%</b>
of which:												
Sales of scrap paper	-	1	2	2	2	-	0.2%	3	4	5	35.7%	1.6%
<b>Interest, dividends and rent on land</b>	<b>7</b>	<b>77</b>	<b>5</b>	<b>18</b>	<b>18</b>	<b>37.0%</b>	<b>5.2%</b>	<b>19</b>	<b>20</b>	<b>21</b>	<b>5.3%</b>	<b>8.8%</b>
Interest	7	77	5	18	18	37.0%	5.2%	19	20	21	5.3%	8.8%
<b>Sales of capital assets</b>	<b>19</b>	<b>5</b>	<b>8</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>1.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions in financial assets and liabilities</b>	<b>1 106</b>	<b>139</b>	<b>-</b>	<b>502</b>	<b>502</b>	<b>-23.1%</b>	<b>84.2%</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>61.3%</b>	<b>66.4%</b>
<b>Total</b>	<b>1 168</b>	<b>266</b>	<b>66</b>	<b>576</b>	<b>576</b>	<b>-21.0%</b>	<b>100.0%</b>	<b>97</b>	<b>102</b>	<b>107</b>	<b>42.9%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 11.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Ministry	19.8	25.8	31.9	28.7	13.1%	27.6%	32.6	35.9	37.0	8.9%	26.2%
Management	6.4	5.2	8.2	6.6	0.8%	6.9%	10.5	11.1	11.6	21.0%	7.8%
Corporate Services	20.2	21.4	23.9	24.5	6.6%	23.4%	25.4	26.7	28.0	4.6%	20.4%
Chief Financial Officer	8.0	9.6	11.2	8.8	2.9%	9.8%	9.0	9.4	9.9	4.2%	7.3%
Human Resources	7.7	9.9	9.5	12.0	16.0%	10.2%	17.0	17.9	18.4	15.2%	12.7%
Communications	8.2	7.9	13.1	11.6	12.5%	10.6%	10.5	11.0	11.6	-0.1%	8.7%
Strategic Planning, Monitoring and Evaluation	-	-	-	3.8	-	1.0%	2.9	3.1	3.2	-5.9%	2.5%
Intergovernmental Relations	-	-	-	1.6	-	0.4%	7.5	7.9	8.3	73.6%	4.9%
Internal Audit	3.0	3.0	4.3	3.7	7.1%	3.6%	4.0	4.2	4.4	6.4%	3.2%
Office Accommodation	5.9	5.4	6.6	7.4	7.5%	6.6%	7.8	8.2	8.5	5.1%	6.2%
<b>Total</b>	<b>79.2</b>	<b>88.2</b>	<b>108.6</b>	<b>108.5</b>	<b>11.1%</b>	<b>100.0%</b>	<b>127.1</b>	<b>135.2</b>	<b>141.0</b>	<b>9.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				4.2			16.6	18.8	141.0		

#### Economic classification

<b>Current payments</b>	<b>77.2</b>	<b>84.2</b>	<b>103.8</b>	<b>106.3</b>	<b>11.2%</b>	<b>96.6%</b>	<b>124.7</b>	<b>131.1</b>	<b>137.2</b>	<b>8.9%</b>	<b>97.6%</b>
Compensation of employees	37.5	42.7	51.3	54.5	13.3%	48.3%	62.3	65.3	68.9	8.1%	49.0%
Goods and services	39.8	41.6	52.5	51.8	9.2%	48.3%	62.4	65.7	68.4	9.7%	48.5%
of which:											
Consultants and professional services: Business and advisory services	2.3	1.8	3.2	4.5	24.3%	3.1%	6.1	6.4	6.7	14.5%	4.6%
Agency and support / outsourced services	3.7	2.3	2.2	3.5	-1.5%	3.0%	4.1	4.4	4.6	9.0%	3.2%
Property payments	5.9	5.4	6.9	7.7	9.3%	6.7%	8.1	8.5	8.9	4.9%	6.5%
Travel and subsistence	8.9	8.6	16.4	13.1	13.8%	12.2%	17.4	18.3	19.2	13.4%	13.3%
<b>Transfers and subsidies</b>	<b>0.7</b>	<b>0.7</b>	<b>0.7</b>	<b>0.2</b>	<b>-39.3%</b>	<b>0.6%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-11.6%</b>	<b>0.1%</b>
Households	0.7	0.7	0.7	0.2	-39.3%	0.6%	0.1	0.1	0.1	-11.6%	0.1%
<b>Payments for capital assets</b>	<b>1.3</b>	<b>3.2</b>	<b>4.1</b>	<b>2.1</b>	<b>18.3%</b>	<b>2.8%</b>	<b>2.3</b>	<b>4.1</b>	<b>3.6</b>	<b>19.8%</b>	<b>2.4%</b>
Machinery and equipment	1.2	3.2	3.9	2.1	18.2%	2.7%	2.3	4.1	3.6	20.4%	2.3%
Software and other intangible assets	0.0	-	0.1	0.0	26.0%	0.1%	-	-	-	-100.0%	-
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>79.2</b>	<b>88.2</b>	<b>108.6</b>	<b>108.5</b>	<b>11.1%</b>	<b>100.0%</b>	<b>127.1</b>	<b>135.2</b>	<b>141.0</b>	<b>9.1%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	2.0%	16.3%	31.4%	7.9%			53.7%	52.1%	50.5%		

## Personnel information

Table 11.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16								
Administration		Unit		Unit		Unit		Unit		Unit		Unit							
Salary level		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
108	3	108	48.1	0.4	101	52.3	0.5	120	58.5	0.5	120	61.3	0.5	120	64.6	0.5	5.9%	100.0%	
1-6	15	3	16	3.8	0.2	16	4.5	0.3	17	3.4	0.2	17	3.5	0.2	17	3.7	0.2	2.0%	14.5%
7-10	47	-	46	16.0	0.3	43	18.7	0.4	53	15.7	0.3	53	16.4	0.3	53	17.3	0.3	7.2%	43.8%
11-12	18	-	18	8.5	0.5	17	9.9	0.6	20	11.4	0.6	20	12.0	0.6	20	12.6	0.6	5.6%	16.7%
13-16	28	-	28	19.9	0.7	25	19.2	0.8	30	28.0	0.9	30	29.4	1.0	30	31.0	1.0	6.3%	24.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing administrative support to the minister and corporate services to the department, and providing for the department's human resource needs. Thus the bulk of the programme's allocation over the medium term goes to spending on compensation of employees. A significant portion of the programme's allocation over the medium term also goes to spending on travel and subsistence due to the department's increasing engagements with investors, suppliers and other stakeholders.

Between 2009/10 and 2012/13, expenditure on compensation of employees increased significantly due to additional funding for improved conditions of service and an increase in the number of personnel in this programme due to the introduction of new subprogrammes to deal with intergovernmental issues and performance monitoring and evaluation. Expenditure on goods and services also increased over this period to support the increased number of personnel. The number of posts on the establishment is projected to continue to increase to 120 in 2013/14 for the same reason and to support the growing personnel capacity in other programmes. Thus expenditure on compensation of employees is also expected to continue increasing over the medium term.

Expenditure on consultants increases significantly over the seven-year period due to the shifting of consultant expenditure from Programme 3 to this programme to support the Minister and Director-General in matters relating to the strategy.

## Programme 2: Legal and Governance

### Objectives

- Ensure effective shareholder oversight of the state owned companies by:
  - providing legal services to the department as and when required
  - addressing the constraints on state owned companies' contract negotiation and management to improve commercial competence and contribute to economic growth and development
  - finalising pending litigation matters as and when negotiated settlements are achieved or court cases are concluded over the MTEF period
  - winding up of the Aventura and Diabo Trusts over the medium term period
  - reporting to the Human Rights Commission in 2013/14 on the department's implementation of the Promotion of Access to Information Act (2000) over the medium term period as and when complaints are received
  - providing assistance on developing and negotiating shareholder compacts and frameworks on significance and materiality annually, as and when required
  - monitoring targets in the shareholder compacts quarterly
  - analysing and advising on all Public Finance Management Act (1999) applications as and when submitted by state owned companies' boards to the minister for approval and making recommendations to the minister
  - providing guidance as needed on the appropriate delegation frameworks between the state owned companies board and executive management, advising the minister when considering nominations for state owned companies board appointments and preparing the lists of recommended candidates for submission to Cabinet
  - advising the minister and guiding the annual general meeting cycle in compliance with statutes and shareholder expectations annually
  - reviewing and updating the ownership policy, governance toolkit and guidelines, as well as monitoring and evaluating application by state owned companies annually
  - advising on remuneration practices and performance of the state owned companies' boards and executive management aligned to the shareholder's compacts on an ongoing basis.

- Ensure that the department and its portfolio of state owned companies comply with legal, regulatory and risk requirements, as required, by:
  - monitoring the state owned companies corporate governance indicators through the dashboard on a quarterly basis over the MTEF period
  - monitoring and assessing the impact of legislation on state owned companies and alerting the companies to changes and possible risks as and when required over the MTEF period
  - implementing risk and compliance systems to ensure the monitoring of legal and regulatory compliance
  - identifying, analysing and reporting of risks quarterly over the MTEF period
  - optimising risk and compliance management processes to ensure risk management is embedded throughout the department annually over the MTEF period.

## Subprogrammes

- *Management* comprises the office of the deputy director general, which provides strategic leadership and management of the programme's personnel. This subprogramme had a staff complement of 2 in 2012/13.
- *Legal* provides internal legal services and oversight support to sector teams. This entails providing legal services, including transaction and contract management support to the department, as well as work specifically related to sector teams' oversight of commercial activities of state owned companies within their portfolios. In 2012/13, the department successfully implemented a coordinated approach to the state owned company regulatory cycle and completed a legislative review and alignment to the new Companies Act (2008). The framework for the memorandum of incorporation was submitted to the state owned companies for adoption and each memorandum of incorporation was submitted to minister for approval in 2012/13 before implementation by the state owned companies in 2013/14. This subprogramme had a staff complement of 12 in 2012/13.
- *Governance* develops, manages and effects corporate governance and shareholder management systems for the department and its portfolio of state owned companies. This includes quarterly risk management, compliance and regulatory reporting systems, and monthly management reporting systems to ensure better oversight over the companies. This subprogramme had a staff complement of 9 in 2012/13.

## Expenditure estimates

Table 11.7 Legal and Governance

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million											
Management	1.7	1.6	1.8	2.3	10.3%	9.7%	2.4	2.5	2.6	4.0%	9.4%
Legal	12.2	10.3	12.8	15.9	9.2%	66.5%	12.4	13.0	13.7	-4.8%	53.1%
Governance	2.7	2.7	4.9	8.0	44.6%	23.8%	9.1	10.6	11.2	11.6%	37.5%
<b>Total</b>	<b>16.6</b>	<b>14.7</b>	<b>19.5</b>	<b>26.2</b>	<b>16.5%</b>	<b>100.0%</b>	<b>23.8</b>	<b>26.1</b>	<b>27.5</b>	<b>1.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(0.7)			(7.1)	(6.9)	27.5		
<b>Economic classification</b>											
<b>Current payments</b>	<b>16.6</b>	<b>14.7</b>	<b>19.5</b>	<b>26.2</b>	<b>16.6%</b>	<b>100.0%</b>	<b>23.8</b>	<b>26.1</b>	<b>27.5</b>	<b>1.5%</b>	<b>100.0%</b>
Compensation of employees	8.9	6.5	13.2	14.4	17.3%	55.8%	16.7	18.6	19.6	10.9%	66.9%
Goods and services	7.6	8.2	6.3	11.8	15.7%	44.2%	7.1	7.5	7.8	-12.8%	33.1%
of which:											
Consultants and professional services: Business and advisory services	1.6	2.4	0.4	6.9	63.3%	14.7%	1.5	1.5	1.6	-38.4%	11.1%
Agency and support / outsourced services	0.0	0.6	0.3	0.1	303.1%	1.4%	0.7	0.8	0.8	82.2%	2.3%
Travel and subsistence	1.0	0.4	2.5	1.1	5.5%	6.6%	1.1	1.2	1.2	2.3%	4.5%
<b>Total</b>	<b>16.6</b>	<b>14.7</b>	<b>19.5</b>	<b>26.2</b>	<b>16.6%</b>	<b>100.0%</b>	<b>23.8</b>	<b>26.1</b>	<b>27.5</b>	<b>1.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.4%</b>	<b>2.7%</b>	<b>5.6%</b>	<b>1.9%</b>			<b>10.1%</b>	<b>10.0%</b>	<b>9.8%</b>		

## Personnel information

Table 11.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost	
<b>Legal and Governance</b>																			
Salary level	23	–	23	13.3	0.6	20	13.4	0.7	23	16.7	0.7	25	18.6	0.7	25	19.6	0.8	7.7%	100.0%
7 – 10	6	–	6	1.4	0.2	6	1.2	0.2	5	1.8	0.4	5	1.9	0.4	5	1.9	0.4	-5.9%	22.6%
11 – 12	3	–	3	1.3	0.4	3	1.4	0.5	3	1.4	0.5	5	2.5	0.5	5	2.7	0.5	18.6%	17.2%
13 – 16	14	–	14	10.7	0.8	11	10.8	1.0	15	13.5	0.9	15	14.2	0.9	15	15.0	1.0	10.9%	60.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on strengthening and increasing the programme's capacity to provide legal services, and transaction and contract management support. Accordingly, the bulk of the programme's allocation over this period is expected to go towards spending on compensation of employees, which is also projected to grow significantly over the period, as a result of shifting the risk, compliance and secretariat functions from the *Administration* programme to this programme. Personnel establishment in the programme is expected to increase to 25 over the medium term as a result. The projected increase in establishment and its effect on spending on compensation of employees is a continuation of the trend observable between 2009/10 and 2012/13.

Spending on consultants for legal services decreased from R4.8 million in 2009/10 to R1.7 million in 2012/13, at an average annual rate of 29.7 per cent, as the internal capacity to perform this function was increased. However, spending on consultants for business and advisory services increased over the same period due to specialised legal advisory services related to transactions within the state owned companies required over this period. However, spending on this item is expected to decrease significantly to R1.6 million over the medium term due to the department increasing internal capacity within the programme. Over the medium term, spending on consultants for legal services is expected to increase to R3.3 million, to provide for costs in respect of current pending litigation.

The programme had a funded establishment of 23 posts, 3 of which were vacant as at 30 September 2013 and are in the process of being filled.

## Programme 3: Portfolio Management and Strategic Partnerships

### Objectives

#### Energy and Broadband Enterprises

- Strengthen the department's oversight role with regard to the alignment of shareholder strategic intent to the state owned companies' role in achieving government objectives in the energy and ICT sectors by monitoring targets set out in the shareholder compacts quarterly.
- Contribute to the enhancement of the performance of state owned companies by:
  - evaluating quarterly reports and providing recommendations to state owned companies
  - monitoring and benchmarking the implementation of corporate plans and shareholder compacts quarterly
  - assessing shareholder and enterprise risks quarterly, and advising boards through quarterly investor briefs to the chairperson of the board on matters of concern as required.

#### Eskom

- Support the security of electricity supply by:



- examining Eskom’s maintenance plans, operational practices, distribution efficiency and the reserve margins on an ongoing basis
- reviewing Eskom’s quarterly reports and engaging quarterly with Eskom and stakeholders.
- Identify the risks in the rollout of the capital investment programme by implementing a monitoring framework over the medium term.
- Reduce Eskom’s dependence on fiscal funding by:
  - monitoring cost escalations and the implementation of recommendations quarterly
  - developing innovative funding arrangements on an ongoing basis.
- Exercise oversight on Eskom’s capital investment in the development of local supplier industries by monitoring the implementation of the competitive supplier development programme and evaluating the company’s quarterly reports.

#### *Pebble Bed Modular Reactor*

- Ensure intellectual property and state assets are protected by effecting an orderly closure of the Pebble Bed Modular Reactor following the decommissioning, dismantling, care and maintenance programme by monitoring regular status reports by 2014/15.

#### *Broadband Infraco*

- Support Broadband Infraco to achieve sustainability by:
  - monitoring the company’s capital expenditure programmes quarterly
  - monitoring the rollout of broadband fibre optic cables in major cities and under-serviced areas, which increase from 5 in 2011/12 to 18 in 2014/15.

#### **Manufacturing Enterprises**

- Ensure alignment in shareholder strategic intent in relation to state owned companies’ roles in achieving objectives in the defence, mining and forestry sectors by reviewing annually the enterprise strategies and mandates in the context of political and sectoral policy shifts and alerting the boards and enterprises to material deviations.
- Support the state owned companies in delivering on their outcomes by benchmarking key performance measures annually, and analysing quarterly and annual reports.

#### *Denel*

- Monitor the implementation of the turnaround plan to ensure Denel’s sustainability by:
  - conducting a study to review the value of strategic equity partnerships with multi-national companies to address matters such as intellectual property ownership, market access and broad terms of consolidation of original equipment manufacturers in the defence market in 2013/14.

#### *Alexkor*

- Optimise Alexkor’s interest in the joint venture with the Richtersveld community by approving the business plan and assessing any new mining ventures by 2013/14.
- Implement appropriate governance structures by appointing a new board at the annual general meeting and a new chief executive officer in 2013/14.

#### *South African Forestry Company*

- Strengthen the company’s operations by finalising the strategy and business plan by 2013/14.

#### **Transport Enterprises**

- Align the corporate strategies of the state owned companies with government objectives by reviewing the strategies and business plans annually and evaluating the performance reports of Transnet, South African Airways and South African Express Airways quarterly.
- Monitor the compliance of transport enterprises with the Public Finance Management Act (1999) by conducting annual reviews of the internal controls in Transnet, South African Airways and South African Express Airways.

- Ensure an appropriate balance between the enterprise's interest, sustainability and developmental objectives by engaging with the policy departments and regulators quarterly.
- Improve the competitiveness of the logistics sector by establishing a national transport performance measurement system and developing an implementation framework by 2015/16.

#### *Transnet*

- Provide oversight of Transnet's market demand strategy by monitoring the rollout of the company's capital expenditure programme to assess any significant deviations on a quarterly basis.
- Improve Transnet's performance by:
  - analysing the challenges facing Transnet freight rail by 2013/14
  - growing general freight market share over the medium term
  - finalising the branch line concessioning strategy by 2013/14
  - monitoring the progress towards the localisation and economic development targets of the competitive supplier development programme over the medium term
  - formulate strategies and business plans for South African Airways and South African Express to ensure their viability.

#### **Economic Impact and Policy Alignment**

- Conduct economic and industrial policy research relevant to the state owned companies.
- Improve the state owned companies' environmental policy by incorporating environmental protection strategies in their business operations on an ongoing basis.

#### **Strategic Partnerships**

- Encourage partnerships with private companies by assessing suitable partners for investment projects by 2013/14 over the medium term period.
- Develop domestic industry by encouraging state owned companies to implement local procurement programmes over the medium term.

#### **Subprogrammes**

- *Energy and Broadband Enterprises* manages the portfolio of state owned companies whose focus is energy and broadband, including Eskom, Pebble Bed Modular Reactor and Broadband Infracore, and provides strategic leadership and management of the programme's personnel. In 2011/12, the subprogramme finalised Eskom's capital expenditure programme; implemented the Pebble Bed Modular Reactor statutory dismantling, decommissioning, and care and maintenance programme to effect an orderly closure; and monitored Broadband Infracore's investment programme. This subprogramme had a staff complement of 23 in 2012/13.
- *Manufacturing Enterprises* exercises shareholder oversight over Denel, Alexkor and the South African Forestry Company. The subprogramme is organised in terms of: management and shareholder oversight over the companies. This subprogramme had a staff complement of 14 in 2012/13.
- *Transport Enterprises* exercises shareholder oversight over Transnet, South African Airways and South African Express Airways. The subprogramme is organised in terms of management and shareholder oversight over the three companies' performance against targets. In 2012/13, the quarterly and annual reports for South African Airways and South African Airways Express were evaluated, and significant and material transactions were approved. In 2013/14, the new South African Airways board will finalise the corporate plan and shareholder compact.
- *Economic Impact and Policy Alignment* aligns state owned companies with overarching government economic, social and environmental policies. The subprogramme is organised into: management, which provides strategic leadership and management of the subprogramme's personnel; environmental policy alignment, which oversees alignment and implementation of state owned companies' strategically important developments, with a special focus on Eskom's and Transnet's build programmes, and provides oversight and alignment of the climate change policy framework for state owned companies in support of national

policies and the green economy; economic policy integration, which focuses on appropriate macroeconomic modelling and research to enhance the links between industrial policy, macroeconomic policy and the role of state owned companies; and skills development and transformation, which focuses on providing scarce and critical skills by state owned companies in support of the national skills agenda and the new growth path as well as optimising state owned companies' skills training facilities through national skills funding, among others. A modelling framework to assess the economic and financial linkages of state owned company investments was completed in 2012/13, the youth economic participation programme was implemented in June 2011/12 and a climate change policy framework for state owned companies was launched in 2012/13. Over the medium term, economic modelling will be conducted to assess the impact of state owned companies' investment and operations on the economy. This subprogramme had a staff complement of 12 in 2012/13.

- *Strategic Partnerships* ensures that state owned companies maintain commercial sustainability and attain desired strategic outcomes and objectives. The subprogramme is organised into: management, which provides strategic leadership and management of the subprogramme's personnel; project oversight, which entails defining catalytic investments to be driven by the department and overseeing project implementation from pre-feasibility to completion; funding mechanisms, which assist in developing innovative funding structures and designing associated compacts with relevant partners; and supplier relationships, which develops overarching procurement leverage policies, oversees fleet procurement design and implementation including panel reviews, and develops and implements capability building programmes and institutions. In 2012/13, a unit to manage strategic integrated projects was established with the assistance of Eskom and Transnet, and an executive leadership programme to foster partnerships with industry was held. This subprogramme had a staff complement of 7 in 2012/13.

## Expenditure estimates

**Table 11.9 Portfolio Management and Strategic Partnerships**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Energy and Broadband Enterprises	1 958.8	170.9	56.5	16.8	-79.5%	38.1%	18.5	18.3	21.3	8.3%	4.9%
Manufacturing Enterprises	327.2	225.6	123.4	1 182.4	53.5%	32.1%	15.6	17.5	18.4	-75.0%	80.3%
Transport Enterprises	1 568.7	19.1	18.8	19.8	-76.7%	28.1%	25.4	29.3	35.5	21.4%	7.2%
Economic Impact and Policy Alignment	25.0	10.1	11.7	15.1	-15.5%	1.1%	17.6	20.3	20.2	10.3%	4.8%
Strategic Partnerships	7.9	11.5	7.6	7.9	-0.3%	0.6%	8.8	13.1	15.5	25.4%	2.9%
<b>Total</b>	<b>3 887.5</b>	<b>437.2</b>	<b>218.0</b>	<b>1 242.0</b>	<b>-31.6%</b>	<b>100.0%</b>	<b>85.9</b>	<b>98.5</b>	<b>110.9</b>	<b>-55.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				124.2			16.7	24.7	110.9		
<b>Economic classification</b>											
<b>Current payments</b>	<b>71.2</b>	<b>61.3</b>	<b>61.7</b>	<b>73.6</b>	<b>1.1%</b>	<b>4.6%</b>	<b>85.9</b>	<b>98.5</b>	<b>110.9</b>	<b>14.6%</b>	<b>24.0%</b>
Compensation of employees	28.8	33.9	31.7	42.6	13.9%	2.4%	51.7	60.6	67.1	16.3%	14.4%
Goods and services	42.4	27.3	30.0	31.0	-9.9%	2.3%	34.3	37.8	43.8	12.2%	9.6%
of which:											
Consultants and professional services: Business and advisory services	36.9	22.6	23.2	22.0	-15.8%	1.8%	24.7	27.8	33.0	14.3%	7.0%
Travel and subsistence	4.3	3.2	5.4	6.0	11.2%	0.3%	6.5	6.8	7.1	6.1%	1.7%

Table 11.9 Portfolio Management and Strategic Partnerships (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Transfers and subsidies</b>	<b>2 058.7</b>	<b>237.3</b>	<b>156.3</b>	<b>118.3</b>	<b>-61.4%</b>	<b>44.4%</b>	-	-	-	<b>-100.0%</b>	<b>7.7%</b>
Public corporations and private enterprises	2 058.7	237.3	156.3	118.3	-61.4%	44.4%	-	-	-	-100.0%	7.7%
<b>Payments for financial assets</b>	<b>1 757.6</b>	<b>138.6</b>	<b>-</b>	<b>1 050.0</b>	<b>-15.8%</b>	<b>50.9%</b>	-	-	-	<b>-100.0%</b>	<b>68.3%</b>
<b>Total</b>	<b>3 887.5</b>	<b>437.2</b>	<b>218.0</b>	<b>1 242.0</b>	<b>-31.6%</b>	<b>100.0%</b>	<b>85.9</b>	<b>98.5</b>	<b>110.9</b>	<b>-55.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>97.6%</b>	<b>81.0%</b>	<b>63.0%</b>	<b>90.2%</b>			<b>36.3%</b>	<b>37.9%</b>	<b>39.7%</b>		

## Details of selected transfers and subsidies

Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current											
	<b>2 058.7</b>	<b>237.3</b>	<b>156.3</b>	<b>118.3</b>	<b>-61.4%</b>	<b>44.4%</b>	-	-	-	<b>-100.0%</b>	<b>7.7%</b>
Denel	191.9	181.3	116.3	118.3	-14.9%	10.5%	-	-	-	-100.0%	7.7%
Alexkor	129.1	36.0	-	-	-100.0%	2.9%	-	-	-	-	-
Pebble Bed Modular Reactor	1 737.8	20.0	40.0	-	-100.0%	31.1%	-	-	-	-	-

## Personnel information

Table 11.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number	
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate <sup>3</sup>			Medium-term expenditure estimate					Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)
		2011/12	Unit Cost	2012/13	Unit Cost	2013/14	2014/15	2015/16					
<b>Portfolio Management and Strategic Partnerships</b>		<b>60</b>	<b>33.2</b>	<b>49</b>	<b>42.7</b>	<b>77</b>	<b>50.9</b>	<b>82</b>	<b>56.9</b>	<b>82</b>	<b>61.0</b>	<b>8.7%</b>	<b>100.0%</b>
<b>Salary level</b>													
7 – 10	19	-	19 4.3 0.2	17 4.8 0.3	20 5.9 0.3	20 7.3 0.4	20 7.4 0.4	5.6%	26.6%				
11 – 12	10	-	10 4.5 0.5	10 7.5 0.8	16 8.3 0.5	18 8.6 0.5	18 10.3 0.6	21.6%	21.4%				
13 – 16	31	-	31 24.4 0.8	22 30.4 1.4	41 36.7 0.9	44 41.0 0.9	44 43.3 1.0	26.0%	52.1%				

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on strengthening the programme's capacity to fulfil its oversight function, managing the strategic infrastructure projects and supporting the presidential infrastructure coordinating commission. Thus the bulk of the allocation to this programme over the medium term is to provide for expenditure on compensation of employees, which is also expected to grow significantly over the medium term due the planned increase in the establishment to 82 posts. Strengthening and expanding the oversight function also accounts for the increase in expenditure on travel and subsistence over this period.

Expenditure on goods and services is expected to increase significantly due to an additional allocation of R20 million over the medium term in the *Transport Enterprises* subprogramme for consultants to provide specific technical and specialised skill to support the department in designing the long term national freight network, which will provide strategic analysis for planning in order to meet the demand for freight transport in South Africa

Expenditure on transfer payments and payments for financial assets to state owned companies decreased significantly between 2009/10 and 2012/13, and are expected to end over the medium term, due to transfers of R5.7 billion to the state owned companies over the period. The transfers were made as follows:

- R1.5 billion in 2009/10 to recapitalise South African Airways in the *Transport Enterprises* subprogramme
- R208.5 million in 2009/10 and R138.6 million in 2010/11 to recapitalise Broadband Infraco and R1.7 billion in 2009/10 to the Pebble Bed Modular Reactor for capital and operating costs in the *Energy and Broadband* subprogramme
- R191.9 million in 2009/10, R181.3 million in 2010/11, R116.3 million in 2011/12 and R118.3 million in 2012/13 to Denel for indemnity claims and a further R700 million in 2012/13 to recapitalise the company in the *Manufacturing* subprogramme
- R129 million in 2009/10 and R36 million in 2010/11 to Alexkor to establish a joint venture with the Richtersveld community under the out-of-court settlement and R350 million in 2012/13 to address obligations in terms of the deed of settlement in the *Manufacturing subprogramme*

The programme had a funded establishment of 60 posts, 11 of which were vacant as at the end of September 2012 due to resignations and lack of the required skills in the market. The department is engaged in a recruitment plan to fill the vacant posts.

## Public entities and other agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- **Alexkor** mines diamonds in the Alexander Bay area. Its operations include marine and land mining. There are no transfer payments to the company over the medium term.
- **Broadband Infraco** was established in 2007 as a state led intervention to introduce competition **into the** telecommunications market and contribute to increasing access to broadband services in underserved areas. There are no transfer payments to the company over the medium term.
- **Denel's** mandate is to supply South Africa's armed forces with strategic and sovereign capabilities. It also play a major role in contributing to the development of South Africa's advanced manufacturing capability. There are no transfer payments to the company over the medium term.
- **Eskom** generates 95 per cent of the electricity used in South Africa and 45 per cent of the electricity used in Africa. There are no transfer payments to the company over the medium term.
- The **Pebble Bed Modular Reactor** was a nuclear architect engineering company that focused on the design and licensing of a standardised nuclear heat supply system and pebble fuel. The company's business model has been revised to focus on the preservation and maintenance of intellectual property and assets. There are no transfer payments over the medium term.
- **South African Airways** is South Africa's national air carrier. Owned by government, it is a full service network operating international, regional and domestic scheduled services from its head office at OR Tambo International Airport in Johannesburg. There are no transfer payments to the company over the medium term.
- **South African Express** operates regional and domestic flights from OR Tambo International Airport, serving secondary routes in South Africa and Africa. There are no transfer payments to the company over the medium term.
- **South African Forestry Company** manages and develops commercial forests. The company's activities include forestry management and timber harvesting and processing. There are no transfer payments to the company over the medium term.
- **Transnet** is the largest and most crucial part of the freight logistics chain that delivers goods to every South African. There are no transfer payments to the company over the medium term.



# Vote 12

## Public Service and Administration

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	198.5	196.8	0.1	1.7	206.2	224.9
Human Resource Management and Development	40.4	40.3	–	0.2	42.3	43.6
Labour Relations and Remuneration Management	29.7	29.6	–	0.1	31.0	27.6
Public Sector Information and Communication	39.4	39.3	0.0	0.1	43.9	43.5
Technology Management						
Service Delivery and Organisational Transformation	236.1	80.3	155.3	0.5	247.7	256.1
Governance and International Relations	272.3	69.8	202.0	0.6	288.4	284.0
<b>Total expenditure estimates</b>	<b>816.4</b>	<b>456.0</b>	<b>357.3</b>	<b>3.0</b>	<b>859.5</b>	<b>879.7</b>

Executive authority Minister of Public Service and Administration  
Accounting officer Director General of Public Service and Administration  
Website address [www.dpsa.gov.za](http://www.dpsa.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Lead the modernisation of the public service, through a generally applicable framework of norms and standards, to improve service delivery.*

### Mandate

The Department of Public Service and Administration draws its mandate from section 195(1) of the Constitution, which sets out basic values and principles that the public service should adhere to, and the Public Service Act (1994). The department's mandate is to:

- transform and modernise the public service
- oversee changes to the structure of the public service
- improve the effectiveness and efficiency of the public service and its service delivery to the public
- establish norms and standards for human resources management and development, conditions of service, labour relations, IT and service delivery
- issue directives and regulations for the public service
- formulate the national anti-corruption strategy
- exercise oversight over the State Information Technology Agency.

### Strategic goals

The department's strategic goals over the medium term are to:

- ensure that compliance with all the public administration and public service policies and regulations improves
- continue to provide support and targeted interventions to support departments in achieving the required levels of compliance
- improve citizens' satisfaction levels as measured against specific service delivery criteria
- strengthen departments' organisational structures and business processes to enable more effective service delivery

- enhance the use and efficiency of ICT as a resource that enables government to better communicate with and deliver integrated services to the citizens of South Africa
- improve the efficiency of human resource management and development practices, norms and standards
- improve citizen engagement and public participation in policy development and feedback provision on the delivery of government services
- intensify the fight against corruption through the implementation of anti-corruption policies and interventions
- contribute towards improved public service and administration in Africa and the international arena through sharing lessons and best practices.

## **Programme purposes**

### **Programme 1: Administration**

**Purpose:** Provide policy, strategic leadership and overall management of the department.

### **Programme 2: Human Resource Management and Development**

**Purpose:** Develop, implement and monitor human resource management policies.

### **Programme 3: Labour Relations and Remuneration Management**

**Purpose:** Develop, implement and maintain labour relations and compensation policies. Ensure coordinated engagement with organised labour.

### **Programme 4: Public Sector Information and Communication Technology Management**

**Purpose:** Develop, implement and monitor information communication technology policies and norms and standards that enable citizen centred services.

### **Programme 5: Service Delivery and Organisational Transformation**

**Purpose:** Promote a service delivery and organisational transformation framework. Engage in interventions and partnerships to promote efficient and effective service delivery.

### **Programme 6: Governance and International Relations**

**Purpose:** Improve participatory governance, strengthen the fight against corruption and engage with international partners in the field of public administration.



## Selected performance indicators

**Table 12.1 Public Service and Administration**

Indicator	Programme	Outcome to which it contributes	Past <sup>1</sup>			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of departments submitting annual human resource development implementation plans per year	Human Resource Management and Development	Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	72	100	45	122	137	153	153
Number of departments equipped with tools and skills in employee health and wellness policies per year	Human Resource Management and Development		-1	46	45	135	115	138	150
Number of provincial and national departments supported in the implementation of human resource management and development policies, directives and guidelines per year	Human Resource Management and Development		-1	-1	45	135	50	50	60
Number of expenditure review and research reports produced per year	Labour Relations and Remuneration Management		-1	-1	-1	2	3	4	4
Total number of Thusong service centres providing citizen focused services	Public Sector Information and Communication Technology Management		-1	-1	70	80	90	100	100
Number of departments in which quality methodologies on business process management have been rolled out per year	Service Delivery and Organisational Transformation		-1	-1	45	2 <sup>2</sup>	10	14	14
Number of national and provincial departments in which training in Batho Pele is conducted per year	Service Delivery and Organisational Transformation		-1	-1	14	20	20	20	20
Number of departments assisted with organisational development interventions per year	Service Delivery and Organisational Transformation		6	20	88	20 <sup>3</sup>	15	15	15
Number of departments supported with capacity building and assistance with the development of delegations per year	Service Delivery and Organisational Transformation		-1	-1	169	10 <sup>2</sup>	10	10	10
Number of national and provincial departments supported with the development of service delivery improvement plans per year	Service Delivery and Organisational Transformation		-1	-1	-1	54	59	30	30
Number of departments in which employee satisfaction surveys are conducted per year	Governance and International Relations		2	4	1	4	5	10	10
Number of international governance and public administration projects implemented through departments and international agencies per year	Governance and International Relations		2	2	6	4	4	4	4
Number of international bilateral and multilateral engagements facilitated and coordinated per year	Governance and International Relations		4	2	4	4	4	4	4

1. The department introduced some new indicators in phases between 2009/10 and 2011/12.

2. The initiative targeted all departments in 2011/12 when it began. Thereafter the training is provided as requested, hence the decrease in the indicator from 2011/12 to 2012/13 and onwards.

3. The department anticipates a lower number of departments requiring assistance for organisational development because a large number were assisted in 2011/12.

## The national development plan

One of the main goals of the national development plan is to build a capable and developmental state that is capable of driving the country's development in order to effectively address the twin challenges of poverty and inequality. This requires well run and effectively coordinated government institutions with skilled public servants who are committed to the public good and capable of delivering consistently high quality services while prioritising the nation's developmental objectives.

The Department of Public Service and Administration, along with the other departments and entities within this vote, play a key role in building the capacity of the state to drive development and transformation and deliver high quality services. By focusing on strengthening organisational structures and developing norms and standards, these departments and entities enable the state to be supported by an efficient and effective public service and improve service delivery and access. The departments also improve capability through sound human resource management and development, and by implementing business processes, systems and accountability management.

As building technical skills and effective leadership in the public sector is critical for developing a developmental state, the Public Administration Leadership and Management Academy supports this goal by determining the skills gap in the public service and providing training to ensure the development of the right skills, and ensuring that cadre development takes place in the public service.

The Public Service Sector Education Training Authority also ensures that the training provided by the public sector addresses the real skills needs of public servants by accrediting courses and programmes offered by public training institutions.

As high levels of corruption hinder service delivery in the public service, which in turn hinders development and economic prosperity, the Public Service Commission plays a significant role in tackling corruption.

## Expenditure estimates

**Table 12.2 Public Service and Administration**

Programme	Audited outcome			Adjusted appropriation 2012/13	Revised estimate	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12					2013/14	2014/15	2015/16		
R million												
Administration	125.4	137.2	150.3	187.2	178.7	12.5%	22.4%	198.5	206.2	224.9	8.0%	24.9%
Human Resource Management and Development	36.8	39.5	32.1	38.7	32.8	-3.8%	5.4%	40.4	42.3	43.6	10.0%	4.9%
Labour Relations and Remuneration Management	88.0	19.3	24.6	28.1	28.1	-31.6%	6.1%	29.7	31.0	27.6	-0.7%	3.6%
Public Sector Information and Communication Technology Management	34.8	32.4	34.7	29.4	20.2	-16.6%	4.6%	39.4	43.9	43.5	29.1%	4.5%
Service Delivery and Organisational Transformation	204.6	208.0	210.7	216.8	212.7	1.3%	31.7%	236.1	247.7	256.1	6.4%	29.3%
Governance and International Relations	181.1	191.7	193.0	226.6	220.9	6.8%	29.8%	272.3	288.4	284.0	8.7%	32.8%
<b>Total</b>	<b>670.8</b>	<b>628.2</b>	<b>645.5</b>	<b>726.9</b>	<b>693.5</b>	<b>1.1%</b>	<b>100.0%</b>	<b>816.4</b>	<b>859.5</b>	<b>879.7</b>	<b>8.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(4.6)	(38.0)			35.6	31.5	13.6		
<b>Economic classification</b>												
<b>Current payments</b>	<b>407.0</b>	<b>364.9</b>	<b>341.5</b>	<b>410.6</b>	<b>379.6</b>	<b>-2.3%</b>	<b>56.6%</b>	<b>456.0</b>	<b>479.9</b>	<b>501.6</b>	<b>9.7%</b>	<b>55.9%</b>
Compensation of employees	156.8	175.4	181.9	226.7	206.4	9.6%	27.3%	259.3	275.8	296.4	12.8%	31.9%
Goods and services	250.0	189.2	159.3	183.6	172.8	-11.6%	29.2%	196.4	203.8	204.8	5.8%	23.9%
of which:												
Computer services	24.3	33.5	31.8	24.9	20.1	-6.2%	4.2%	32.9	37.1	38.5	24.2%	4.0%
Consultants and professional services: Business and advisory services	26.6	24.6	16.4	20.2	19.5	-9.9%	3.3%	18.3	18.3	10.4	-18.9%	2.0%
Operating leases	29.2	27.1	20.0	29.5	29.5	0.4%	4.0%	38.7	42.1	55.1	23.1%	5.1%
Travel and subsistence	29.1	29.1	35.0	37.2	35.7	7.1%	4.9%	46.2	44.6	42.2	5.7%	5.2%
Interest and rent on land	0.2	0.4	0.3	0.3	0.3	17.2%	0.0%	0.4	0.4	0.4	2.6%	0.0%

**Table 12.2 Public Service and Administration (continued)**

Economic classification	Audited outcome					Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13						2013/14	2014/15	2015/16		
	2009/10 - 2012/13		2013/14 - 2015/16		2012/13 - 2015/16									
R million	254.3	256.2	295.8	309.5	309.5	6.8%	42.3%	357.3	376.6	375.4	6.6%	43.7%		
<b>Transfers and subsidies</b>	252.9	253.0	293.1	308.2	308.2	6.8%	42.0%	356.5	375.8	374.5	6.7%	43.6%		
Departmental agencies and accounts	0.6	0.5	0.7	0.6	0.6	2.5%	0.1%	0.8	0.8	0.9	14.8%	0.1%		
Foreign governments and international organisations	0.9	2.7	2.1	0.7	0.7	-8.0%	0.2%	-	-	-	-100.0%	0.0%		
Households	9.4	6.9	8.1	6.7	4.4	-22.7%	1.1%	3.0	3.0	2.6	-15.9%	0.4%		
<b>Payments for capital assets</b>	-	-	-	-	-	-	-	0.4	0.1	0.1	-	0.0%		
Buildings and other fixed structures	9.3	6.9	8.1	6.5	4.2	-23.0%	1.1%	2.6	2.9	2.5	-15.8%	0.4%		
Machinery and equipment	0.2	-	0.1	0.2	0.1	-11.2%	0.0%	-	-	-	-100.0%	0.0%		
Software and other intangible assets	0.0	0.1	0.0	-	-	-100.0%	0.0%	-	-	-	-	-		
<b>Payments for financial assets</b>	670.8	628.2	645.5	726.9	693.5	1.1%	100.0%	816.4	859.5	879.7	8.3%	100.0%		
<b>Total</b>														

## Personnel information

**Table 12.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
<b>Public Service and Administration</b>	481	26	499	181.9	0.4	420	222.0	0.5	507	259.3	0.5	507	275.8	0.5	507	296.4	0.6	6.5%	100.0%
Salary level	132	13	145	18.0	0.1	133	26.3	0.2	145	27.9	0.2	145	29.2	0.2	145	30.5	0.2	2.9%	29.3%
1 - 6	122	9	131	32.6	0.2	114	42.1	0.4	131	44.5	0.3	131	46.8	0.4	131	49.2	0.4	4.7%	26.1%
7 - 10	109	3	112	46.2	0.4	93	48.1	0.5	112	61.5	0.5	112	65.1	0.6	112	69.1	0.6	6.4%	22.1%
11 - 12	118	1	111	85.1	0.8	80	105.6	1.3	119	125.5	1.1	119	134.7	1.1	119	147.6	1.2	14.2%	22.5%
13 - 16																			

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

<sup>2</sup> Rand million.

<sup>3</sup> As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on strengthening the alignment of the department's activities with the ministerial delivery agreement to realise an efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship (outcome 8). This will be done particularly through: strengthening back office systems in order to improve service delivery; managing human resources and ensuring the internal efficiency of the public service through the implementation of the State Information Technology Agency turnaround strategy; accelerating the training and development of a new public service cadre by repositioning the Public Administration Leadership and Management Academy as a school of governance; and tackling corruption effectively.

Spending in the *Administration* programme increased significantly by 24.5 per cent in 2012/13 due to the appointment of a deputy minister and the devolution of accommodation funds from the Department of Public Works. This contributed to the increased spending on compensation of employees and operating leases in that year. The decrease in expenditure on goods and services between 2009/10 and 2012/13 was due to the provision for incapacity leave and ill health retirement being decentralised in 2010/11 from this department to specific departments where the staff is employed, and completion of the HR Connect project in 2011/12.

Spending in the *Public Sector Information and Communication Technology Management* programme is projected to grow significantly over the medium term due to the higher number of Thusong service centres and

the costs related to their ICT connectivity, and an increase in the payments to the State Information Technology Agency for the gateway call centre.

Cabinet approved budget reductions of R4.4 million in 2013/14, R12.8 million in 2014/15 and R21.2 million in 2015/16 were effected in spending across all programmes, the details of which are included in the discussions of each programme.

The department had 86 vacancies as at 30 September 2012, mainly due to high staff turnover at the executive and senior management levels. The ratio of support staff to line function staff is 1:2.

Consultants used by the department generally provide technical skills in projects, such as the personnel expenditure review, change management, performance auditing and the development of a revised housing scheme policy for the public service. Consultants were used between 2009/10 and 2012/13 to develop and implement the HR Connect system.

## Departmental receipts

Table 12.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R thousand	2 242	2 098	535	766	766	-30.1%	100.0%	801	831	867	4.2%	100.0%
<b>Departmental receipts</b>	<b>2 242</b>	<b>2 098</b>	<b>535</b>	<b>766</b>	<b>766</b>	<b>-30.1%</b>	<b>100.0%</b>	<b>801</b>	<b>831</b>	<b>867</b>	<b>4.2%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>223</b>	<b>247</b>	<b>245</b>	<b>286</b>	<b>286</b>	<b>8.6%</b>	<b>17.7%</b>	<b>301</b>	<b>316</b>	<b>332</b>	<b>5.1%</b>	<b>37.8%</b>
Sales by market establishments	178	194	187	230	230	8.9%	14.0%	240	250	260	4.2%	30.0%
<i>of which:</i>												
<i>Rental of open and covered parking</i>	178	194	187	230	230	8.9%	14.0%	240	250	260	4.2%	30.0%
Administration fees	45	53	58	56	56	7.6%	3.8%	61	66	72	8.7%	7.8%
<i>of which:</i>												
<i>Commission insurance</i>	45	53	58	55	55	6.9%	3.7%	60	65	70	8.4%	7.7%
<i>Replacement of security cards</i>	-	-	-	1	1	-	-	1	1	2	26.0%	0.2%
Transfers received	-	-	84	-	-	-	1.5%	-	-	-	-	-
Interest, dividends and rent on land	8	21	6	35	35	63.6%	1.2%	40	40	35	-	4.6%
Interest	8	21	6	35	35	63.6%	1.2%	40	40	35	-	4.6%
Sales of capital assets	1 064	-	-	-	-	-100.0%	18.9%	-	-	-	-	-
Transactions in financial assets and liabilities	947	1 830	200	445	445	-22.3%	60.7%	460	475	500	4.0%	57.6%
<b>Total</b>	<b>2 242</b>	<b>2 098</b>	<b>535</b>	<b>766</b>	<b>766</b>	<b>-30.1%</b>	<b>100.0%</b>	<b>801</b>	<b>831</b>	<b>867</b>	<b>4.2%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 12.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Ministry	28.8	32.1	35.4	47.7	18.3%	24.0%	38.0	39.7	41.8	-4.3%	20.5%
Departmental Management	7.5	4.7	8.5	8.8	5.5%	4.9%	8.8	8.9	9.3	1.9%	4.4%
Corporate Services	47.3	56.1	60.8	80.8	19.6%	40.8%	86.5	88.2	92.3	4.5%	42.6%
Finance Administration	14.3	16.5	17.8	21.8	15.2%	11.7%	23.8	26.1	26.4	6.5%	12.0%
Internal Audit	4.8	4.6	5.3	4.1	-5.3%	3.1%	5.7	6.0	5.8	12.1%	2.6%
Office Accommodation	22.8	23.2	22.6	24.1	1.8%	15.4%	35.7	37.3	49.5	27.1%	17.9%
<b>Total</b>	<b>125.4</b>	<b>137.2</b>	<b>150.3</b>	<b>187.2</b>	<b>14.3%</b>	<b>100.0%</b>	<b>198.5</b>	<b>206.2</b>	<b>224.9</b>	<b>6.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				6.2			3.5	0.6	-		
<b>Economic classification</b>											
<b>Current payments</b>	<b>120.8</b>	<b>133.7</b>	<b>143.7</b>	<b>182.8</b>	<b>14.8%</b>	<b>96.8%</b>	<b>196.8</b>	<b>204.0</b>	<b>223.0</b>	<b>6.8%</b>	<b>98.7%</b>
Compensation of employees	57.9	65.7	76.0	96.7	18.6%	49.4%	102.9	109.5	118.0	6.9%	52.3%
Goods and services	62.7	67.8	67.4	86.0	11.1%	47.3%	93.7	94.3	104.8	6.8%	46.4%
<i>of which:</i>											
Computer services	5.6	10.7	7.0	10.7	24.1%	5.7%	11.3	11.7	11.8	3.1%	5.6%
Consultants and professional services: Business and advisory services	2.5	0.5	0.9	1.0	-27.2%	0.8%	2.4	2.6	1.6	19.0%	0.9%
Operating leases	22.1	20.4	18.2	22.1	0.1%	13.8%	33.2	34.5	46.6	28.1%	16.7%
Travel and subsistence	11.7	10.1	13.7	16.3	11.6%	8.6%	16.7	16.6	16.0	-0.6%	8.0%
Interest and rent on land	0.2	0.2	0.2	0.1	-7.9%	0.1%	0.2	0.2	0.2	8.8%	0.1%
<b>Transfers and subsidies</b>	<b>0.2</b>	<b>0.1</b>	<b>1.7</b>	<b>0.7</b>	<b>42.1%</b>	<b>0.4%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-52.9%</b>	<b>0.1%</b>
Departmental agencies and accounts	-	-	-	-	-	-	0.1	0.1	0.1	-	-
Households	0.2	0.1	1.7	0.7	43.5%	0.4%	-	-	-	-100.0%	0.1%
<b>Payments for capital assets</b>	<b>4.4</b>	<b>3.5</b>	<b>5.0</b>	<b>3.7</b>	<b>-5.1%</b>	<b>2.8%</b>	<b>1.7</b>	<b>2.2</b>	<b>1.8</b>	<b>-21.8%</b>	<b>1.1%</b>
Machinery and equipment	4.4	3.5	4.9	3.6	-5.9%	2.7%	1.7	2.2	1.8	-21.1%	1.1%
Software and other intangible assets	-	-	0.1	0.1	-	-	-	-	-	-100.0%	-
<b>Total</b>	<b>125.4</b>	<b>137.2</b>	<b>150.3</b>	<b>187.2</b>	<b>14.3%</b>	<b>100.0%</b>	<b>198.5</b>	<b>206.2</b>	<b>224.9</b>	<b>6.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>18.7%</b>	<b>21.8%</b>	<b>23.3%</b>	<b>25.8%</b>			<b>24.3%</b>	<b>24.0%</b>	<b>25.6%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>0.2</b>	<b>0.1</b>	<b>1.7</b>	<b>0.7</b>	<b>43.5%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>
Employee social benefits	0.2	0.1	1.7	0.7	43.5%	0.4%	-	-	-	-100.0%	0.1%

## Personnel information

**Table 12.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Administration																			
Salary level	232	10	242	70.0	0.3	196	86.3	0.4	242	100.0	0.4	242	108.0	0.4	242	113.6	0.5	7.3%	100.0%
1 – 6	96	7	103	12.3	0.1	95	18.5	0.2	103	19.3	0.2	103	20.2	0.2	103	21.1	0.2	2.7%	43.8%
7 – 10	63	1	64	15.1	0.2	58	20.2	0.3	64	21.2	0.3	64	22.3	0.3	64	23.5	0.4	3.3%	27.1%
11 – 12	37	2	39	16.5	0.4	31	16.2	0.5	39	21.0	0.5	39	22.3	0.6	39	23.6	0.6	8.0%	16.1%
13 – 16	36	–	36	26.1	0.7	12	31.5	2.6	36	38.5	1.1	36	43.3	1.2	36	45.4	1.3	44.2%	13.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing policy, strategic leadership and overall management of the department and entities reporting to the minister.

Spending increased significantly in 2012/13 in the *Ministry* subprogramme due to the appointment of a deputy minister in 2010/11, the creation of capacity to provide ministerial support services and the filling of vacant posts, mostly at the senior management level. Spending also increased significantly in the *Corporate Services* and *Finance Administration* subprogrammes in the same year due to the development of a departmental communication strategy and an increase in the cost of external audit services provided by the Auditor-General of South Africa. Spending on operating leases also increased significantly by 21.7 per cent in 2012/13 due to the devolution of accommodation funds from the Department of Public Works from that year onwards. As a result, spending in the *Office Accommodation* subprogramme is expected to increase significantly over the medium term and contribute to the overall increase in spending in the programme.

Expenditure in the *Finance Administration* and *Corporate Services* subprogrammes is also expected to increase significantly over the medium term to provide for the expected increase in external audit costs and the planned acquisition of a new server. Savings were identified in spending on travel and subsistence, catering, and venues and facilities over the medium term. The savings were reprioritised to provide for the increases in expenditure elsewhere within the programme.

The programme had a funded establishment of 232 posts and 10 posts were additional to the establishment. As at 30 September 2012, the programme had 46 vacancies due to the department postponing recruitment as it had office space constraints. The vacancies are to be filled in 2013/14. Spending on consultants is projected to increase from R1.2 million in 2012/13 to R2.8 million in 2014/15 following the signing of a co-sourcing contract in 2012/13 for the provision of internal audit services for the next two years.

## Programme 2: Human Resource Management and Development

### Objectives

- Contribute to efficient human resource management in government by hosting advocacy workshops with national and provincial departments on implementing the policy directive on compulsory capacity development and mandatory training days for senior management services by 2014.
- Improve the health and wellness of public servants by:
  - identifying risks and hazards and implementing controls as recommended by the health risk assessment to promote a healthy and safe working environment within the Departments of Health and Education by March 2015

- increasing the percentage of government departments with operational plans for mainstreaming gender based HIV and AIDS, sexually transmitted illness and tuberculosis prevention programmes from 38 per cent to 75 per cent through workshops and the use of mainstreaming guidelines by 2014/15
- increasing the percentage of departments implementing policies from the employee health and wellness strategic framework from 50 per cent to 75 per cent through the development and systematic review of sexually transmitted illness tools by 2013/14.
- Ensure that training and development interventions in the public service are responsive to government priority skills areas by providing a framework or model that will identify priority areas to inform departmental training budgets by March 2015.
- Improve skill levels in the public service by developing a methodology to measure the extent of skill levels in the public service by March 2015.

## Subprogrammes

- *Management: Human Resource Management* provides administrative support to and management of the programme. In 2012/13, strategic support was provided on the implementation of the human resources development strategy framework to improve the rate of compliance and the quality of human resources development plans. This subprogramme had a staff complement of 3 in 2012/13.
- *Senior Management Services* ensures that there is a professional management service in the public service. It does this by establishing and implementing competency based management through developing transversal employment policies, prescripts and guidelines, and other career practices for senior management service members. In 2012/13, support to departments was provided for the implementation of the directive on competency based assessments, and consultations were held with all national and provincial departments on the draft directive on compulsory capacity development and mandatory training days for senior management service members. For 2013/14, advocacy workshops with national and provincial departments are planned in preparation for the implementation of the abovementioned directive on compulsory capacity development and mandatory training days. This subprogramme had a staff complement of 7 in 2012/13.
- *Human Resource Planning, Performance and Practice* develops policies, prescripts, processes and systems; and provides advice and support to departments in implementing improvements to human resources planning, employment practices and employee performance management. In 2012/13, a draft performance management and development system for heads of departments was developed and consultations and workshops were held, and workshops on implementing the strategy to improve recruitment and reduce the vacancy rate were conducted. In 2013/14, the focus will be placed on monitoring, analysing and reporting on recruitment and vacancy trends in the public service, for which R90 000 has been allocated. This subprogramme had a staff complement of 15 in 2012/13.
- *Diversity Management* develops policies and guidelines on employment equity that are designed to remove barriers of access into and within the public service for designated groups, and prevent direct and indirect discrimination against the designated groups; and monitors and reports on the achievement of Cabinet approved employment equity targets for the public service on race, gender and people with disabilities. In 2012/13, consultations on the prevention of sexual harassment policy in the public service were undertaken in all national departments and provinces, and work was initiated to develop a funding model for the policy on reasonable accommodation and assistive devices for people with disabilities. In 2013/14, advocacy workshops will be held to introduce, promote and implement the policy on prevention of sexual harassment, for which R232 000 has been allocated. This subprogramme had a staff complement of 8 in 2012/13.
- *Employee Health and Wellness* promotes and manages health and wellness in the public service; improves the occupational health and quality of work life through a holistic and integrated employee health and wellness strategic framework, related policies, guidelines, and monitoring and evaluation plans; and coordinates government's mainstreamed response to HIV and AIDS, which is a focal point for the Southern African Development Community (SADC). In 2012/13, support to departments was provided to facilitate the implementation of employee health and wellness policies, which included developing HIV and AIDS prevention programmes, as well as performance indicators for monitoring and evaluating employee health and wellness. In 2013/14, healthy working environments will continue to be promoted along with the

implementation of all employment health and safety policies. This subprogramme had a staff complement of 6 in 2012/13.

- *Human Resource Development* aims to improve the competency levels of public servants through targeted capacity development activities, such as internships, learnerships, compulsory courses and skills programmes designed to ensure a constant pool of productive and engaged employees through appropriate policies, prescripts, advice and support. In 2012/13, the focus was on facilitating the recruitment of youth into internship, learnership and artisan programmes. As such, support was provided to provinces on the implementation of the rural youth development project and the coordination of a career guidance exhibition held in Free State. In 2013/14, the focus will be on monitoring and reporting on the implementation of internships, learnerships and artisan programmes at a cost of R348 000. This subprogramme had a staff complement of 8 in 2012/13.
- *Integrated Financial Management Systems* develops, supports the implementation of, and manages the human resource management module of the integrated financial management system. In 2012/13, the implementation of the human resources solution for the integrated financial management system in the national department and the Free State education department continued; and work on developing an interface to PERSAL to eliminate double capturing also started. The system will be rolled out to other selected departments in 2013/14. This subprogramme had a staff complement of 4 in 2012/13.

## Expenditure estimates

**Table 12.7 Human Resource Management and Development**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	Average	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million												
Management: Human Resource Management	3.8	2.7	3.1	3.0	-7.5%	8.5%	3.3	3.4	3.5	5.3%	8.0%	
Senior Management Services	2.5	3.5	4.2	5.4	29.4%	10.6%	5.4	6.2	5.8	2.6%	13.8%	
Human Resource Planning, Performances and Practice	16.1	18.3	7.3	10.6	-13.1%	35.6%	10.7	11.1	11.6	3.3%	26.6%	
Diversity Management	4.6	4.8	4.7	5.1	3.3%	13.0%	5.9	6.2	6.3	7.4%	14.2%	
Employee Health and Wellness	5.1	4.0	4.2	5.8	4.4%	12.9%	4.9	5.1	5.5	-1.2%	12.9%	
Human Resource Development	3.3	4.3	5.9	5.6	19.1%	13.0%	6.9	6.7	7.0	7.5%	15.8%	
Integrated Financial Management Systems	1.5	1.9	2.8	3.3	31.3%	6.4%	3.5	3.7	3.9	5.1%	8.7%	
<b>Total</b>	<b>36.8</b>	<b>39.5</b>	<b>32.1</b>	<b>38.7</b>	<b>1.7%</b>	<b>100.0%</b>	<b>40.4</b>	<b>42.3</b>	<b>43.6</b>	<b>4.1%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				1.6			0.2	(0.2)	-			
<b>Economic classification</b>												
<b>Current payments</b>	<b>36.7</b>	<b>39.3</b>	<b>31.9</b>	<b>38.7</b>	<b>1.8%</b>	<b>99.6%</b>	<b>40.3</b>	<b>42.1</b>	<b>43.5</b>	<b>3.9%</b>	<b>99.7%</b>	
Compensation of employees	18.1	22.1	23.5	28.4	16.1%	62.6%	30.6	32.6	34.9	7.2%	76.6%	
Goods and services	18.6	17.1	8.4	10.3	-17.8%	37.0%	9.6	9.5	8.5	-6.3%	23.0%	
<i>of which:</i>												
Computer services	1.1	0.1	0.1	0.2	-47.6%	1.0%	0.1	0.1	0.1	-16.0%	0.3%	
Consultants and professional services: Business and advisory services	10.3	11.7	0.7	0.2	-72.8%	15.5%	0.1	0.5	0.0	-66.2%	0.5%	
Operating leases	0.1	-	-	0.1	0.7%	0.2%	-	-	(0.0)	-119.1%	0.1%	
Travel and subsistence	2.6	2.6	3.6	4.0	14.3%	8.7%	5.1	4.8	4.6	5.1%	11.2%	
Interest and rent on land	0.0	0.0	0.0	0.0	93.5%	0.1%	0.0	0.0	0.0	10.4%	0.1%	
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>-20.6%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	
Households	0.0	0.1	0.1	0.0	-20.6%	0.1%	-	-	-	-100.0%	-	



**Table 12.7 Human Resource Management and Development (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R million											
Payments for capital assets	0.1	0.1	0.2	-	-100.0%	0.2%	0.2	0.2	0.2	-	0.3%
Machinery and equipment	0.1	0.1	0.2	-	-100.0%	0.2%	0.1	0.2	0.2	-	0.3%
<b>Total</b>	<b>36.8</b>	<b>39.5</b>	<b>32.1</b>	<b>38.7</b>	<b>1.7%</b>	<b>100.0%</b>	<b>40.4</b>	<b>42.3</b>	<b>43.6</b>	<b>4.1%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	5.5%	6.3%	5.0%	5.3%			5.0%	4.9%	5.0%		

## Personnel information

**Table 12.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost	
Human Resource Management and Development	51	-	51	21.8	0.4	51	26.8	0.5	51	31.7	0.6	51	33.2	0.7	51	36.5	0.7	-	100.0%
Salary level																			
1 - 6	5	-	5	0.8	0.2	5	1.1	0.2	5	1.1	0.2	5	1.2	0.2	5	1.2	0.2	-	9.8%
7 - 10	12	-	12	2.8	0.2	12	3.5	0.3	12	3.8	0.3	12	4.0	0.3	12	4.2	0.3	-	23.5%
11 - 12	20	-	20	8.0	0.4	20	9.1	0.5	20	11.2	0.6	20	11.8	0.6	20	12.5	0.6	-	39.2%
13 - 16	14	-	14	10.3	0.7	14	13.1	0.9	14	15.7	1.1	14	16.3	1.2	14	18.6	1.3	-	27.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on projects related to the use of the training and skills audit in the public service, the advocacy of diversity management and health and wellness of public servants, and the improvement of recruitment in the public service. These activities are carried out through the *Diversity Management*, *Human Resource Development* and the *Human Resource Planning, Performance and Practices* subprogrammes, which account for their using most of the programme's allocation over the medium term. The allocations over the medium term will be used to increase the percentage of government departments with operational plans for mainstreaming gender based HIV and AIDS, sexually transmitted illness and tuberculosis prevention programmes from 38 per cent to 75 per cent by 2014/15 through workshops and the use of mainstreaming guidelines.

Spending increased significantly between 2009/10 and 2012/13 in the *Senior Management Services* subprogramme due to the review of the senior management service handbook and senior management service competency assessment, which started in 2010/11. Spending over the same period in the *Human Resource Development* subprogramme also increased significantly due to the work the department did to promote the implementation of internship, learnership, artisan and technician programmes in the public service. Spending in the *Integrated Financial Management Systems* subprogramme also increased between 2009/10 and 2011/12 due to the development and implementation of the human resources management module of the integrated financial management system. Spending over the same period in the *Human Resource Planning* subprogramme decreased due to the completion of the HR Connect project in 2011/12, which also accounts for the 72.8 per cent decrease in expenditure on consultants in that year.

As part of the Cabinet approved budget reductions over the medium term, the department implemented cost saving measures in this programme to reduce spending on non-core travel and subsistence.

There were no vacancies in the programme as at 30 September 2012. R599 000 is allocated over the medium term for spending on consultants. These consultants are to assist with the senior management service competency assessments, the implementation of the integrated financial management system HR solutions in

departments, and the development of policy on sexual harassment in the public service, and HIV and AIDS prevention programmes.

## **Programme 3: Labour Relations and Remuneration Management**

### **Objectives**

- Develop a remuneration policy for the public service by November 2013 that ensures a sustainable growth in the government wage bill by:
  - analysing government spending on personnel
  - performing benchmarking exercises on salaries and conditions of service
  - consulting with stakeholders.
- Promote home ownership in the public service by developing a government employees housing scheme and institutional framework by March 2015.
- Improve disciplinary processes in the public service by monitoring the implementation of the disciplinary code and procedures as well as providing implementation support on an ongoing basis.
- Enhance the effectiveness of labour relations and negotiations in the public sector by coordinating, overseeing and monitoring the implementation of Public Service Coordinating Bargaining Council resolution 1 of 2012 by March 2015.

### **Subprogrammes**

- *Management: Labour Relations and Remuneration* provides administrative support to and management of the programme. In 2012/13, strategic guidance and administrative support was provided to enable the programme to achieve its objectives, such as the development of goals, the prioritisation of projects and outputs, and the determination and consolidation of resource requirements. This subprogramme had a staff complement of 3 in 2012/13.
- *Remuneration and Market Analysis* develops, implements and maintains policies, practices and systems on remuneration. In 2012/13, a study was undertaken to verify and analyse PERSAL data to develop options for and changes to the pay progression policy. Work on the personnel expenditure review is still in progress and a first draft of a preliminary report on the data analysis to establish sick leave targets for the public service has been completed. In 2013/14, a revised remuneration policy for the public service will be developed. This subprogramme had a staff complement of 10 in 2012/13.
- *Conditions of Service* focuses on the development, implementation and maintenance of policies and practices on general and macro benefits. In 2012/13, the development of actuarial models for the revised housing policy commenced and market surveys were completed. In 2013/14, a funding model and institutional framework will be developed to enhance home ownership among public servants. This subprogramme had a staff complement of 11 in 2012/13.
- *Labour Relations and Negotiations* is responsible for the development, implementation and maintenance of policies and systems on labour relations issues for the public service; and ensures coordinated collective bargaining in the Public Service Coordinating Bargaining Council and the General Public Service Sectoral Bargaining Council. In 2012/13, a three-year wage agreement for the public service was successfully signed. In 2013/14, the focus will be on improving discipline management in the public service by monitoring the implementation of the disciplinary code at a cost of R3.6 million. This subprogramme had a staff complement of 10 in 2012/13.

## Expenditure estimates

Table 12.9 Labour Relations and Remuneration Management

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Management: Labour Relations and Remuneration	3.1	1.3	2.4	2.5	-5.9%	5.8%	2.9	3.0	3.1	7.1%	9.9%
Remuneration and Market Analysis	4.7	4.2	8.9	8.4	21.3%	16.4%	7.1	7.5	7.9	-2.2%	26.5%
Conditions of Service	75.2	5.9	8.8	11.3	-46.8%	63.2%	9.4	13.5	9.1	-7.0%	37.2%
Labour Relations and Negotiations	5.1	7.8	4.5	5.9	5.1%	14.5%	10.3	7.1	7.5	8.4%	26.4%
<b>Total</b>	<b>88.0</b>	<b>19.3</b>	<b>24.6</b>	<b>28.1</b>	<b>-31.6%</b>	<b>100.0%</b>	<b>29.7</b>	<b>31.0</b>	<b>27.6</b>	<b>-0.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				5.6			3.8	3.9	-		

## Economic classification

<b>Current payments</b>	<b>88.0</b>	<b>17.5</b>	<b>24.5</b>	<b>28.1</b>	<b>-31.6%</b>	<b>98.8%</b>	<b>29.6</b>	<b>30.9</b>	<b>27.5</b>	<b>-0.8%</b>	<b>99.7%</b>
Compensation of employees	13.2	11.6	13.7	17.2	9.3%	34.8%	19.6	20.9	22.4	9.2%	68.8%
Goods and services	74.8	5.9	10.7	10.9	-47.3%	64.0%	9.9	10.0	5.0	-22.7%	30.8%
of which:											
Computer services	0.8	0.1	0.0	0.1	-59.7%	0.6%	0.1	0.1	0.1	5.3%	0.2%
Consultants and professional services: Business and advisory services	0.2	1.0	6.5	7.3	259.5%	9.3%	5.3	6.2	1.1	-47.1%	17.1%
Operating leases	0.1	-	-	0.1	10.9%	0.1%	-	-	-	-100.0%	0.1%
Travel and subsistence	1.3	0.9	1.0	1.9	11.7%	3.2%	3.0	2.4	2.4	8.5%	8.3%
<b>Transfers and subsidies</b>	<b>-</b>	<b>1.7</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>1.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	-	1.7	0.0	-	-	1.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>0.3%</b>
Machinery and equipment	0.0	0.1	0.1	-	-100.0%	0.1%	0.1	0.1	0.1	-	0.3%
<b>Total</b>	<b>88.0</b>	<b>19.3</b>	<b>24.6</b>	<b>28.1</b>	<b>-31.6%</b>	<b>100.0%</b>	<b>29.7</b>	<b>31.0</b>	<b>27.6</b>	<b>-0.7%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	13.1%	3.1%	3.8%	3.9%			3.6%	3.6%	3.1%		

## Details of selected transfers and subsidies

Households											
Other transfers to households											
Current	-	1.7	0.0	-	-	1.1%	-	-	-	-	-
Employee social benefits	-	1.7	0.0	-	-	1.0%	-	-	-	-	-

## Personnel information

Table 12.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Labour Relations and Remuneration Management	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
Salary level	33	1	34	14.5	0.4	30	17.1	0.6	34	19.7	0.6	34	21.1	0.6	34	22.8	0.7	4.3%	100.0%
1-6	4	-	4	0.6	0.2	3	0.8	0.3	4	0.9	0.2	4	0.9	0.2	4	0.9	0.2	10.1%	11.4%
7-10	12	1	13	3.8	0.3	13	4.5	0.3	13	4.8	0.4	13	5.0	0.4	13	5.3	0.4	-	39.4%
11-12	8	-	8	3.7	0.5	7	3.8	0.5	8	4.8	0.6	8	5.1	0.6	8	5.4	0.7	4.6%	23.5%
13-16	9	-	9	6.4	0.7	7	8.0	1.1	9	9.2	1.0	9	10.0	1.1	9	11.1	1.2	8.7%	25.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on managing discipline in the public service, revising and implementing the remuneration policy, and developing and implementing a new housing scheme as part of the improvement in conditions of service.

Expenditure decreased significantly in 2010/11 in the *Conditions of Service* subprogramme due to the department decentralising the provisions for incapacity leave and ill health retirement. The provisions from that year have been accounted for within the individual national departments. *Spending in the Remuneration and Market Analysis* subprogramme increased significantly between 2011/12 and 2012/13 as the department conducted personnel expenditure reviews to develop a new remuneration policy for government. The 54.7 per cent increase in spending in the *Labour Relations and Negotiations* subprogramme in 2010/11 was the result of communication costs related to the strike in the public service in that year, which also caused advertising expenditure to increase.

The projected decrease in expenditure on consultants over the medium term is due to the completion in 2014/15 of the project to develop a case management system that would generate reports on suspensions in order to ensure that remuneration policies on suspensions are effectively implemented.

As part of the Cabinet approved budget reductions over the medium term, the department implemented cost saving measures in this programme to reduce spending on non-core travel and subsistence.

The programme had 4 vacant posts as at the end of September 2012 due to resignations. R12.5 million over the medium term is allocated for spending on consultants, mostly in the *Conditions of Service* subprogramme. The consultants are to assist with the development of policies on improving conditions of service, the management of the panel of accredited health risk managers and the government employees housing scheme. A panel of experts will be also appointed to deal with the management of disciplinary cases in the public service.

## Programme 4: Public Sector Information and Communication Technology Management

### Objectives

- Contribute to the improvement of service delivery by ensuring that 100 Thusong service centres are connected and operating effectively by March 2015.
- Improve e-governance by implementing the revised e-government policy and strategic framework by March 2015.
- Enhance IT governance by implementing the ICT governance framework by March 2015.
- Improve IT security in the public service by implementing the minimum information security standards framework by March 2015.

### Subprogrammes

- *Management: Public Sector Information and Communication Technology* provides administrative support to and management of the programme. In 2012/13, strategic guidance and administrative support was given to enable the programme to achieve its objectives, such as the development of objectives, the prioritisation of projects and outputs, and the determination and consolidation of resource requirements. This subprogramme had a staff complement of 3 in 2012/13.
- *E-Government* provides support and leadership to national and provincial departments and the State Information Technology Agency to develop a government wide architecture and system integration plan. In 2012/13, a draft minimum information security standards framework was developed. R334 000 has been allocated in 2013/14 for implementing the information security policy, R257 000 for implementing e-government initiatives and R284 000 for developing the ICT strategy for the public service. This subprogramme had a staff complement of 5 in 2012/13.
- *Information and Communication Technology Policy and Planning* develops policies, strategies and regulations on ICT across the public service; oversees the State Information Technology Agency; provides

secretarial services to the Government Information Technology Officers' Council; and oversees all ICT initiatives in the public service. In 2012/13, members of the Government Information Technology Officers' Council were trained on implementing the green IT policy, and draft guidelines on e-waste management were developed. The council and the online information portal have been allocated R2.5 million over the medium term. This subprogramme had a staff complement of 6 in 2012/13.

- *Information and Communication Technology Infrastructure and Operations* supports all national and provincial departments on significant transversal projects and ICT infrastructure related projects. In 2012/13, an ICT standards framework was developed. R5.5 million has been provided for a call centre to replace the current gateway call centre in 2013/14, and the running costs for ICT connectivity at Thusong service centres are expected to be R6.3 million. This subprogramme had a staff complement of 9 in 2012/13.

## Expenditure estimates

**Table 12.11 Public Sector Information and Communication Technology Management**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Management: Public Sector	4.0	2.8	1.5	5.0	7.3%	10.1%	2.8	2.9	3.0	-15.1%	8.8%
Information and Communication Technology											
E-Government	5.1	4.0	3.9	3.5	-12.2%	12.6%	5.7	5.9	5.9	19.0%	13.4%
Information and Communication Technology Policy and Planning	6.1	3.7	4.5	5.6	-2.5%	15.1%	8.7	9.1	6.2	3.6%	19.0%
Information and Communication Technology Infrastructure and Operations	19.6	22.0	24.8	15.3	-7.9%	62.2%	22.2	26.0	28.3	22.7%	58.8%
<b>Total</b>	<b>34.8</b>	<b>32.4</b>	<b>34.7</b>	<b>29.4</b>	<b>-5.5%</b>	<b>100.0%</b>	<b>39.4</b>	<b>43.9</b>	<b>43.5</b>	<b>14.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(14.5)			(7.1)	(6.6)	-		
<b>Economic classification</b>											
<b>Current payments</b>	<b>32.8</b>	<b>32.1</b>	<b>34.4</b>	<b>26.5</b>	<b>-6.9%</b>	<b>95.8%</b>	<b>39.3</b>	<b>43.8</b>	<b>43.4</b>	<b>17.9%</b>	<b>98.0%</b>
Compensation of employees	9.5	9.6	8.2	9.5	0.1%	28.0%	15.4	16.4	17.6	22.8%	37.7%
Goods and services	23.4	22.6	26.2	16.9	-10.1%	67.8%	23.8	27.4	25.8	15.1%	60.2%
<i>of which:</i>											
Computer services	13.7	16.8	20.5	9.2	-12.6%	45.9%	15.2	18.5	19.2	27.7%	39.7%
Consultants and professional services: Business and advisory services	5.9	2.3	2.7	2.5	-24.9%	10.2%	2.3	2.7	1.5	-16.4%	5.8%
Operating leases	0.0	-	-	0.1	21.8%	0.1%	-	-	-	-100.0%	-
Travel and subsistence	1.4	0.9	0.8	2.8	25.6%	4.6%	2.3	2.5	2.1	-10.3%	6.2%
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>
Households	0.0	0.0	0.1	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>2.0</b>	<b>0.2</b>	<b>0.2</b>	<b>2.9</b>	<b>13.3%</b>	<b>4.1%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-71.4%</b>	<b>2.0%</b>
Machinery and equipment	2.0	0.2	0.2	2.8	11.4%	4.0%	0.1	0.1	0.1	-70.9%	1.9%
Software and other intangible assets	-	-	-	0.1	-	0.1%	-	-	-	-100.0%	0.1%
<b>Total</b>	<b>34.8</b>	<b>32.4</b>	<b>34.7</b>	<b>29.4</b>	<b>-5.5%</b>	<b>100.0%</b>	<b>39.4</b>	<b>43.9</b>	<b>43.5</b>	<b>14.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>5.2%</b>	<b>5.2%</b>	<b>5.4%</b>	<b>4.0%</b>			<b>4.8%</b>	<b>5.1%</b>	<b>4.9%</b>		

## Personnel information

Table 12.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number				
Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate <sup>3</sup> 2012/13			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14			2014/15			2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16	
Public Sector Information and Communication Technology Management																					
Salary level	22	1	15	11.2	0.7	15	13.7	0.9	23	16.3	0.7	23	17.1	0.7	23	18.8	0.8	15.3%	100.0%		
1 – 6	3	1	4	0.6	0.1	4	0.8	0.2	4	0.9	0.2	4	0.9	0.2	4	0.9	0.2	–	–	–	19.0%
7 – 10	4	–	4	0.9	0.2	3	1.1	0.4	4	1.3	0.3	4	1.3	0.3	4	1.4	0.3	10.1%	–	–	17.9%
11 – 12	3	–	3	1.1	0.4	3	1.3	0.4	3	1.6	0.5	3	1.7	0.6	3	1.8	0.6	–	–	–	14.3%
13 – 16	12	–	4	8.5	2.1	5	10.5	2.1	12	12.6	1.0	12	13.2	1.1	12	14.7	1.2	33.9%	–	–	48.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will continue to be on implementing information management and e-government policies in the public service, ensuring the effective operation of the Thusong service centres, and coordinating and managing the Government Information Technology Officers' Council and portal. The projected increase in allocations to this programme over the medium term is to provide for the increase in the number of connected Thusong service centres from 70 in 2011/12 to 100 in 2015/16.

The decrease in spending between 2009/10 and 2012/13 was mainly due to a delay in bringing the gateway call centre into operation by 2012/13. This also explains the 55.2 per cent decrease in spending on computer services in 2012/13. Expenditure on consultants decreased by 61.1 per cent in 2010/11 due to the completion of the development of the ICT vulnerability assessment methodology and the public service expenditure review in 2009/10.

Spending in the *E-Government* and the *Information and Communication Technology Infrastructure and Operations* subprogrammes over the medium term is expected to grow significantly. The increases are attributable to the implementation of the public service ICT strategy, the implementation of transversal tenders and the development of a broadband policy. In order to conduct these activities, the department expects to fill the 8 posts over the medium term that were vacant as at 30 September 2010, and this explains the significant increase in expenditure on compensation of employees over the medium term. The posts were vacant due to resignations and delays in finalising the recruitment process.

The department reprioritised spending on computer services for payments for the gateway call centre at the State Information Technology Agency to provide funding for other priority ICT projects. The department also implemented cost saving measures in spending on non-core travel and subsistence as part of the Cabinet approved budget reductions.

Spending on consultants decreases over the seven-year period as the department increases internal capacity within the programme. Consultants are used to provide technical expertise related to ICT projects.

## Programme 5: Service Delivery and Organisational Transformation

### Objectives

- Improve service delivery in the public service by providing advice and support to departments with regard to service standards, charters and delivery models; business process mapping and unit costing; geographic mapping and access to service delivery points; and service delivery improvement plans on an ongoing basis until March 2015.
- Contribute to the organisational development and transformation of departments by revising existing legal instruments, frameworks, methodologies and directives on managing organisational design and change within the public service by March 2014.

- Contribute to improving the professionalism of public servants through advocacy programmes to institutionalise the Batho Pele principles on an ongoing basis.
- Contribute to improved organisational development in government by:
  - assisting sector departments as and when requested to develop sector specific organisational structures, conducting reviews on the efficiency of organisational structures and assessing functionality capacity.
  - monitoring organisational structuring of departments and providing norms within a uniform job grading system on an ongoing basis until March 2015.
- Improve the capability of the public service by developing a strategy for the incremental modernisation of service delivery processes and systems by March 2015.
- Enhance engagement between departments and communities and institutionalise quality service delivery in all departments by implementing the public service knowledge management framework and establishing national and 9 provincial service delivery forums as part of the citizen participation strategy by March 2015.
- Promote innovative service delivery in the public sector by investigating, testing and piloting at least two sustainable innovative service delivery models and solutions per year for replication and mainstreaming.

## Subprogrammes

- *Management: Service Delivery and Organisational Transformation* provides administrative support to and management of the programme. In 2012/13, strategic guidance and administrative support to enable the programme to achieve its objectives, such as the development of objectives, the prioritisation of projects and outputs, and the determination and consolidation of resource requirements. This subprogramme had a staff complement of 3 in 2012/13.
- *Service Delivery Planning* coordinates and facilitates service delivery improvement initiatives, such as developing and implementing a service delivery planning framework in all national and provincial departments. In 2012/13, a draft framework on the determination of unit costing methodology for the departments of health and basic education was developed and discussed at the governance and administration cluster working session. The document will continue to be developed in 2013/14. This subprogramme had a staff complement of 4 in 2012/13.
- *Service Delivery Improvement Mechanisms* supports interventions and partnerships that improve efficiency and effectiveness. In 2012/13, national and provincial departments were consulted on the knowledge management framework, and a report on departmental service delivery improvement plans was drafted and is currently awaiting approval from the Minister of Public Service and Administration. In 2013/14, R639 000 will be spent on conducting a Batho Pele impact assessment, and R1.4 million will be spent on Africa Public Service Day celebrations. This subprogramme had a staff complement of 14 in 2012/13.
- *Organisational Development of the Public Sector* focuses on the organisational development of the public sector. In 2012/13, provincial departments of social development were assisted to align their organisational structures with the approved generic structure for the social development sector, and work on the structures of the offices of premiers and the provincial departments of education was also in progress. In 2013/14, monitoring and reporting on the implementation of the standardised delegation templates across the public service will be conducted, and sector departments will be assisted in developing sector specific structures. This subprogramme had a staff complement of 18 in 2012/13.
- *Community Development and Participation* ensures the smooth coordination and implementation of the community development workers programme in the public service and the promotion of citizen participation. In 2012/13, both the citizen engagement framework as well as the Know Your Service Rights project were discussed in a series of workshops and promoted in Free State and Mpumalanga. In 2013/14, R494 000 will be spent on performing ward profiling in at least 3 provinces, R405 000 will be spent on popularising the citizen engagement strategy and R266 000 will be spent on popularising the Know Your Service Rights project in 3 provinces. This subprogramme had a staff complement of 7 in 2012/13.
- *Change Management Process and System* promotes cultural change in the public service and coordinates the dissemination of lessons for improving service delivery. In 2012/13, capacity was built in provincial departments for the Batho Pele change management engagement programme. In 2013/14, the focus will be on developing a framework to improve the morale of public servants, a project on modernising government

at a cost of R433 000, and developing a change management framework at a cost of R427 000. This subprogramme had a staff complement of 6 in 2012/13.

- *Integrated Access Mechanisms* facilitates community development through access to government services. In 2012/13, geographic accessibility studies in the Johannesburg and eThekweni metropolitan municipalities were nearing completion. A report to be tabled at the governance and administration cluster is currently being prepared. Over the medium term, this subprogramme's operational budget will mainly be used to fund a study on the geographic accessibility of Thusong service centres and services in metropolitan areas. This subprogramme had a staff complement of 3 in 2012/13.
- *Public Administration Leadership and Management Academy* aims to enhance the quality, extent and impact of public sector management and leadership development through collaborating with other training service providers, enforcing compulsory training programmes and facilitating training for all spheres of government. This subprogramme's total budget is transferred to the Public Administration Leadership and Management Academy on a monthly basis.
- *Centre for Public Service Innovation* unlocks innovation in the public sector and creates an enabling environment for improved and innovative service delivery through capacity development activities. In 2012/13, the annual Centre for Public Service Innovation Awards ceremony was held, the annual innovation conference was hosted, and the centre co-hosted the biennial United Nations (UN) Public Administration Network workshop, which was held in Africa for the first time. In 2013/14, the awards will be held at a cost of R1.4 million; the innovation conference will be held at a cost of R1 million; inputs to the UN Public Administration Network will be provided at a cost of R575 000; and two innovation projects, the maritime safety project and the Honeydew policing project, will be funded at a cost of R627 000. This subprogramme had a staff complement of 24 in 2012/13.
- *Public Service Education and Training Authority* develops a coordinated framework for providing public service education and training. This subprogramme's total budget is transferred on a quarterly basis to the Public Service Education and Training Authority.
- *Batho Pele* manages and promotes Batho Pele programmes in the public service. In 2012/13, 106 senior staff members were trained on the theoretical aspect of project Khaedu, an action learning programme to empower managers through various processes of learning reinforcement and practice; 57 staff members were deployed to service sites; a Batho Pele impact assessment for the Department of Social Development was conducted; and an assessment tool for the Department of Human Settlements was in the process of being developed. In 2013/14, a toolkit and methodology will be developed for conducting a productivity study in the public service at a cost of R260 000. This subprogramme had a staff complement of 6 in 2012/13.

## Expenditure estimates

**Table 12.13 Service Delivery and Organisational Transformation**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate	
	2009/10	2010/11	2011/12		Average	Expenditure/total: Average	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
Management: Service Delivery and Organisational Transformation	2.2	2.8	3.2	3.0	11.0%	1.3%	3.9	4.0	3.8	8.8%	1.5%
Service Delivery Planning	2.2	2.4	1.6	2.7	6.7%	1.1%	3.9	4.0	4.1	15.2%	1.5%
Service Delivery Improvement Mechanisms	10.6	10.2	13.1	11.3	2.0%	5.4%	13.6	14.2	14.2	7.9%	5.6%
Organisational Development of the Public Sector	10.2	11.4	11.7	14.5	12.2%	5.7%	14.9	15.6	16.4	4.2%	6.4%



Table 12.13 Service Delivery and Organisational Transformation (continued)

	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R million											
Community Development and Participation	5.9	4.4	5.1	5.7	-1.1%	2.5%	5.4	5.5	5.1	-3.6%	2.3%
Change Management Process and System	13.1	5.1	13.1	5.6	-24.6%	4.4%	4.9	5.0	5.5	-0.9%	2.2%
Integrated Access Mechanisms	2.1	2.7	3.7	5.5	37.9%	1.7%	6.0	7.1	6.8	7.8%	2.6%
Public Administration Leadership and Management Academy	121.1	118.4	118.3	124.4	0.9%	57.4%	131.9	138.5	143.7	4.9%	56.3%
Centre for Public Service Innovation	16.1	17.9	17.2	17.1	2.1%	8.1%	22.9	23.5	24.7	13.0%	9.2%
Public Service Education and Training Authority	21.0	27.5	23.7	22.3	2.0%	11.2%	23.3	24.7	25.8	5.0%	10.1%
Batho Pele	-	5.2	-	4.7	-	1.2%	5.6	5.6	6.0	8.0%	2.3%
<b>Total</b>	<b>204.6</b>	<b>208.0</b>	<b>210.7</b>	<b>216.8</b>	<b>1.9%</b>	<b>100.0%</b>	<b>236.1</b>	<b>247.7</b>	<b>256.1</b>	<b>5.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				2.4			8.4	5.8	-		

**Economic classification**

<b>Current payments</b>	<b>80.7</b>	<b>88.2</b>	<b>68.4</b>	<b>70.0</b>	<b>-4.6%</b>	<b>36.6%</b>	<b>80.3</b>	<b>84.2</b>	<b>86.4</b>	<b>7.3%</b>	<b>33.5%</b>
Compensation of employees	39.5	44.8	36.4	43.2	3.0%	19.5%	49.4	52.5	56.3	9.3%	21.0%
Goods and services	41.2	43.4	32.0	26.8	-13.4%	17.1%	30.9	31.7	30.0	3.9%	12.5%
<i>of which:</i>											
Computer services	1.5	3.8	2.1	2.9	23.5%	1.2%	3.2	3.1	3.2	3.4%	1.3%
Consultants and professional services: Business and advisory services	5.2	5.2	5.5	5.4	1.0%	2.5%	2.5	3.5	2.8	-19.5%	1.5%
Operating leases	3.1	3.0	1.8	1.8	-16.8%	1.1%	2.1	2.3	2.5	11.3%	0.9%
Travel and subsistence	7.5	7.6	9.5	4.8	-14.0%	3.5%	11.2	10.3	9.4	25.7%	3.7%
Interest and rent on land	0.0	0.0	0.0	0.1	126.2%	-	0.0	0.0	0.0	-17.2%	-
<b>Transfers and subsidies</b>	<b>121.8</b>	<b>119.3</b>	<b>142.1</b>	<b>146.7</b>	<b>6.4%</b>	<b>63.1%</b>	<b>155.3</b>	<b>163.2</b>	<b>169.5</b>	<b>4.9%</b>	<b>66.3%</b>
Departmental agencies and accounts	121.1	118.4	142.0	146.7	6.6%	62.9%	155.3	163.2	169.5	4.9%	66.3%
Foreign governments and international organisations	-	-	0.0	0.0	-	-	0.0	0.0	0.0	-49.6%	-
Households	0.6	0.9	0.0	-	-100.0%	0.2%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>2.2</b>	<b>0.4</b>	<b>0.2</b>	<b>0.0</b>	<b>-71.7%</b>	<b>0.3%</b>	<b>0.5</b>	<b>0.2</b>	<b>0.2</b>	<b>64.2%</b>	<b>0.1%</b>
Machinery and equipment	2.0	0.4	0.2	0.0	-71.1%	0.3%	0.5	0.2	0.2	61.9%	0.1%
Software and other intangible assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>204.6</b>	<b>208.0</b>	<b>210.7</b>	<b>216.8</b>	<b>1.9%</b>	<b>100.0%</b>	<b>236.1</b>	<b>247.7</b>	<b>256.1</b>	<b>5.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>30.5%</b>	<b>33.1%</b>	<b>32.6%</b>	<b>29.8%</b>			<b>28.9%</b>	<b>28.8%</b>	<b>29.1%</b>		

**Details of transfers and subsidies**

<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>0.6</b>	<b>0.9</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	0.6	0.9	0.0	-	-100.0%	0.2%	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>121.1</b>	<b>118.4</b>	<b>142.0</b>	<b>146.7</b>	<b>6.6%</b>	<b>62.9%</b>	<b>155.3</b>	<b>163.2</b>	<b>169.5</b>	<b>4.9%</b>	<b>66.3%</b>
Public Administration Leadership and Management Academy	121.1	118.4	118.3	124.4	0.9%	57.4%	131.9	138.5	143.7	4.9%	56.3%
Public Sector Education Training Authority	-	-	23.7	22.3	-	5.5%	23.3	24.7	25.8	5.0%	10.1%

## Personnel information

Table 12.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)		
		2011/12			2012/13			2013/14			2014/15			2015/16						
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16			
Service Delivery and Organisational Transformation		79	6	85	34.7	0.4	72	42.6	0.6	85	49.2	0.6	85	51.7	0.6	85	56.3	0.7	5.7%	100.0%
Salary level																				
1 – 6	12	5	17	2.1	0.1	16	3.1	0.2	17	3.3	0.2	17	3.4	0.2	17	3.6	0.2	2.0%	20.5%	
7 – 10	16	1	17	4.6	0.3	11	5.7	0.5	17	6.1	0.4	17	6.4	0.4	17	6.7	0.4	15.6%	19.0%	
11 – 12	25	–	25	9.9	0.4	21	10.3	0.5	25	13.5	0.5	25	14.3	0.6	25	15.1	0.6	6.0%	29.4%	
13 – 16	26	–	26	18.0	0.7	24	23.4	1.0	26	26.3	1.0	26	27.6	1.1	26	30.9	1.2	2.7%	31.2%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will continue to be on transforming, reforming and using innovation to improve the effectiveness, efficiency and level of service delivery of the public service. This will allow the department to increase the total number of Thusong Service Centres providing Citizen focused services conducted from 80 in 2012/13 to 100 in 2015/16.

The significant increase in expenditure in the *Management: Service Delivery and Organisational Transformation* subprogramme in 2011/12 was due to increased travelling to workshops and advocacy programmes in the different provinces. The increase in expenditure in the *Organisational Development of the Public Sector* subprogramme in 2012/13 was due to the macro organisation of the state project, while the increase in expenditure by the *Integrated Access Mechanisms* subprogramme in the same year was due to the geographic information system project. Expenditure on goods and services decreased by 19.7 per cent in 2012/13 due to the completion of the change management strategy for the single public service. This also explains the decrease in expenditure on travel and subsistence, as the projects required travelling to consult with various stakeholders.

Expenditure in the *Service Delivery Planning* subprogramme is expected to increase significantly over the medium term to provide for the determination of unit costing within government departments. Expenditure in the *Centre for Public Service Innovation* subprogramme is also expected to increase significantly to provide for improved operational capacity.

As part of the Cabinet approved budget reductions of R10.4 million over the medium term, the department implemented cost saving measures in this programme in spending on non-core travelling and subsistence.

The programme has an approved establishment of 85 posts, 13 of which were vacant at the end of September 2012 due to resignations. R8.8 million is allocated for the use of consultants between 2013/14 and 2015/16. These consultants will provide advisory services relating to the geographic information systems project and change management interventions.

## Programme 6: Governance and International Relations

### Objectives

- Monitor and evaluate public service regulations and policies to ensure accountability and transparency by implementing a monitoring and evaluation framework in national and provincial departments by March 2015.
- Ensure integration of public administration and service delivery across the three spheres of government by developing enabling policy and legislative frameworks by March 2015.
- Contribute to the transformation agenda of the global public service by:
  - advancing bilateral, south-south and north-south cooperation on public administration

- participating in global multilateral and institutional governance forums by March 2015.
- Tackle corruption in the public service by:
  - implementing the public sector integrity management framework, by March 2015
  - investigating corruption related misconduct cases and ensuring disciplinary processes are instituted on an ongoing basis.
- Ensure that South Africa complies with the African Peer Review Mechanism by managing and implementing the mechanism's national programme of action, submitting progress implementation reports and coordinating the country's second generation country review process by March 2015.

## Subprogrammes

- *Management: Governance and International Relations* provides administrative support to and management of the programme. In 2012/13, strategic guidance and administrative support was provided to enable the programme to achieve its objectives, such as the development of objectives, the prioritisation of projects and outputs, and the determination and consolidation of resource requirements. This subprogramme had a staff complement of 3 in 2012/13.
- *Integrity and Ethics Management* is responsible for establishing and implementing strategies for fighting corruption and improving ethical conduct in the public service. This subprogramme includes the public service anti-corruption unit, which is responsible for providing technical assistance and advisory support services on corruption related misconduct matters in the public service to ensure the uniform application of norms and standards relating to labour relations and anti-corruption. In 2012/13, assessments of anti-corruption measures in 9 national departments were conducted and a set of guidelines on the deployment of ethics officers across the public service was developed. In 2013/14, the implementation of an electronic disclosure system across government will start at an estimated cost of R1.5 million, and monitoring and reporting on the implementation of the public sector integrity management framework and the implementation of the anti-corruption communication awareness campaign will be conducted. This subprogramme had a staff complement of 24 in 2012/13.
- *International Cooperation* establishes and maintains bilateral and multilateral relations on governance and public administration by coordinating and facilitating South Africa's engagement and contribution to continental and international discourse on governance and public administration for improved service delivery. In 2012/13, several international engagements were facilitated, which included an ICT conference in Ethiopia. In 2013/14, estimated spending on multilateral cooperation and bilateral cooperation is R286 000 and R460 000. This subprogramme had a staff complement of 16 in 2012/13.
- *Monitoring and Evaluation* manages a system for monitoring and evaluating public service regulations and related policies that enable transformation in the public sector. In 2012/13, assistance with PERSAL data clean-up was provided to Gauteng provincial departments, and a rollout plan for monitoring and evaluation was developed and consultations on this are being held. In 2013/14, a citizen report card survey in sampled communities will be conducted at an estimated cost of R2.2 million, an employee satisfaction survey will be conducted in the public service at a cost of R188 000, and work on improving the quality of data on PERSAL will continue. This subprogramme had a staff complement of 14 in 2012/13.
- *African Peer Review Mechanism* ensures the domestication and mainstreaming of policies, standards, and practices of the African Peer Review Mechanism programme, thus contributing towards political stability, high economic growth, and sustainable development and accelerated sub-regional and continental economic integration. In 2012/13, the draft African Peer Review Mechanism institutional framework was developed for discussion at the programme's national governing council. In 2013/14, the subprogramme's operational budget of R3.5 million will mainly be used on African Peer Review Mechanism consultations in preparation for the tabling of the third national report on the implementation of the programme of action of the African Peer Review Mechanism. This subprogramme had a staff complement of 5 in 2012/13.
- *Integrated Public Administration Reforms* supports the minister, deputy minister and director general in working towards greater public administration and service delivery integration through facilitating the introduction of enabling legislative and policy frameworks, stakeholder liaison, and programme coordination. In 2012/13, research on developing a concept document for one stop service centres in towns

started, and work on the Public Administration Management Bill was also under way. In 2013/14, R1.9 million will be used to further develop a concept document for train service centres. This subprogramme had a staff complement of 10 in 2012/13.

- *Public Service Commission* transfers funds to the Public Service Commission, which oversees and evaluates the functioning of the public service with a view to establishing good governance and best practice principles. This subprogramme's total budget is transferred to the commission on a monthly basis. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

**Table 12.15 Governance and International Relations**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate	Expenditure/total: Average
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R million											
Management: Governance and International Relations	3.1	2.5	3.4	4.3	12.3%	1.7%	5.0	5.1	5.1	5.6%	1.8%
Integrity and Ethics Management	5.7	5.9	8.1	14.7	37.0%	4.3%	18.4	19.2	21.0	12.8%	6.8%
International Cooperation	10.7	10.2	9.2	10.9	0.7%	5.2%	11.7	12.4	13.1	6.3%	4.5%
Monitoring and Evaluation	5.3	7.8	8.1	10.0	23.5%	3.9%	11.9	12.5	13.1	9.3%	4.4%
African Peer Review Mechanism	6.7	12.4	4.5	9.0	10.5%	4.1%	7.5	8.9	8.9	-0.6%	3.2%
Integrated Public Administration Reforms	17.8	18.4	8.7	16.1	-3.3%	7.7%	16.6	17.8	17.9	3.5%	6.4%
Public Service Commission	131.8	134.6	151.1	161.5	7.0%	73.1%	201.1	212.4	204.9	8.3%	72.8%
<b>Total</b>	<b>181.1</b>	<b>191.7</b>	<b>193.0</b>	<b>226.6</b>	<b>7.8%</b>	<b>100.0%</b>	<b>272.3</b>	<b>288.4</b>	<b>284.0</b>	<b>7.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(5.8)			26.8	27.9	5.3		

### Economic classification

<b>Current payments</b>	<b>47.9</b>	<b>54.0</b>	<b>38.7</b>	<b>64.5</b>	<b>10.4%</b>	<b>25.9%</b>	<b>69.8</b>	<b>74.8</b>	<b>77.9</b>	<b>6.5%</b>	<b>26.8%</b>
Compensation of employees	18.6	21.7	24.1	31.8	19.5%	12.1%	41.3	43.9	47.2	14.0%	15.3%
Goods and services	29.3	32.4	14.6	32.6	3.7%	13.7%	28.4	30.8	30.7	-2.1%	11.4%
<i>of which:</i>											
Computer services	1.5	2.0	2.1	1.9	7.9%	0.9%	3.1	3.7	4.2	30.8%	1.2%
Consultants and professional services: Business and advisory services	2.5	3.9	0.2	3.8	14.9%	1.3%	5.7	2.8	3.4	-3.5%	1.5%
Operating leases	3.7	3.7	0.0	5.3	12.1%	1.6%	3.4	5.3	6.0	4.5%	1.9%
Travel and subsistence	4.4	6.9	6.5	7.5	19.1%	3.2%	7.9	8.1	7.7	0.8%	2.9%
Interest and rent on land	0.0	0.0	0.0	0.0	86.6%	-	0.1	0.1	0.1	11.5%	-
<b>Transfers and subsidies</b>	<b>132.3</b>	<b>135.1</b>	<b>151.9</b>	<b>162.1</b>	<b>7.0%</b>	<b>73.4%</b>	<b>202.0</b>	<b>213.3</b>	<b>205.8</b>	<b>8.3%</b>	<b>73.1%</b>
Departmental agencies and accounts	131.8	134.6	151.1	161.5	7.0%	73.1%	201.1	212.4	204.9	8.3%	72.8%
Foreign governments and international organisations	0.5	0.5	0.7	0.6	0.6%	0.3%	0.8	0.8	0.9	17.2%	0.3%
Households	0.0	0.0	0.2	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.8</b>	<b>2.6</b>	<b>2.4</b>	<b>0.0</b>	<b>-74.9%</b>	<b>0.7%</b>	<b>0.6</b>	<b>0.3</b>	<b>0.3</b>	<b>167.9%</b>	<b>0.1%</b>
Buildings and other fixed structures	-	-	-	-	-	-	0.4	0.1	0.0	-	-
Machinery and equipment	0.8	2.6	2.4	0.0	-74.5%	0.7%	0.2	0.2	0.2	149.5%	0.1%
<b>Total</b>	<b>181.1</b>	<b>191.7</b>	<b>193.0</b>	<b>226.6</b>	<b>7.8%</b>	<b>100.0%</b>	<b>272.3</b>	<b>288.4</b>	<b>284.0</b>	<b>7.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>27.0%</b>	<b>30.5%</b>	<b>29.9%</b>	<b>31.2%</b>			<b>33.4%</b>	<b>33.6%</b>	<b>32.3%</b>		

### Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>131.8</b>	<b>134.6</b>	<b>151.1</b>	<b>161.5</b>	<b>7.0%</b>	<b>73.1%</b>	<b>201.1</b>	<b>212.4</b>	<b>204.9</b>	<b>8.3%</b>	<b>72.8%</b>
Public Service Commission	131.8	134.6	151.1	161.5	7.0%	73.1%	201.1	212.4	204.9	8.3%	72.8%

## Personnel information

Table 12.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost	
Governance and International Relations																			
Salary level	64	8	72	29.8	0.4	56	35.5	0.6	72	42.3	0.6	72	44.6	0.6	72	48.3	0.7	8.7%	100.0%
1-6	12	-	12	1.6	0.1	10	2.1	0.2	12	2.5	0.2	12	2.6	0.2	12	2.7	0.2	6.3%	16.9%
7-10	15	6	21	5.4	0.3	17	7.0	0.4	21	7.4	0.4	21	7.8	0.4	21	8.2	0.4	7.3%	29.4%
11-12	16	1	17	7.0	0.4	11	7.4	0.7	17	9.3	0.5	17	9.9	0.6	17	10.5	0.6	15.6%	22.8%
13-16	21	1	22	15.7	0.7	18	19.1	1.1	22	23.1	1.1	22	24.4	1.1	22	26.9	1.2	6.9%	30.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on strengthening the Public Service Commission's mandate to fight corruption in the public service and funding its capacity building initiatives, as well as providing for the establishment and implementation of strategies to fight corruption and improve ethical conduct in the public service.

The significant decrease in expenditure in the *Integrated Public Administration Reforms* subprogramme in 2011/12 is due to the delayed launch of the Urban Mall necessitated by the need to consult with the new political leadership of the department on certain aspects of the project. Similarly, spending on the development of the legislative framework for a single public service moved slowly to enable the new leadership to acquaint itself with and refine the strategic direction for the project. Expenditure in the *African Peer Review Mechanism* subprogramme increased by 84.5 per cent in 2010/11 due to the additional funding provided to conclude the African Peer Review Mechanism country assessment report. In 2012/13, expenditure in this subprogramme increased by 67.8 per cent as a result of the planned compilation of the third national report on the implementation of the programme of action of the African Peer Review Mechanism. These activities also contribute to the increase in spending on compensation of employees between 2009/10 and 2012/13.

Expenditure on the *Integrity and Ethics Management* subprogramme is expected to increase significantly over the medium term, as a special anti-corruption unit is established. Spending in the *Monitoring and Evaluation* subprogramme is also expected to increase over this period to allow the department to conduct customer satisfaction surveys. In addition, the department implemented cost savings measures to reduce expenditure in non-core travel subsistence as part of the Cabinet approved budget reductions.

The programme had an approved establishment of 72 posts, 16 of which were vacant at the end of September 2012. The vacancies were mainly due to the longer than anticipated time taken to bring the anti-corruption unit into operation. R11.9 million is allocated over the medium term for spending on consultants. These consultants are to provide advisory services for the citizen report card and an electronic disclosure system.

## Other departments within the vote

### Public Service Commission

#### Aim

*Promote constitutional values and principles of public administration in the public service.*

#### Mandate

The Public Service Commission derives its mandate from section 196 of the Constitution and is tasked and empowered to, of its own accord or if it receives any complaint, investigate, monitor and evaluate the organisation and administration of the public service. The mandate also entails the evaluation of the

performance of government programmes. The commission is also required to promote measures throughout the public service and to Parliament and the provincial legislatures that ensure effective and efficient performance within the public service, and to promote the values and principles of public administration as set out in the Constitution.

## Strategic goals

The commission's strategic goals over the medium term are to:

- enhance accountability and ethics in public administration
- improve service delivery by government and ensure that the desired standards of equity, effectiveness, efficiency and economy are met
- champion excellence in developmental public administration.

## Selected performance indicators

Table 12.17 Public Service Commission

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage of grievances received, investigated and concluded per year	Leadership and Management Practices	Outcome 12: An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship	(614) <sup>1</sup>	(572) <sup>1</sup>	(673) <sup>1</sup>	100% (730)	100% (730)	100% (730)	100% (730)
Number of reports on the management of grievances in the public service per year	Leadership and Management Practices		2	3	1	1	1	1	1
Percentage of heads of departments whose performance documents is evaluated per year	Leadership and Management Practices		52% (76)	20% (29)	97% (142)	100% (146)	100% (146)	100% (10)	100% (10)
Percentage of heads of department whose performance agreements have been quality assured and filed per year	Leadership and Management Practices		59% (86)	70% (102)	89% (130)	100% (146)	100% (146)	100% (10) <sup>2</sup>	100% (10) <sup>2</sup>
Number of reports on strategic human resource matters per year	Leadership and Management Practices		1	2	2	2	2	2	2
Number of monitoring and evaluation reports per year	Monitoring and Evaluation		32	26	22	20	5	5	5
Number of reports on service delivery per year	Monitoring and Evaluation		4	12	10	6	5	5	5
Number of public administration investigations successfully concluded per year <sup>3</sup>	Integrity and Anti-corruption								
- Full scale:			7	4	6	7	20	20	20
- Desktop finalised:			20	61	28	20	25	25	25
Number of national anti-corruption hotline reported cases per year	Integrity and Anti-corruption		1 430	1 117	582	1 400	1 600	1 800	2 600
Percentage of financial disclosure forms received and scrutinised	Integrity and Anti-Corruption		78% (7 099)	88% (7 587)	62% (5 786)	100% (10 200)	100% (10 200)	100% (10 200)	100% (10 200)
Number of ethics and anti-corruption research reports per year	Integrity and Anti-Corruption	1	1	8	4	4	4	4	

1. The percentages for historical years are not shown as there is insufficient data.

2. From 2014/15, the commission will only be responsible for the performance evaluations of the director general in the Presidency and provincial directors general.

3. The number of public administration investigations have this year been split to show full scale and desktop investigations conducted. Full scale investigations involve field research on information collected when departments are visited, whereas desktop investigations are based on information provided by the department.

## Objectives

- Enhance the ability of departments to investigate grievances of employees in the public service through the monitoring of the resolution of grievances in all departments, by investigating and finalising 100 per cent of all grievances lodged with the Public Service Commission each year.
- Implement the head of department's evaluation guidelines to contribute towards improved service delivery in the public service by evaluating 100 per cent of qualifying heads of department in 2013/14.

- Monitor and evaluate compliance with the principles governing public administration by evaluating the management practices and service delivery performance of at least 15 departments by March 2014 and undertaking at least 1 programme evaluation per year.
- Investigate and improve public administration practices by conducting 20 audits and investigations into public administration practices per year by 2015/16, and making recommendations to departments on how to promote good governance.
- Monitor and raise awareness of potential conflicts of interest among managers by managing the financial disclosure framework through official correspondence and annual reporting on non-complying managers to increase compliance to 100 per cent by 2015/16.
- Contribute to the fight against corruption by ongoing management of the national anti-corruption hotline for the public service.

## Programmes

- *Administration* manages the office of the commission and provides centralised support services. In 2012/13, the IT server room was upgraded with an uninterrupted power system, a cooling system, and an access control and monitoring system; data lines in all regional offices were upgraded and 3 servers were procured for 3 regional offices. Over the medium term, R83 million is earmarked for centralised services. This programme had a staff complement of 100 in 2012/13.
- *Leadership and Management Practices* promotes sound public service leadership, human resources management, labour relations and labour practices. The programme comprises two subprogrammes: *Labour Relations Improvements* and *Leadership and Human Resource Reviews*. In 2012/13, the commission concluded 104 cases and closed 138 of the 619 grievances lodged. Over the medium term, budget allocations will assist the commission in ensuring timeous investigation of 100 per cent of properly referred grievances, as well as with producing 4 research reports with findings and recommendations on human resources best practices. This programme had a staff complement of 42 in 2012/13.
- *Monitoring and Evaluation* enables the commission to establish a high standard of service delivery, monitoring and good governance in the public service. The programme comprises two subprogrammes: *Governance Monitoring*, which promotes good governance and improves governance practices in the public service, and *Service Delivery and Compliance Evaluations*, which strives to promote improved service delivery through public participation and monitoring of quality audits. In 2012/13, the budget allocation was used to produce research reports on topical issues within the public administration field. Most of these reports are in their final stages of completion and some are awaiting approval. Over the medium term, a budget of R99.9 million will be used for citizen forums, which encourage citizen interaction at service delivery sites. This programme had a staff complement of 39 in 2012/13.
- *Integrity and Anti-Corruption* undertakes public administration investigations, analyses and refers cases of alleged corruption to the respective departments for investigation, and scrutinises 100 per cent of the financial disclosure forms of senior managers to ensure integrity driven public service and administration. The programme comprises two subprogrammes: *Public Administration Investigations* and *Professional Ethics* and a budget of R29.3 million in 2012/13. In 2012/13, 151 complaints were captured on the commission's database, 31 of which were concluded. With regard to the management of the financial disclosure framework, in 2012/13 the commission assessed 4 708 (88 per cent) national departments, 3 111 (76 per cent) provincial government departments and 6 578 (71 per cent) local government departments. With regard to managing the national anti-corruption hotline, in 2012/13 the commission lodged 11 390 cases, provided feedback on 6 012 and closed 4 417. This programme had a staff complement of 49 in 2012/13.

## Expenditure estimates

Table 12.18 Public Service Commission

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R million													
Administration	72.4	70.9	76.1	83.6	83.6	4.9%	53.0%	92.1	97.4	92.4	3.4%	46.9%	
Leadership and Management Practices	16.4	20.2	23.0	25.8	25.8	16.4%	14.9%	32.7	34.4	33.6	9.2%	16.2%	
Monitoring and Evaluation	19.7	20.6	20.8	24.5	24.5	7.6%	15.0%	32.4	34.1	33.3	10.7%	16.0%	
Integrity and Anti-Corruption	23.3	22.4	24.6	27.6	27.6	5.8%	17.1%	44.0	46.5	45.6	18.2%	21.0%	
<b>Total</b>	<b>131.8</b>	<b>134.0</b>	<b>144.4</b>	<b>161.5</b>	<b>161.5</b>	<b>7.0%</b>	<b>100.0%</b>	<b>201.1</b>	<b>212.4</b>	<b>204.9</b>	<b>8.3%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				3.1	3.1			34.2	35.5	19.8			

## Economic classification

<b>Current payments</b>	<b>120.6</b>	<b>130.5</b>	<b>139.5</b>	<b>160.5</b>	<b>160.5</b>	<b>10.0%</b>	<b>96.4%</b>	<b>200.2</b>	<b>211.5</b>	<b>204.0</b>	<b>8.3%</b>	<b>99.5%</b>
Compensation of employees	87.6	92.3	97.3	119.5	119.5	10.9%	69.4%	155.5	164.7	163.1	10.9%	77.3%
Goods and services	33.0	38.2	42.2	41.0	41.0	7.5%	27.0%	44.7	46.8	40.9	-0.1%	22.2%
<i>of which:</i>												
Computer services	3.3	4.1	3.5	4.2	4.2	8.3%	2.6%	3.9	4.0	3.4	-6.7%	2.0%
Consultants and professional services: Business and advisory services	4.0	4.2	4.3	5.7	5.7	12.4%	3.2%	4.8	5.3	4.5	-7.2%	2.6%
Operating leases	14.6	18.5	21.9	21.9	21.9	14.6%	13.4%	21.9	25.1	21.7	-0.3%	11.6%
Travel and subsistence	5.0	4.7	7.2	6.5	6.5	9.3%	4.1%	9.1	9.1	8.2	7.9%	4.2%
<b>Transfers and subsidies</b>	<b>10.1</b>	<b>0.7</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>-83.2%</b>	<b>2.0%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>-3.6%</b>	<b>0.0%</b>
Foreign governments and international organisations	0.0	0.0	0.0	0.0	0.0	13.3%	0.0%	0.1	0.1	0.0	-3.6%	0.0%
Households	10.1	0.6	0.3	-	-	-100.0%	1.9%	-	-	-		
<b>Payments for capital assets</b>	<b>1.0</b>	<b>2.8</b>	<b>4.5</b>	<b>1.0</b>	<b>1.0</b>	<b>2.0%</b>	<b>1.6%</b>	<b>0.9</b>	<b>0.9</b>	<b>0.8</b>	<b>-6.3%</b>	<b>0.5%</b>
Machinery and equipment	1.0	2.4	3.3	1.0	1.0	2.0%	1.4%	0.9	0.9	0.8	-6.3%	0.5%
Software and other intangible assets	-	0.3	1.1	-	-		0.3%	-	-	-		
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>131.8</b>	<b>134.0</b>	<b>144.4</b>	<b>161.5</b>	<b>161.5</b>	<b>7.0%</b>	<b>100.0%</b>	<b>201.1</b>	<b>212.4</b>	<b>204.9</b>	<b>8.3%</b>	<b>100.0%</b>

## Personnel information

Table 12.19 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			2012/13			2013/14		2014/15		2015/16		2012/13 - 2015/16							
Public Service Commission		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
Salary level	280	-	236	106.7	0.5	230	53.5	0.2	328	155.3	0.5	329	164.5	0.5	329	172.1	0.5	12.7%	100.0%
1-6	91	-	77	12.4	0.2	59	5.7	0.1	89	14.2	0.2	90	15.1	0.2	90	15.8	0.2	15.1%	27.0%
7-10	80	-	61	20.2	0.3	76	10.7	0.1	95	32.7	0.3	95	34.6	0.4	95	36.2	0.4	7.7%	29.7%
11-12	49	-	45	25.6	0.6	44	13.3	0.3	83	47.3	0.6	83	50.1	0.6	83	52.4	0.6	23.6%	24.1%
13-16	60	-	53	48.5	0.9	51	23.8	0.5	61	61.1	1.0	61	64.7	1.1	61	67.7	1.1	6.1%	19.2%

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

2. Rand million.

3. As at 30 September 2012.



## Expenditure trends

The spending focus over the medium term will be on providing for the commission to fully execute its mandate, by extending its work to the local government sphere; intensifying anti-corruption efforts; and managing grievances. As such, a significant portion of the commission's allocation over the medium term is spent on compensation of employees. Spending on this item also increases significantly over the medium term to create the capacity required to support the commission in fully executing its mandate. This accounts for the increase of 49 posts projected over the medium term in the personnel establishment.

Between 2009/10 and 2012/13, spending in the *Leadership and Management Practices* programme increased significantly to allow the commission to begin building additional capacity to fully execute its mandate. This also explains for the 22.8 per cent increase in spending on compensation of employees over this period. Expenditure on operating leases increased significantly in 2011/12 due to an increase in the office building lease payments.

As at 30 September 2012, there were 50 vacancies within the commission. Most of the vacancies were at levels 1-6. The ratio of support to line function staff is 1:1.

The commission generates savings by using officials to conduct data collection instead of contracting consultants, limiting and prioritising local and foreign trips to save on travel and accommodation costs, and prioritising and reducing printing costs and expenditure on entertainment. R14.7 million has been allocated over the medium term for consultants to provide internal auditing services, the employee wellness programme and the management of the national anti-corruption hotline.

## Public Administration Leadership and Management Academy

### Aim

*Provide or coordinate the provision of training and management development interventions that lead to improved performance and service delivery in the public sector.*

### Mandate

The Public Administration Leadership and Management Academy derives its mandate from the Public Service Amendment Act (2007). In terms of the act, the academy is required to ensure that public servants are capacitated in the leadership, management and administrative competencies that are central to creating a developmental state. The operational activities of the academy are located within the training trading account, a separate public entity.

### Strategic goals

The academy's strategic goals over the medium term are to:

- rapidly respond to changes in the public sector capacity development arena through proactive monitoring and research
- progressively increase and expand the academy's client base by ten per cent annually within the three spheres of government and other organs of state
- determine appropriate funding mechanisms to support the academy's training and operations and to ensure the correct level of funding and utilisation of the funds in line with delivery targets
- enhance the marketing and visibility of the academy's products and services within the three spheres of government and other organs of state
- deliver training to officials within the three spheres of government and other organs of State through structured collaborative partnerships and within a coherent cooperative governance framework
- develop common norms and standards for public sector training and development within the confines of a coherent policy framework
- develop the academy into a high performance organisation by improving organisational and administrative efficiencies.

## Selected performance indicators

PALAMA's selected performance indicators are discussed under the Training trading account for the Public Administration Leadership and Management Academy in the section on public entities.

## Objectives

- Improve the capacity of the state to deliver services by raising the skills levels of civil servants through the competency based training of 38 000 civil servants per year over the medium term.
- Improve the quality of training by accrediting 6 courses per year on a rolling schedule between 2014/15 and 2015/16.

## Programmes

*Administration* facilitates the overall management of the academy and provides support services for its organisational functions. In 2012/13, administrative support was provided to enable the department to achieve objectives such as providing sound financial management, human resources management and communication services. Over the medium term, focus will continue to be on these outputs. This programme had a staff complement of 59 in 2012/13.

*Public Sector Organisational and Staff Development* facilitates transfer payments to the training trading account for management development and training public sector employees. This programme's total budget is transferred in full to the training trading account. This programme had no staff complement in 2012/13.

## Expenditure estimates

**Table 12.20 Public Administration Leadership And Management Academy**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million												
Administration	63.6	54.3	62.5	71.0	71.0	3.8%	53.3%	77.3	82.5	86.2	6.7%	59.0%
Public Sector Organisational and Staff Development	57.5	61.1	49.0	52.5	52.5	-3.0%	46.7%	54.7	56.1	57.4	3.0%	41.0%
<b>Total</b>	<b>121.1</b>	<b>115.5</b>	<b>111.6</b>	<b>123.5</b>	<b>123.5</b>	<b>0.7%</b>	<b>100.0%</b>	<b>131.9</b>	<b>138.5</b>	<b>143.7</b>	<b>5.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				-	-			-	-	-		
<b>Economic classification</b>												
<b>Current payments</b>	<b>57.4</b>	<b>52.2</b>	<b>61.2</b>	<b>68.9</b>	<b>68.9</b>	<b>6.3%</b>	<b>50.8%</b>	<b>75.0</b>	<b>80.1</b>	<b>83.8</b>	<b>6.7%</b>	<b>57.3%</b>
Compensation of employees	18.3	21.1	28.9	38.1	38.1	27.8%	22.6%	41.1	43.5	45.5	6.1%	31.3%
Goods and services	39.1	31.0	32.3	30.8	30.8	-7.6%	28.2%	33.9	36.6	38.2	7.5%	26.0%
<i>of which:</i>												
<i>Audit cost: External</i>	1.3	1.2	2.6	3.3	3.3	34.8%	1.8%	3.4	3.6	3.8	4.9%	2.6%
<i>Agency and support / outsourced services</i>	8.2	13.4	12.9	7.5	7.5	-2.9%	8.9%	9.3	10.9	11.4	14.9%	7.3%
<i>Operating leases</i>	5.0	0.7	3.2	4.4	4.4	-4.0%	2.8%	4.7	4.9	5.1	4.9%	3.6%
<i>Travel and subsistence</i>	2.3	2.4	2.8	2.6	2.6	4.4%	2.1%	2.7	2.9	3.0	4.9%	2.1%
Interest and rent on land	0.1	0.0	0.0	-	-	-100.0%	0.0%	-	-	-		
<b>Transfers and subsidies</b>	<b>57.6</b>	<b>61.2</b>	<b>49.0</b>	<b>52.5</b>	<b>52.5</b>	<b>-3.0%</b>	<b>46.7%</b>	<b>54.7</b>	<b>56.1</b>	<b>57.4</b>	<b>3.0%</b>	<b>41.0%</b>
Departmental agencies and accounts	57.5	61.1	49.0	52.5	52.5	-3.0%	46.7%	54.7	56.1	57.4	3.0%	41.0%
<b>Payments for capital assets</b>	<b>5.9</b>	<b>2.1</b>	<b>1.3</b>	<b>2.1</b>	<b>2.1</b>	<b>-28.9%</b>	<b>2.4%</b>	<b>2.2</b>	<b>2.4</b>	<b>2.5</b>	<b>4.9%</b>	<b>1.7%</b>
Machinery and equipment	5.2	1.9	1.3	2.1	2.1	-26.5%	2.2%	2.2	2.4	2.5	6.1%	1.7%
Software and other intangible assets	0.7	0.2	-	0.1	0.1	-54.7%	0.2%	-	-	-	-100.0%	0.0%
<b>Payments for financial assets</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>121.1</b>	<b>115.5</b>	<b>111.6</b>	<b>123.5</b>	<b>123.5</b>	<b>0.7%</b>	<b>100.0%</b>	<b>131.9</b>	<b>138.5</b>	<b>143.7</b>	<b>5.2%</b>	<b>100.0%</b>

## Personnel information

**Table 12.21 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Public Administration Leadership And Management Academy		Unit			Unit			Unit			Unit			Unit					
Salary level	86	86	86	35.6	0.4	86	35.6	0.4	86	41.1	0.5	86	43.5	0.5	86	45.5	0.5	-	100.0%
1 – 6	25	25	25	4.1	0.2	25	4.1	0.2	25	4.8	0.2	25	5.1	0.2	25	5.3	0.2	-	29.1%
7 – 10	28	28	28	8.2	0.3	28	8.2	0.3	28	9.4	0.3	28	10.0	0.4	28	10.5	0.4	-	32.6%
11 – 12	13	13	13	6.3	0.5	13	6.3	0.5	13	7.3	0.6	13	7.8	0.6	13	8.1	0.6	-	15.1%
13 – 16	20	20	20	16.9	0.8	20	16.9	0.8	20	19.5	1.0	20	20.7	1.0	20	21.7	1.1	-	23.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the further transformation of the academy in preparation for establishing a fully functional school of governance. The creation of a school of governance will provide training more effectively, reach a larger target audience and contribute to the national development plan's goal of creating a developmental state.

Spending increased significantly in the *Administration* programme in 2011/12 and 2012/13 due to the academy filling 7 vacant positions. Over the medium term, the increase in expenditure on agency and support services relates to the outsourcing of IT and facilities management services.

The commission effected spending reductions of R1.7 million in 2014/15 and R3 million in 2015/16 as part of the Cabinet approved budget reductions. The reductions were implemented mainly in spending on non-core goods and services items, such as communication, computer services, agency and support services, stationary, operating leases, travel and subsistence, and venues and facilities.

The department had a funded establishment of 86 posts, 9 of which were vacant at the end of September 2012 due to resignations. The posts are expected to be filled by the end of 2012/13. The ratio of support to line function staff is 1:2. The department has allocated R3.2 million for consultants to support the department in designing and developing course material.

## Public entities and other agencies

### State Information Technology Agency

#### Mandate and goals

The State Information Technology Agency is governed by the State Information Technology Agency Act (1998). The act mandates the agency to consolidate and coordinate the South African government's IT resources to achieve cost savings through economies of scale, increased delivery capabilities and enhanced interoperability of systems. The agency is committed to leveraging IT as a strategic resource for government, managing the IT procurement and delivery process to ensure that government receives value for money, and using IT support delivery of e-government services to all citizens.

The agency's strategic goals over the medium term are to:

- improve service delivery to its clients
- prioritise citizen focused projects
- attain best practice in people management and leadership

- overhaul internal and external communications to improve transparency, visibility and image
- build an appropriate organisational structure and team to achieve its strategic objectives
- maintain financial sustainability.

## Selected performance indicators

**Table 12.22 State Information Technology Agency**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Revenue growth	Chief operations	0.2%	8.8%	10%	9%	15%	15%	10%
Net surplus percentage	Chief operations	1%	4%	8%	0.8%	2.6%	2.5%	2.5%
Liquidity ratio	Finance	2:1	1.5:1	2.52:1	1.05:1	0.87:1	1.37:1	1.78:1
Value of debtors balances per year	Finance	R768m	R770m	R1 258m	R671m	R618m	R710m	R781m
Solvency ratio	Finance	2:1	2.40:1 <sup>1</sup>	2.66:1	3.21:1	3.6:1	2.97:1	2.95:1

1. Corrected figure.

## Programmes/activities/objectives

**Table 12.23 State Information Technology Agency**

R million	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
Chief operations	1 432.2	1 512.7	3 776.2	4 275.7	44.0%	60.3%	4 790.8	5 507.2	6 058.0	12.3%	86.1%	
Corporate services	2 092.9	2 341.1	270.3	306.0	-47.3%	29.6%	342.9	394.1	433.6	12.3%	6.2%	
Office of the chief executive officer	192.1	192.0	135.9	153.9	-7.1%	3.8%	172.4	198.2	218.0	12.3%	3.1%	
Finance	297.8	173.9	143.4	177.9	-15.8%	4.5%	238.1	272.1	298.0	18.8%	4.1%	
Board of directors	52.9	56.4	178.1	24.9	-22.2%	1.8%	27.9	32.1	35.3	12.3%	0.5%	
<b>Total expense</b>	<b>4 067.9</b>	<b>4 276.1</b>	<b>4 503.9</b>	<b>4 938.3</b>	<b>6.7%</b>	<b>100.0%</b>	<b>5 572.1</b>	<b>6 403.8</b>	<b>7 042.8</b>	<b>12.6%</b>	<b>100.0%</b>	

## Expenditure estimates

**Table 12.24 State Information Technology Agency**

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
<b>Revenue</b>												
<b>Non-tax revenue</b>	<b>4 099.7</b>	<b>4 461.8</b>	<b>4 892.3</b>	<b>4 978.1</b>	6.7%	100.0%	<b>5 716.6</b>	<b>6 565.5</b>	<b>7 217.4</b>	13.2%	100.0%	
Sale of goods and services other than capital assets	3 941.8	4 302.4	4 729.1	4 900.0	7.5%	96.9%	5 635.0	6 480.3	7 128.3	13.3%	98.6%	
<i>of which:</i>												
<i>Sales by market establishment</i>	3 941.8	4 302.4	4 729.1	4 900.0	7.5%	96.9%	5 635.0	6 480.3	7 128.3	13.3%	98.6%	
<i>Other non-tax revenue</i>	157.9	159.4	163.2	78.1	-20.9%	3.1%	81.6	85.3	89.1	4.5%	1.4%	
<b>Total revenue</b>	<b>4 099.7</b>	<b>4 461.8</b>	<b>4 892.3</b>	<b>4 978.1</b>	<b>6.7%</b>	<b>100.0%</b>	<b>5 716.6</b>	<b>6 565.5</b>	<b>7 217.4</b>	<b>13.2%</b>	<b>100.0%</b>	
<b>Expenses</b>												
<b>Current expenses</b>	<b>4 050.1</b>	<b>4 198.3</b>	<b>4 347.7</b>	<b>4 922.9</b>	6.7%	98.5%	<b>5 515.9</b>	<b>6 340.8</b>	<b>6 974.9</b>	12.3%	99.2%	
Compensation of employees	1 709.6	1 695.5	1 474.4	1 491.0	-4.5%	36.2%	1 670.6	1 920.5	2 112.5	12.3%	30.0%	
Goods and services	2 105.2	2 328.8	2 775.8	3 315.4	16.3%	58.7%	3 714.8	4 269.5	4 696.4	12.3%	66.8%	
Depreciation	177.5	135.5	63.3	116.5	-13.1%	2.8%	130.5	150.9	166.0	12.5%	2.4%	
Interest, dividends and rent on land	57.7	38.5	34.2	-	-100.0%	0.8%	-	-	-	-	-	
<b>Total expenses</b>	<b>4 067.9</b>	<b>4 276.1</b>	<b>4 503.9</b>	<b>4 938.3</b>	<b>6.7%</b>	<b>100.0%</b>	<b>5 572.1</b>	<b>6 403.8</b>	<b>7 042.8</b>	<b>12.6%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>32.0</b>	<b>186.0</b>	<b>388.0</b>	<b>40.0</b>	<b>7.7%</b>		<b>144.0</b>	<b>162.0</b>	<b>175.0</b>	<b>63.6%</b>		

**Table 12.24 State Information Technology Agency (continued)**

Statement of financial position											
	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Carrying value of assets	517.2	408.6	391.4	2 230.4	62.8%	28.3%	2 559.0	2 167.6	1 806.1	-6.8%	61.1%
<i>of which:</i>											
Acquisition of assets	86.0	28.2	46.8	695.7	100.7%	6.8%	837.2	600.0	600.0	-4.8%	19.1%
Inventory	67.6	58.4	14.8	60.0	-3.9%	1.7%	60.0	60.0	60.0	-	1.7%
Receivables and prepayments	918.3	890.2	1 273.1	721.2	-7.7%	30.8%	667.5	760.2	831.2	4.8%	20.5%
Cash and cash equivalents	1 114.4	1 561.7	1 549.0	141.0	-49.8%	35.7%	153.5	752.8	1 315.4	110.5%	15.3%
Taxation	144.6	99.4	112.6	63.5	-24.0%	3.5%	50.0	50.0	50.0	-7.7%	1.5%
<b>Total assets</b>	<b>2 762.2</b>	<b>3 018.3</b>	<b>3 341.0</b>	<b>3 216.2</b>	<b>5.2%</b>	<b>100.0%</b>	<b>3 490.1</b>	<b>3 790.6</b>	<b>4 062.7</b>	<b>8.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	882.9	1 068.6	1 457.0	1 578.9	21.4%	40.0%	1 723.4	1 885.1	2 059.7	9.3%	49.7%
Capital and reserves	627.3	627.3	627.3	627.3	-0.0%	20.4%	627.3	627.3	627.3	-	17.4%
Borrowings	10.4	5.2	-	-	-100.0%	0.1%	-	-	-	-	-
Trade and other payables	1 130.8	1 175.1	996.2	867.9	-8.4%	34.2%	948.8	1 061.1	1 147.2	9.7%	27.6%
Taxation	-	-	58.1	-	-	0.4%	42.6	62.9	67.9	-	1.1%
Provisions	110.8	142.1	202.3	142.1	8.6%	4.8%	148.0	154.1	160.6	4.2%	4.2%
<b>Total equity and liabilities</b>	<b>2 762.2</b>	<b>3 018.3</b>	<b>3 341.0</b>	<b>3 216.2</b>	<b>5.2%</b>	<b>100.0%</b>	<b>3 490.1</b>	<b>3 790.6</b>	<b>4 062.7</b>	<b>8.1%</b>	<b>100.0%</b>

## Personnel information

**Table 12.25 State Information Technology Agency**

Salary level	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost		Number	Unit Cost				
	3 355	375	2 803	1 474.4	0.5	2 980	1 491.0	0.5	2 980	1 670.6	0.6	2 980	1 920.5	0.6	2 980	112.5	0.7	-	100.0%
1 - 6	299	-	298	29.5	0.1	299	29.8	0.1	299	33.4	0.1	299	38.4	0.1	299	42.2	0.1	12.3%	10.0%
7 - 10	1 923	300	1 537	757.9	0.5	1 623	766.4	0.5	1 623	858.7	0.5	1 623	987.1	0.6	1 623	085.9	0.7	12.3%	54.5%
11 - 12	873	75	708	457.0	0.6	798	462.1	0.6	798	517.8	0.6	798	595.2	0.7	798	654.8	0.8	12.3%	26.8%
13 - 16	256	-	256	222.8	0.9	256	225.3	0.9	256	252.4	1.0	256	290.2	1.1	256	319.2	1.2	12.3%	8.6%
17 - 22	4	-	4	7.3	1.8	4	7.4	1.8	4	8.3	2.1	4	9.5	2.4	4	10.5	2.6	12.3%	0.1%

1. Rand million.

## Expenditure trends

Revenue for the State Information Technology Agency is expected to increase significantly over the medium term due to the anticipated increase in the number of products offered by the agency and the expansion of services to local government in response to the single public service policy.

The spending focus over the medium term will be on investing in ICT infrastructure and implementing the agency's turnaround strategy. Significant spending is evident between 2009/10 and 2012/13 under the chief operations programme due to the growth of the organisation. Over the medium term, spending on both compensation of employees and capital expenditure is expected to grow significantly because of the plan to upgrade its ICT infrastructure and build capacity for providing services to local government.

The entity had 375 vacant posts due to the restructuring process that is currently under way. The ratio of support staff to line function staff is 1:7. Contractors and consultants are used due to staff shortage and ad hoc business

requirements where the service required is not recurring. Expenditure on consultants is expected to decrease after the restructuring is completed in March 2014.

### **Other public entities and agencies**

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Public Service Sector Education and Training Authority** implements sector skills plans to develop appropriate skills in the public sector, develops and registers public sector learning programmes, acts as an education and training quality assurance body for the public sector, and distributes skills development levy funds. The entity's total budget for 2013/14 is R23.3 million.
- The **training trading account for the Public Administration Leadership and Management Academy** functions within the Public Administration Leadership and Management Academy as a mechanism for the partial recovery of the costs of training programmes. The branches of the trading account directly facilitate and monitor the provision of leadership development and management training at all three levels of government, in collaboration with provincial academies and local government training entities. The account's total budget for 2013/14 is R177.1 million.

# Vote 13

## Statistics South Africa

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	493.1	474.8	14.5	3.8	653.5	673.7
Economic Statistics	217.1	216.6	0.0	0.5	230.3	244.0
Population and Social Statistics	110.6	110.1	0.1	0.3	118.6	126.0
Methodology and Standards	81.9	81.6	0.0	0.3	87.0	92.2
Statistical Support and Informatics	204.6	186.3	–	18.3	215.1	218.5
Corporate Relations	471.3	469.0	–	2.3	499.9	529.0
Survey Operations	159.2	158.8	–	0.4	159.7	169.3
<b>Total expenditure estimates</b>	<b>1 737.7</b>	<b>1 697.1</b>	<b>14.7</b>	<b>25.9</b>	<b>1 964.1</b>	<b>2 052.7</b>
Executive authority	Minister in the Presidency: National Planning Commission					
Accounting officer	Statistician General of Statistics South Africa					
Website address	<a href="http://www.statssa.gov.za">www.statssa.gov.za</a>					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Provide a relevant and accurate body of statistics by applying internationally acclaimed practices to inform users on the dynamics in the economy and society.*

### Mandate

Statistics South Africa is a national government department accountable to the Minister in the Presidency: National Planning Commission. The activities of the department are regulated by the Statistics Act (1999), which mandates the department to advance the production, dissemination, use and coordination of official and other statistics to assist organs of state, businesses, other organisations and the public in planning, monitoring, and decision making. The act also requires that the department coordinate statistical production among organs of state in line with the purpose of official statistics and statistical principles.

### Strategic goals

The department's strategic goals over the medium term are to:

- expand the statistical information base by increasing its depth, breadth and geographical spread through the production of economic, social and population statistics
- enhance public confidence and trust by developing and enhancing qualitative and methodological standards, maintaining business and geographic frames, managing relationships with stakeholders, and conducting research
- improve productivity and service delivery by integrating fieldwork and data processing operations, providing management support, and implementing effective governance and administration
- lead the development and coordination of statistical production in the national statistics system by coordinating and providing statistical support for the production of official statistics
- invest in the learning and growth of the organisation by investing in human, information and organisational capital

- promote international cooperation and partnerships in statistics by participating in national, continental and international statistical forums.

## Programme purposes

### Programme 1: Administration

**Purpose:** Manage the department, and provide centralised support services and capacity building.

### Programme 2: Economic Statistics

**Purpose:** Produce economic statistics to meet user requirements.

### Programme 3: Population and Social Statistics

**Purpose:** Produce population, demographic, labour market and social statistics to meet user requirements in line with internationally recognised practices.

### Programme 4: Methodology and Standards

**Purpose:** Provide expertise on quality and methodology for official statistics, standards for conducting surveys and a business sampling frame.

### Programme 5: Statistical Support and Informatics

**Purpose:** Enable service delivery programmes by using technology in the production and use of official statistics. Promote and provide better access to official statistics.

### Programme 6: Corporate Relations

**Purpose:** Provide statistical information to support policy makers. Manage stakeholders and interact with international statistical agencies. Provide effective communication services.

### Programme 7: Survey Operations

**Purpose:** Provide collection and processing support to produce official statistics.

## Selected performance indicators

Table 13.1 Statistics South Africa

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of sectors reported on quarterly and annual GDP estimates per year <sup>1</sup>	Economic Statistics	Outcome 4: Decent employment through inclusive economic growth	34	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Number of quarterly and annual GDP estimates released per year <sup>1</sup>	Economic Statistics		- <sup>1</sup>	5	5	5	4	4	4
Number of economic sector reports on industry and trade statistics per year <sup>1</sup>	Economic Statistics		9	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Number of releases on industry and trade statistics per year <sup>1</sup>	Economic Statistics		- <sup>1</sup>	142	142	142	150	150	150
Number of economic sectors reported on financial statistics per year <sup>1</sup>	Economic Statistics		8	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Number of releases on financial statistics per year <sup>1</sup>	Economic Statistics		- <sup>1</sup>	17	17	17	17	17	17



Table 13.1 Statistics South Africa (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of commodity price movements collected per year on consumer price index <sup>1</sup>	Economic Statistics	Outcome 4: Decent employment through inclusive economic growth	400	-1	-1	-1	-1	-1	-1
Number of consumer price indices released per year <sup>1</sup>	Economic Statistics		-1	12	12	12	12	12	12
Number of commodity price movements collected per year on producer price index <sup>1</sup>	Economic Statistics		1 645	-1	-1	-1	-1	-1	-1
Number of producer price indices releases per year <sup>1</sup>	Economic Statistics		-1	12	12	12	12	12	12
Number of industries reported on labour market trends per year <sup>1</sup>	Economic Statistics		8	-1	-1	-1	-1	-1	-1
Number of releases on employment and earnings per year <sup>1</sup>	Economic Statistics		-1	-1	4	4	4	4	4
Number of releases on labour market dynamics per year	Population and Social Statistics		4	4	4	4	4	4	4
Number of releases on the changing profile of the population per year	Population and Social Statistics	Outcome 2: A long and healthy life for all South Africans	18	18	17	17	17	17	17
Total number of municipalities demarcated <sup>2</sup>	Statistical Support and Informatics	Outcome 8: Sustainable human settlements and improved quality of household life	117	164	-2	-2	-2	-2	-2
Number of census questionnaires collected during the pilot (2009/10) and the main census (2011/12) <sup>2</sup>	Survey Operations		120 000	-2	14 000 000	-2	-2	-2	-2

1. New indicators were introduced in 2010/11. The old indicators have been included for historical purposes and will fall away in the next ENE.

2. These indicators relate to the Census, which has been completed.

## The national development plan

The national development plan highlights the need for South Africa to build a state that is capable of playing a developmental and transformative role. This requires the state to have the capacity to formulate and implement policies that serve the national interests, focus on overcoming the root causes of poverty and inequality, and build the state's capacity to fulfil its developmental role.

Statistics South Africa contributes to building a capable and developmental state by leading and partnering with other government departments in statistical production systems to provide accurate and quality statistical information on economic, demographic, social and environmental developments to enable government departments to make informed decisions in policy formulation. The department will, in this role, strive to improve the quality of its work by building its capacity and learning from experience, invest in the development of specialist technical skills and strengthen its partnerships with other government departments with regard to statistical production systems.

## Expenditure estimates

Table 13.2 Statistics South Africa

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million												
Administration	335.2	356.6	414.9	457.0	457.0	10.9%	18.0%	493.1	653.5	673.7	13.8%	30.3%
Economic Statistics	165.4	170.3	184.0	210.8	210.8	8.4%	8.4%	217.1	230.3	244.0	5.0%	12.0%
Population and Social Statistics	90.8	119.4	89.6	110.3	110.3	6.7%	4.7%	110.6	118.6	126.0	4.5%	6.2%
Methodology and Standards	53.5	55.4	66.7	71.6	71.6	10.2%	2.8%	81.9	87.0	92.2	8.8%	4.4%
Statistical Support and Informatics	250.8	195.4	175.7	187.5	187.5	-9.2%	9.3%	204.6	215.1	218.5	5.2%	11.0%
Corporate Relations	380.1	371.0	470.7	465.1	465.1	7.0%	19.4%	471.3	499.9	529.0	4.4%	26.1%
Survey Operations	280.1	426.7	2 272.8	259.4	259.4	-2.5%	37.3%	159.2	159.7	169.3	-13.3%	9.9%
<b>Total</b>	<b>1 555.8</b>	<b>1 694.9</b>	<b>3 674.4</b>	<b>1 761.7</b>	<b>1 761.7</b>	<b>4.2%</b>	<b>100.0%</b>	<b>1 737.7</b>	<b>1 964.1</b>	<b>2 052.7</b>	<b>5.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				40.0	40.0			4.7	(11.5)	(13.7)		
<b>Economic classification</b>												
<b>Current payments</b>	<b>1 471.2</b>	<b>1 625.0</b>	<b>3 527.9</b>	<b>1 707.6</b>	<b>1 707.5</b>	<b>5.1%</b>	<b>95.9%</b>	<b>1 697.1</b>	<b>1 924.3</b>	<b>2 018.8</b>	<b>5.7%</b>	<b>97.8%</b>
Compensation of employees	879.2	976.3	1 232.8	1 107.1	1 105.6	7.9%	48.3%	1 159.5	1 232.6	1 308.3	5.8%	63.9%
Goods and services	591.6	648.0	2 293.8	598.9	600.4	0.5%	47.6%	536.1	690.2	708.9	5.7%	33.7%
<i>of which:</i>												
Communication	37.5	31.3	53.1	36.2	36.1	-1.3%	1.8%	31.3	31.8	33.3	-2.7%	1.8%
Computer services	72.6	78.8	89.2	80.6	79.5	3.1%	3.7%	86.4	91.7	94.9	6.1%	4.7%
Operating leases	31.7	116.4	109.1	108.9	100.0	46.7%	4.1%	98.5	238.2	236.0	33.1%	8.9%
Travel and subsistence	225.9	176.6	527.0	148.6	150.1	-12.7%	12.4%	155.7	159.7	168.9	4.0%	8.4%
Interest and rent on land	0.4	0.7	1.3	1.5	1.5	52.8%	0.0%	1.5	1.5	1.6	1.3%	0.1%
<b>Transfers and subsidies</b>	<b>7.1</b>	<b>10.2</b>	<b>19.1</b>	<b>15.3</b>	<b>15.3</b>	<b>29.3%</b>	<b>0.6%</b>	<b>14.7</b>	<b>15.2</b>	<b>15.3</b>	<b>0.0%</b>	<b>0.8%</b>
Departmental agencies and accounts	-	-	-	-	-			0.1	0.1	0.1		
Higher education institutions	-	-	1.0	8.3	8.3		0.1%	8.8	9.2	9.1	2.8%	0.5%
Foreign governments and international organisations	-	-	-	0.7	0.7		0.0%	-	-	-	-100.0%	0.0%
Non-profit institutions	0.2	0.3	0.0	1.2	1.2	85.1%	0.0%	0.2	0.2	0.2	-44.3%	0.0%
Households	6.9	9.9	18.1	5.1	5.1	-9.4%	0.5%	5.5	5.7	6.0	5.3%	0.3%
<b>Payments for capital assets</b>	<b>46.9</b>	<b>56.5</b>	<b>92.7</b>	<b>38.8</b>	<b>38.8</b>	<b>-6.1%</b>	<b>2.7%</b>	<b>25.9</b>	<b>24.5</b>	<b>18.6</b>	<b>-21.7%</b>	<b>1.4%</b>
Machinery and equipment	45.0	54.9	90.2	19.6	19.4	-24.4%	2.4%	24.4	23.0	17.0	-4.3%	1.1%
Software and other intangible assets	1.9	1.7	2.5	19.2	19.4	116.4%	0.3%	1.5	1.6	1.6	-56.1%	0.3%
<b>Payments for financial assets</b>	<b>30.7</b>	<b>3.1</b>	<b>34.7</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>1 555.8</b>	<b>1 694.9</b>	<b>3 674.4</b>	<b>1 761.7</b>	<b>1 761.7</b>	<b>4.2%</b>	<b>100.0%</b>	<b>1 737.7</b>	<b>1 964.1</b>	<b>2 052.7</b>	<b>5.2%</b>	<b>100.0%</b>

## Personnel information

**Table 13.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16					
Statistics South Africa		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	
Salary level	5 097	-	4 137 232.8	0.3	3 249 077.2	0.3	3 647 159.5	0.3	3 647 232.6	0.3	3 647 308.3	0.4	3.9%	100.0%			
1 – 6	2 953	-	2 350 337.3	0.1	1 448 316.2	0.2	1 582 273.7	0.2	1 582 291.9	0.2	1 582 314.2	0.2	3.0%	43.7%			
7 – 10	1 395	-	1 167 433.9	0.4	1 171 380.2	0.3	1 321 396.5	0.3	1 321 421.4	0.3	1 321 446.5	0.3	4.1%	36.2%			
11 – 12	487	-	408 286.6	0.7	412 227.4	0.6	483 268.3	0.6	483 284.9	0.6	483 301.0	0.6	5.4%	13.1%			
13 – 16	262	-	212 175.0	0.8	218 153.4	0.7	261 221.1	0.8	261 234.5	0.9	261 246.6	0.9	6.2%	7.1%			

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on expanding the statistical information base and increasing the supply of official statistics to inform evidence based decision making. This focus is reflected in the spending projected in the *Administration* and *Corporate Relations* programmes over the medium term to accommodate the expansion of the department to district offices in all provinces and increase the efficiency and effectiveness of survey operations.

Spending fluctuated between 2009/10 and 2012/13 as a result of Census 2011, which was conducted in October 2011 and the results released in October 2012. This caused spending to increase significantly in 2011/12, as the department received an allocation R2.2 billion for Census 2011 related activities. The census and other periodic surveys are also responsible for the fluctuations in the number of personnel employed. The number of filled posts decreased by 888 posts in 2012/13 as the contract posts created for Census 2011 enumerators fell away and the focus shifted to the processing and disseminating of the results. The number of permanent personnel employed is expected to increase over the medium term as part of an effort to reduce the number of consultants and contract workers used for fieldwork.

The 28.7 per cent increase projected in spending on goods and services in 2014/15 relates to an additional allocation of R139 million for the unitary fees for the new building that is to be built through a private public partnership. The new building will provide enough space to house all the department's head office employees, who are currently housed in three different buildings.

Cabinet approved budget reductions of R17.3 million (1 per cent), R39.5 million (2 per cent) and R62 million (3 per cent) are effected over the medium term. As part of these reductions, the department will reduce spending on compensation of employees, as there were delays in filling vacant posts. Some of the reductions will be reprioritised towards improving service delivery and achieving key strategic priorities.

The department had 689 vacant contract positions as at 30 September 2012, mainly in the *Survey Operations*, *Population* and *Social Statistics* and *Corporate Relations* programmes and mainly between salary levels 4 and 9, due to the periodic nature of survey activities. The department's ratio of support staff to line staff cost over the medium term is expected to remain at 1:3.

## Departmental receipts

Table 13.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R thousand													
<b>Departmental receipts</b>	<b>8 474</b>	<b>2 647</b>	<b>3 047</b>	<b>2 523</b>	<b>2 523</b>	<b>-33.2%</b>	<b>100.0%</b>	<b>2 377</b>	<b>2 581</b>	<b>2 934</b>	<b>5.2%</b>	<b>100.0%</b>	
<b>Sales of goods and services produced by department</b>	<b>1 230</b>	<b>1 280</b>	<b>1 287</b>	<b>1 384</b>	<b>1 384</b>	<b>4.0%</b>	<b>31.0%</b>	<b>1 080</b>	<b>1 122</b>	<b>1 163</b>	<b>-5.6%</b>	<b>45.6%</b>	
Sales by market establishments	555	647	637	733	733	9.7%	15.4%	280	300	320	-24.1%	15.7%	
of which:													
Parking	555	647	637	733	733	9.7%	15.4%	280	300	320	-24.1%	15.7%	
Other sales	675	633	650	651	651	-1.2%	15.6%	800	822	843	9.0%	29.9%	
of which:													
Replacement of security cards	5	5	6	4	4	-7.2%	0.1%	6	7	8	26.0%	0.2%	
Maps	24	2	1	4	4	-45.0%	0.2%	4	5	5	7.7%	0.2%	
Commission insurance	259	302	382	328	328	8.2%	7.6%	460	470	480	13.5%	16.7%	
Departmental publications	387	324	261	315	315	-6.6%	7.7%	330	340	350	3.6%	12.8%	
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>12</b>	<b>38</b>	<b>28</b>	<b>4</b>	<b>4</b>	<b>-30.7%</b>	<b>0.5%</b>	<b>32</b>	<b>34</b>	<b>36</b>	<b>108.0%</b>	<b>1.0%</b>	
of which:													
Waste paper	12	38	28	4	4	-30.7%	0.5%	32	34	36	108.0%	1.0%	
<b>Interest, dividends and rent on land</b>	<b>253</b>	<b>61</b>	<b>221</b>	<b>128</b>	<b>128</b>	<b>-20.3%</b>	<b>4.0%</b>	<b>70</b>	<b>75</b>	<b>80</b>	<b>-14.5%</b>	<b>3.4%</b>	
Interest	253	61	221	128	128	-20.3%	4.0%	70	75	80	-14.5%	3.4%	
<b>Transactions in financial assets and liabilities</b>	<b>6 979</b>	<b>1 268</b>	<b>1 511</b>	<b>1 007</b>	<b>1 007</b>	<b>-47.6%</b>	<b>64.5%</b>	<b>1 195</b>	<b>1 350</b>	<b>1 655</b>	<b>18.0%</b>	<b>50.0%</b>	
<b>Total</b>	<b>8 474</b>	<b>2 647</b>	<b>3 047</b>	<b>2 523</b>	<b>2 523</b>	<b>-33.2%</b>	<b>100.0%</b>	<b>2 377</b>	<b>2 581</b>	<b>2 934</b>	<b>5.2%</b>	<b>100.0%</b>	

## Programme 1: Administration

### Expenditure estimates

Table 13.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
Departmental Management	28.3	26.7	26.4	30.4	2.4%	7.1%	32.9	35.5	37.8	7.5%	6.0%	
Corporate Services	192.4	207.2	195.2	213.8	3.6%	51.7%	220.3	235.7	249.5	5.3%	40.4%	
Financial Administration	55.6	53.9	68.8	60.5	2.9%	15.3%	75.4	86.2	89.6	14.0%	13.7%	
Internal Audit	6.3	8.0	8.8	9.5	14.9%	2.1%	10.7	11.3	12.0	8.0%	1.9%	
National Statistics System	10.3	16.0	19.6	25.6	35.3%	4.6%	26.8	28.4	29.8	5.1%	4.9%	
Office Accommodation	42.3	44.9	96.2	117.2	40.4%	19.2%	127.0	256.4	255.1	29.6%	33.2%	
<b>Total</b>	<b>335.2</b>	<b>356.6</b>	<b>414.9</b>	<b>457.0</b>	<b>10.9%</b>	<b>100.0%</b>	<b>493.1</b>	<b>653.5</b>	<b>673.7</b>	<b>13.8%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				12.5			16.6	3.8	673.7			

### Economic classification

<b>Current payments</b>	<b>325.3</b>	<b>344.2</b>	<b>402.1</b>	<b>442.1</b>	<b>10.8%</b>	<b>96.8%</b>	<b>474.8</b>	<b>635.6</b>	<b>656.8</b>	<b>14.1%</b>	<b>97.0%</b>
Compensation of employees	150.4	168.1	195.2	204.4	10.8%	45.9%	229.0	243.4	258.4	8.1%	41.1%
Goods and services	174.9	176.1	206.7	237.5	10.7%	50.8%	245.7	392.0	398.2	18.8%	55.9%
of which:											
Communication	9.5	5.6	5.8	6.5	-12.2%	1.7%	6.5	6.4	6.7	1.2%	1.1%
Computer services	0.8	3.0	3.5	3.1	57.8%	0.7%	-	-	-	-100.0%	0.1%
Operating leases	31.6	34.8	81.4	100.7	47.1%	15.9%	97.2	237.8	235.7	32.8%	29.5%
Travel and subsistence	69.0	52.3	30.5	34.4	-20.7%	11.9%	35.3	43.2	45.6	9.9%	7.0%
Interest and rent on land	0.1	0.1	0.2	0.2	54.3%	-	0.1	0.2	0.2	-1.1%	-

**Table 13.5 Administration (continued)**

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R million										
<b>Transfers and subsidies</b>	4.5	8.7	7.7	13.5	44.4%	2.2%	14.5	14.9	15.0	3.5%	2.5%
Departmental agencies and accounts	-	-	-	-	-	-	0.0	0.1	0.1	-	-
Higher education institutions	-	-	1.0	8.3	-	0.6%	8.8	9.2	9.1	2.8%	1.6%
Non-profit institutions	-	-	-	0.2	-	-	0.1	0.1	0.1	-17.2%	-
Households	4.5	8.7	6.7	5.0	3.6%	1.6%	5.5	5.5	5.8	4.8%	1.0%
<b>Payments for capital assets</b>	4.6	3.6	4.9	1.4	-32.6%	0.9%	3.8	3.0	2.0	11.7%	0.4%
Machinery and equipment	4.6	3.6	4.9	1.4	-32.6%	0.9%	3.8	3.0	2.0	11.7%	0.4%
<b>Payments for financial assets</b>	0.8	0.0	0.2	-	-100.0%	0.1%	-	-	-	-	-
<b>Total</b>	<b>335.2</b>	<b>356.6</b>	<b>414.9</b>	<b>457.0</b>	<b>10.9%</b>	<b>100.0%</b>	<b>493.1</b>	<b>653.5</b>	<b>673.7</b>	<b>13.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>21.5%</b>	<b>21.0%</b>	<b>11.3%</b>	<b>25.9%</b>			<b>28.4%</b>	<b>33.3%</b>	<b>32.8%</b>		

**Details of selected transfers and subsidies**

Households											
Other transfers to households											
Current											
Bursaries for non-employees	4.5	8.3	6.7	5.0	3.7%	1.6%	5.5	5.5	5.8	4.8%	1.0%
	4.5	8.3	6.7	5.0	3.9%	1.6%	5.5	5.5	5.8	4.8%	1.0%
Higher education institutions											
Current											
University of KwaZulu-Natal	-	-	1.0	8.3	-	0.6%	8.8	9.2	9.1	2.8%	1.6%
Stellenbosch University	-	-	-	0.5	-	-	0.5	0.5	0.5	-	0.1%
University of the Witwatersrand	-	-	-	6.3	-	0.4%	6.8	7.2	7.6	6.0%	1.2%
University of Cape Town	-	-	1.0	0.5	-	0.1%	0.5	0.5	-	-100.0%	0.1%
	-	-	-	1.0	-	0.1%	1.0	1.0	1.0	-	0.2%

**Personnel information****Table 13.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)					
		2011/12		2012/13			2013/14		2014/15		2015/16								
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost								
<b>Administration</b>																			
<b>Salary level</b>	711	-	594	195.2	0.3	585	199.4	0.3	669	229.0	0.3	669	243.4	0.4	669	258.4	0.4	4.6%	100.0%
1 - 6	241	-	187	40.1	0.2	182	35.0	0.2	211	32.1	0.2	211	34.1	0.2	211	36.5	0.2	5.1%	31.4%
7 - 10	316	-	273	74.7	0.3	273	93.3	0.3	308	91.2	0.3	308	97.0	0.3	308	102.5	0.3	4.1%	46.2%
11 - 12	91	-	79	35.1	0.4	74	42.6	0.6	87	50.3	0.6	87	53.4	0.6	87	56.7	0.7	5.5%	12.9%
13 - 16	63	-	55	45.3	0.8	56	28.4	0.5	63	55.4	0.9	63	58.9	0.9	63	62.8	1.0	4.0%	9.5%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

The spending focus over the medium term will be mainly on providing for the department's office accommodation needs, particularly with regard to the new building that the department will occupy in 2014/15, and additional rental for regional offices to support the department's strategy to expand its base. This also accounts for the significant increase in spending in the *Office Accommodation* subprogramme from 2011/12 to 2015/16 and in the operating leases and property payments expenditure items over the same period. The effect of this is particularly pronounced in 2014/15, where the *Office Accommodation* subprogramme receives an

additional allocation of R139 million for a unitary fee for the new premises that are to be built through the public private partnership procurement process currently under way.

The programme employed an additional 44 personnel between 2009/10 and 2012/13, mainly to build capacity to provide support services to core departmental functions, which explains the marginal increase in spending on compensation of employees over this period. As at 30 September 2012, there were 126 vacant posts, due to high staff turnover and difficulties experienced in attracting candidates with the relevant skills. 81 of these were permanent posts. In addition, a moratorium was placed on 41 of the permanent posts to yield savings of R40.8 million in spending on compensation of employees over the medium term. R36.1 million of these savings was reprioritised to spending on goods and services, mainly to fund a projected shortfall identified in the *Office Accommodation* subprogramme for rental, and the balance was reprioritised to fund shortfalls identified in other programmes.

Consultants are used for auditing, designing the strategy for the development of statistics and transactional advisors appointed for the new building project. Spending on consultants is expected to increase from R15.5 million in 2012/13 to R21.2 million in 2015/16, mainly due to consultancy fees on the construction of the new office accommodation.

## Programme 2: Economic Statistics

### Objectives

- Inform economic planning, monitoring and decision making to national, provincial and local government and public stakeholders by:
  - providing ongoing accurate, relevant and timely economic statistical information through the application of internationally recognised practices
  - publishing quarterly and annual GDP estimates, providing information on 10 sectors of the economy
  - publishing monthly, quarterly, annual and periodic statistical releases on employment and earnings; and on industry, trade and financial statistics.
- Provide information for inflation targeting and on the changing cost of living by:
  - improving the measurement of price changes in the economy through the application of internationally recognised standards and practices
  - publishing monthly statistical releases on the consumer price index and on the producer price index.

### Subprogrammes

- *Programme Management for Economic Statistics* provides strategic direction and leadership to this programme. This subprogramme had a staff complement of 3 in 2012/13.
- *Short Term Indicators* provides information on turnover and volumes in various industries in the economy on a monthly, quarterly and annual basis through the publication of statistical releases. Key outputs include collecting and publishing monthly, quarterly and annual statistics. The suite of indicators covers the following industries: mining and quarrying, manufacturing, electricity, gas and water, construction, trade, and transport. This subprogramme had a staff complement of 93 in 2012/13.
- *Large Sample Surveys* provides periodic information on turnover and volumes in various sectors in the economy through publishing periodic statistical information. In 2011/12, 8 releases were published and included statistical information on wholesale trade sales, food and beverages, accommodation, electricity, gas and water supply, post and telecommunications, real estate activities, and transport and storage. In 2012/13, statistical releases in the following industries were published: agriculture, manufacturing, electricity, gas and water, construction, transport, post and telecommunication, real estate and business services. This subprogramme had a staff complement of 120 in 2012/13.
- *Producer Price Index and Employment Statistics* provides information for compiling the producer price index and on employment levels in the formal, non-agricultural sector. Key outputs include publishing quarterly data on employment and earnings, and the producer price index monthly, as well as launching a

revamped version of the index by February 2013. This subprogramme had a staff complement of 103 in 2012/13.

- *Consumer Price Index* provides information on the level of inflation by producing various consumer price indices. Key outputs include a monthly publication on the consumer price index, and the publishing of a rebased and reweighted consumer price index by February 2013. This subprogramme had a staff complement of 179 in 2012/13.
- *Financial Statistics* tracks public sector spending and the financial performance of private sector organisations. A key output is publishing quarterly and annual data on private sector enterprises. This subprogramme had a staff complement of 121 in 2012/13.
- *National Accounts* produces GDP data and other integrative statistical products. A key output is producing quarterly and annual GDP estimates. This subprogramme had a staff complement of 16 in 2012/13.
- *Economic Analysis and Research* integrates and analyses information from various internal and external data sources. Key outputs include: research papers on the independent calculation of GDP estimates through the production and income approaches; flash GDP estimates; reports on capital stock and capital productivity estimates and the update of the compendium of industrial statistics; and an integrative analysis report on regional indicators of economic activity. This subprogramme had a staff complement of 10 in 2012/13.

## Expenditure estimates

Table 13.7 Economic Statistics

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R million												
Programme Management for Economic Statistics	2.2	2.2	2.6	3.7	18.8%	1.5%	2.9	3.1	3.3	-4.2%	1.4%	
Short Term Indicators	22.0	22.6	27.0	28.4	8.8%	13.7%	29.9	31.8	33.7	5.9%	13.7%	
Large Sample Surveys	27.6	25.6	30.0	34.3	7.5%	16.1%	36.0	38.2	40.5	5.7%	16.5%	
Producer Price Index and Employment Statistics	22.8	25.3	25.9	29.6	9.1%	14.2%	32.3	34.3	36.3	7.0%	14.7%	
Consumer Price Index	48.7	47.7	46.8	50.9	1.5%	26.6%	48.2	51.2	54.3	2.2%	22.7%	
Financial Statistics	30.3	33.5	36.4	38.5	8.3%	19.0%	40.2	42.7	45.2	5.6%	18.5%	
National Accounts	7.6	7.8	9.2	14.4	23.9%	5.3%	11.9	12.6	13.4	-2.5%	5.8%	
Economic Analysis and Research	4.2	5.5	6.1	11.0	38.1%	3.7%	15.6	16.5	17.3	16.3%	6.7%	
<b>Total</b>	<b>165.4</b>	<b>170.3</b>	<b>184.0</b>	<b>210.8</b>	<b>8.4%</b>	<b>100.0%</b>	<b>217.1</b>	<b>230.3</b>	<b>244.0</b>	<b>5.0%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(3.2)			(9.6)	(7.9)	244.0			
<b>Economic classification</b>												
<b>Current payments</b>	<b>164.0</b>	<b>168.9</b>	<b>182.8</b>	<b>210.1</b>	<b>8.6%</b>	<b>99.4%</b>	<b>216.6</b>	<b>229.8</b>	<b>243.4</b>	<b>5.0%</b>	<b>99.7%</b>	
Compensation of employees	144.9	153.6	163.0	182.4	8.0%	88.2%	185.6	197.3	209.5	4.7%	85.9%	
Goods and services	19.0	15.2	19.7	27.6	13.2%	11.1%	30.9	32.4	33.9	7.1%	13.8%	
of which:												
Communication	6.1	4.9	5.1	5.2	-4.9%	2.9%	6.0	6.3	6.6	8.1%	2.7%	
Operating leases	0.0	-	-	0.9	851.7%	0.1%	0.1	0.1	0.1	-44.5%	0.1%	
Travel and subsistence	7.9	6.5	7.9	7.7	-1.0%	4.1%	11.2	11.7	12.2	16.7%	4.7%	
Interest and rent on land	0.0	0.1	0.1	0.1	41.4%	-	0.1	0.1	0.1	-9.8%	-	
<b>Transfers and subsidies</b>	<b>0.3</b>	<b>0.2</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	
Non-profit institutions	0.2	-	-	-	-100.0%	-	-	-	-	-	-	
Households	0.1	0.2	0.1	-	-100.0%	0.1%	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>0.6</b>	<b>1.2</b>	<b>1.0</b>	<b>0.7</b>	<b>8.2%</b>	<b>0.5%</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>-7.6%</b>	<b>0.3%</b>	
Machinery and equipment	0.6	1.2	1.0	0.7	8.2%	0.5%	0.5	0.5	0.6	-7.6%	0.3%	
<b>Payments for financial assets</b>	<b>0.6</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>165.4</b>	<b>170.3</b>	<b>184.0</b>	<b>210.8</b>	<b>8.4%</b>	<b>100.0%</b>	<b>217.1</b>	<b>230.3</b>	<b>244.0</b>	<b>5.0%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>10.6%</b>	<b>10.1%</b>	<b>5.0%</b>	<b>12.0%</b>			<b>12.5%</b>	<b>11.7%</b>	<b>11.9%</b>			

## Personnel information

**Table 13.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
<b>Economic Statistics</b>																			
Salary level	707	-	629	163.0	0.3	645	175.3	0.3	669	185.6	0.3	669	197.3	0.3	669	209.5	0.3	1.2%	100.0%
1 - 6	372	-	331	61.2	0.2	346	63.6	0.2	344	62.5	0.2	344	66.5	0.2	344	70.4	0.2	-0.2%	52.0%
7 - 10	249	-	221	58.4	0.3	222	68.9	0.3	240	67.6	0.3	240	72.0	0.3	240	76.9	0.3	2.6%	35.5%
11 - 12	54	-	47	21.3	0.5	47	26.8	0.6	54	29.3	0.5	54	31.1	0.6	54	33.1	0.6	4.7%	7.9%
13 - 16	32	-	30	22.0	0.7	30	16.1	0.5	31	26.2	0.8	31	27.8	0.9	31	29.1	0.9	1.1%	4.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on producing statistics on inflation levels, public sector financial performance and spending, and sectoral information on the economy. This will contribute to sound economic planning and decision making, particularly with regard to government policies and actions, and is mainly provided for in spending on compensation of employees.

Expenditure on compensation of employees increased across all subprogrammes between 2009/10 and 2012/13 due to the 16 additional posts created in order to generate a range of economic statistics. Expenditure in the *National Accounts* subprogramme in 2012/13 also increased significantly, mainly due to expenditure on training and development within goods and services to increase the programme's capacity through research, training and a special graduate programme. These capacity increases allowed the programme to produce quarterly GDP estimates reports on 10 sectors of the economy, independent annual GDP estimates on 34 sectors of the economy and regional GDP estimates.

As part of the Cabinet approved budget reductions, the department identified R41.8 million in savings over the medium term from spending on compensation of employees, as a result of vacant funded permanent posts. As at 30 September 2012, the programme had 707 funded posts, 688 of which were permanent. Of these permanent posts, 645 were filled. 43 posts were vacant due to natural attrition and the difficulty in attracting individuals with the appropriate skills. The number of permanent posts is expected to decrease from 688 in 2012/13 to 669 in 2013/14 as 19 posts are to be moved to the *Provincial Coordination* subprogramme within the *Corporate Relations* programme.

Consultancy services are used for research on satellite accounts (expansion of national accounts) and environment accounts, GDP income and production, as the department does not have specialised staff for this work. The bulk of the consultancy services relate to the national accounts capacity building project. Spending on consultants increased from R647 000 in 2009/10 to R2.6 million in 2012/13 and is expected to increase to R7.1 million in 2015/16. The increases in 2014/15 and 2015/16 are due to the department anticipating that it will be necessary to make changes to existing surveys.

## Programme 3: Population and Social Statistics

### Objectives

- Inform social and economic development planning, monitoring and decision making for use by both public and private sector by:
  - providing accurate, relevant and timely statistical information through the application of internationally recognised standards and practices on an ongoing basis



- publishing quarterly, annual and periodic statistical information on the labour market, vital registrations, poverty levels, living conditions and service delivery, as well as population dynamics and demographic trends.

## Subprogrammes

- *Programme Management for Population and Social Statistics* provides strategic direction and leadership for the programme. This subprogramme had a staff complement of 6 in 2012/13.
- *Population Statistics* publishes population statistics collected through population censuses and surveys. Key outputs include compiling and developing tabulation and product plans for the censuses. This subprogramme had a staff complement of 15 in 2012/13.
- *Health and Vital Statistics* publishes statistics on births, deaths, marriages, divorces, tourism and migration based on administrative records. Key outputs and activities include monthly publications on tourism and migration; and annual publications on mortality and causes of death, recorded live births, and marriages and divorces. This subprogramme had a staff complement of 15 in 2012/13.
- *Social Statistics* provides information on living conditions and tourism through general household and tourism surveys. Key outputs and activities include an annual publication on victims of crime, an annual publication on the general household survey, a series on water and sanitation, and a report on the social profile of South Africa. This subprogramme had a staff complement of 15 in 2012/13.
- *Demographic Analysis* collates and analyses data from censuses and other surveys, as well as administrative data to compile mid-year population estimates and generate a knowledge base on social and population themes. This subprogramme had a staff complement of 5 in 2012/13.
- *Survey Coordination, Monitoring and Evaluation* monitors and assures the quality of field operations of household surveys and censuses. Key outputs and activities include monitoring and evaluating the annual general household survey, the quarterly labour force survey, the annual domestic tourism survey, and annual victims of crime surveys. This subprogramme had a staff complement of 28 in 2012/13.
- *Labour Statistics* provides information on labour market trends in South Africa through the labour force survey. Key outputs include the quarterly publication of data on labour market trends, an annual report on labour market dynamics in South Africa, including Decent Work indicators and a report on the activities of young people. This subprogramme had a staff complement of 17 in 2012/13.
- *Poverty and Inequality Statistics* is discussed in more detail below.

## Expenditure estimates

**Table 13.9 Population and Social Statistics**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Programme Management for Population and Social Statistics	3.5	4.0	4.1	5.1	13.3%	4.1%	6.5	6.8	7.2	11.9%	5.5%
Population Statistics	15.1	9.6	10.4	13.1	-4.8%	11.8%	9.5	9.8	10.4	-7.3%	9.2%
Health and Vital Statistics	21.2	22.1	8.6	10.5	-20.9%	15.2%	14.3	15.7	16.6	16.4%	12.3%
Social Statistics	1.4	7.3	9.2	11.3	98.5%	7.1%	11.6	12.4	13.2	5.1%	10.4%
Demographic Analysis	3.9	5.1	4.2	5.8	14.3%	4.6%	7.1	7.6	8.0	11.6%	6.1%
Survey Coordination, Monitoring and Evaluation	5.8	8.1	11.8	15.6	39.1%	10.1%	16.7	17.7	18.8	6.3%	14.8%
Labour Statistics	14.5	15.8	13.5	16.3	4.0%	14.6%	15.4	16.3	17.3	2.0%	14.0%
Poverty and Inequality Statistics	25.3	47.4	27.8	32.6	8.8%	32.5%	29.4	32.2	34.7	2.0%	27.7%
<b>Total</b>	<b>90.8</b>	<b>119.4</b>	<b>89.6</b>	<b>110.3</b>	<b>6.7%</b>	<b>100.0%</b>	<b>110.6</b>	<b>118.6</b>	<b>126.0</b>	<b>4.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(11.7)			(14.7)	(11.7)	126.0		

**Table 13.9 Population and Social Statistics (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
<b>Current payments</b>	<b>89.2</b>	<b>117.0</b>	<b>85.7</b>	<b>109.1</b>	<b>6.9%</b>	<b>97.8%</b>	<b>110.1</b>	<b>118.1</b>	<b>125.5</b>	<b>4.8%</b>	<b>99.4%</b>
Compensation of employees	68.4	85.0	53.1	76.5	3.8%	69.0%	83.6	88.8	94.3	7.2%	73.7%
Goods and services	20.8	32.1	32.5	32.5	16.2%	28.7%	26.5	29.2	31.2	-1.4%	25.7%
<i>of which:</i>											
Communication	1.9	2.4	1.8	2.0	1.3%	2.0%	2.0	2.1	2.2	3.1%	1.8%
Computer services	0.0	-	0.3	-	-100.0%	0.1%	-	-	-	-	-
Operating leases	-	-	0.0	0.3	-	0.1%	0.1	0.0	0.0	-48.1%	0.1%
Travel and subsistence	8.0	14.1	20.0	12.9	17.2%	13.4%	15.3	15.7	17.5	10.6%	13.2%
Interest and rent on land	0.0	0.0	0.0	0.0	58.7%	-	0.0	0.1	0.1	9.8%	-
<b>Transfers and subsidies</b>	<b>0.1</b>	<b>0.4</b>	<b>0.1</b>	<b>1.0</b>	<b>139.3%</b>	<b>0.4%</b>	<b>0.1</b>	<b>0.3</b>	<b>0.3</b>	<b>-31.6%</b>	<b>0.4%</b>
Non-profit institutions	-	0.3	-	1.0	-	0.3%	0.1	0.1	0.1	-53.6%	0.3%
Households	0.1	0.0	0.1	-	-100.0%	0.1%	0.0	0.2	0.2	-	0.1%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>1.2</b>	<b>0.6</b>	<b>0.2</b>	<b>17.2%</b>	<b>0.5%</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>3.2%</b>	<b>0.2%</b>
Machinery and equipment	0.1	1.2	0.6	0.2	17.2%	0.5%	0.3	0.2	0.2	3.2%	0.2%
<b>Payments for financial assets</b>	<b>1.4</b>	<b>0.8</b>	<b>3.3</b>	<b>-</b>	<b>-100.0%</b>	<b>1.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>90.8</b>	<b>119.4</b>	<b>89.6</b>	<b>110.3</b>	<b>6.7%</b>	<b>100.0%</b>	<b>110.6</b>	<b>118.6</b>	<b>126.0</b>	<b>4.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>5.8%</b>	<b>7.0%</b>	<b>2.4%</b>	<b>6.3%</b>			<b>6.4%</b>	<b>6.0%</b>	<b>6.1%</b>		

## Personnel information

**Table 13.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
Population and Social Statistics		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
Salary level	196	-	131	53.1	0.4	127	65.5	0.5	168	83.6	0.5	168	88.8	0.5	168	94.3	0.6	9.8%	100.0%
1-6	33	-	24	2.3	0.1	9	7.0	0.8	6	1.1	0.2	6	1.1	0.2	6	1.2	0.2	-12.6%	4.3%
7-10	70	-	40	13.6	0.3	48	19.9	0.4	70	20.6	0.3	70	21.8	0.3	70	23.5	0.3	13.4%	40.9%
11-12	49	-	37	14.4	0.4	38	16.1	0.4	48	25.6	0.5	48	27.3	0.6	48	29.2	0.6	8.1%	28.8%
13-16	44	-	30	22.7	0.8	32	22.4	0.7	44	36.3	0.8	44	38.5	0.9	44	40.4	0.9	11.2%	26.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Spending over the medium term will focus on the production of information on the changing demographic profile and health of the population, poverty levels, and income and expenditure trends. This focus is reflected in the allocations to the *Poverty and Inequality Statistics*, *Health and Vital Statistics* and *Demographic Analysis* subprogrammes. The expenditure trends for the *Poverty and Inequality Statistics* subprogramme are discussed in further detail in the section that follows.

The R13.5 million decrease in spending in the *Health and Vital Statistics* subprogramme in 2011/12 is the result of the personnel responsible for the causes of death survey being moved from this subprogramme to the *Corporate Data Processing* subprogramme in the *Survey Operations* programme. This shift decreased the number of funded posts in the programme from 460 in 2009/10 to 196 in 2012/13. Expenditure in the *Survey*

*Coordination, Monitoring and Evaluation* and the *Social Statistics* subprogrammes grew between 2009/10 and 2012/13, mainly as a result of spending related to Census 2011 activities, including the dissemination of the results and publishing of other statistical information in 2012/13. The budget allocations in the programme have enabled the department to conduct the income and expenditure survey and release the data collected between 2010/11 and 2011/12, and disseminate the results of Census 2011.

Spending in the *Health and Vital Statistics* subprogramme is expected to increase by 36.4 per cent in 2013/14 due to surveys conducted and statistics published on births, deaths, marriages, divorces, tourism and migration based on administrative records.

As part of the Cabinet approved budget reductions, the department reprioritised funds from spending on compensation of employees over the medium term to provide for the department's operational requirements. The reprioritised funds are sourced from underspending caused by funded vacant posts and the fact that a moratorium was placed on 11 vacant posts. At the end of September 2012, the department had 196 funded posts, of which 169 were permanent. 121 of these permanent posts were filled and 48 were vacant due to natural attrition and the difficulty experienced in attracting the relevant skills.

Consultants used provide services that include enhancing medical practitioners' knowledge regarding the completion of death notification forms and providing technical and analytical support for the production of poverty statistics. The department does not have specialised staff to provide these services. Spending on consultants is expected to decrease to R2.5 million over the medium term as the programme reduces its use of consultants.

### Subprogramme: Poverty and Inequality Statistics

This subprogramme provides information on poverty levels as well as income and expenditure trends among the population of South Africa. This subprogramme is also responsible for providing appropriate and statistically reliable information on households' acquisition and consumption, and expenditure patterns in all types of settlements. Key outputs and activities in 2011/12 included the publishing and dissemination of the results of the income and expenditure surveys, and the living conditions survey.

### Expenditure estimates

Table 13.11 Poverty and Inequality Statistics

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million	24.9	46.4	25.8	32.6	9.5%	97.4%	29.4	32.2	34.6	2.0%	99.9%
<b>Current payments</b>											
Compensation of employees	19.6	31.8	12.9	17.3	-4.0%	61.3%	20.6	21.9	23.2	10.3%	64.3%
Goods and services	5.3	14.6	12.9	15.3	42.6%	36.1%	8.8	10.3	11.4	-9.3%	35.6%
<i>of which:</i>											
Communication	0.4	0.7	0.5	0.7	19.5%	1.8%	0.6	0.6	0.6	-7.5%	1.9%
Travel and subsistence	3.5	6.7	9.4	8.3	32.6%	21.0%	6.8	7.0	8.4	0.4%	23.6%
Interest and rent on land											
<b>Transfers and subsidies</b>	0.1	-	0.1	-	-100.0%	0.1%	-	-	-	-	-
Households	0.1	-	0.1	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	-	0.2	0.1	-	-	0.3%	0.0	0.0	0.0	-	0.1%
Machinery and equipment	-	0.2	0.1	-	-	0.3%	0.0	0.0	0.0	-	0.1%
<b>Payments for financial assets</b>	0.4	0.8	1.7	-	-100.0%	2.2%	-	-	-	-	-
<b>Total</b>	<b>25.3</b>	<b>47.4</b>	<b>27.8</b>	<b>32.6</b>	<b>8.8%</b>	<b>100.0%</b>	<b>29.4</b>	<b>32.2</b>	<b>34.7</b>	<b>2.0%</b>	<b>100.0%</b>
<b>Proportion of total sub programme expenditure to programme expenditure</b>	<b>27.9%</b>	<b>39.7%</b>	<b>31.0%</b>	<b>29.6%</b>			<b>26.6%</b>	<b>27.2%</b>	<b>27.5%</b>		

## Personnel information

**Table 13.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Poverty and Inequality Statistics		Unit			Unit			Unit		Unit		Unit							
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
Salary level	65		39	12.9	0.3	26	16.9	0.7	46	20.6	0.4	46	21.9	0.5	46	23.2	0.5	20.9%	100.0%
1 – 6	21		16	0.9	0.1	4	4.8	1.2	2	0.4	0.2	2	0.4	0.2	2	0.4	0.2	-20.6%	6.1%
7 – 10	23		12	4.7	0.4	10	4.6	0.5	23	7.0	0.3	23	7.5	0.3	23	8.2	0.4	32.0%	48.2%
11 – 12	12		6	3.1	0.5	7	3.2	0.5	12	6.1	0.5	12	6.4	0.5	12	6.7	0.6	19.7%	26.2%
13 – 16	9		5	4.1	0.8	5	4.3	0.9	9	7.2	0.8	9	7.6	0.8	9	7.9	0.9	21.6%	19.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on publishing and disseminating the results of the income and expenditure surveys and the living conditions surveys. Completing the surveys requires significant spending on compensation of employees, and travel and subsistence for the employees who conduct, compile, analyse and publish the surveys. These two expenditure items make up 91 per cent of the subprogramme's expenditure in 2015/16 and are also the main reasons for spending increases, as conducting surveys is labour intensive and requires fieldworkers to travel extensively. The importance of the surveys has necessitated research projects expand the statistical information database be undertaken and that processes and methodologies be improved over the medium term. Spending on compensation of employees is therefore expected to increase by 16 per cent in 2013/14 as an additional 20 personnel are appointed to build capacity to allow the department to achieve its information quality objectives with regard to the surveys.

In 2010/11, spending on compensation of employees and on travel and subsistence increased significantly as a result of conducting the income and expenditure survey in that year. Consequently, the subprogramme's staff complement increased by 21 posts in 2010/11 and decreased by 26 in 2011/12, once the survey was concluded.

Consultants are used to provide technical and analytical support for the production of poverty statistics as the department does not have specialised staff for these services. Spending on consultants is expected to decrease to R356 000 over the medium term from R2 million in 2012/13 as the programme reduces its use of consultants.

## Programme 4: Methodology and Standards

### Objectives

- Improve the comparability and accuracy of statistical information for users by annually reviewing and evaluating methodological compliance in survey areas and applying appropriate quality criteria, standards, classifications and procedures to the statistical value chain.
- Ensure accurate and reliable statistical information for users by regular use of a sound business sampling frame to draw annual samples for all economic surveys.

### Subprogrammes

- *Programme Management for Methodology and Standards* provides strategic direction and leadership for the programme. This subprogramme had a staff complement of 8 in 2012/13.
- *Methodology and Evaluation* provides technical expertise on methodologies and technical solutions for producing official statistics and conducting reviews of surveys. Key outputs include providing methodological and systems solutions support to survey areas through drawing samples for economic and

social surveys, and developing technical solutions for survey areas. Research reports were compiled on automating the generation of snapshots and the use of electronic questionnaires for data collection. This subprogramme had a staff complement of 60 in 2012/13.

- *Survey Standards* develops standards, classifications and definitions for surveys undertaken by the department. Key outputs include developing and reviewing statistical standards. This subprogramme had a staff complement of 5 in 2012/13.
- *Business Register* maintains and improves the sampling frame for economic statistics. Key outputs include maintaining the business register sampling frame for economic statistics, completing surveys of large businesses, and providing an annual snapshot and common sampling frame based on the business register. This subprogramme had a staff complement of 70 in 2012/13.

## Expenditure estimates

**Table 13.13 Methodology and Standards**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R million											
Programme Management for Methodology and Standards	2.2	2.5	3.9	5.9	38.7%	5.9%	7.6	8.1	8.5	13.4%	9.0%
Methodology and Evaluation	27.1	28.0	35.4	36.4	10.4%	51.4%	41.8	44.2	46.9	8.8%	50.9%
Survey Standards	2.5	1.8	2.5	2.1	-5.0%	3.6%	3.6	3.9	4.1	24.7%	4.1%
Business Register	21.7	23.1	24.8	27.2	7.8%	39.2%	29.0	30.8	32.6	6.3%	35.9%
<b>Total</b>	<b>53.5</b>	<b>55.4</b>	<b>66.7</b>	<b>71.6</b>	<b>10.2%</b>	<b>100.0%</b>	<b>81.9</b>	<b>87.0</b>	<b>92.2</b>	<b>8.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(8.6)			(3.7)	(4.9)	92.2		
<b>Current payments</b>	<b>53.3</b>	<b>54.3</b>	<b>62.4</b>	<b>70.6</b>	<b>9.8%</b>	<b>97.4%</b>	<b>81.6</b>	<b>86.7</b>	<b>91.9</b>	<b>9.2%</b>	<b>99.4%</b>
Compensation of employees	47.2	50.5	57.3	64.9	11.1%	89.0%	75.0	79.7	84.6	9.3%	91.4%
Goods and services	6.1	3.8	5.2	5.7	-2.0%	8.4%	6.6	6.9	7.3	8.1%	8.0%
<i>of which:</i>											
Communication	1.4	1.3	1.5	2.0	12.8%	2.4%	1.9	2.0	2.1	2.6%	2.4%
Computer services	–	–	1.6	0.0	–	0.7%	–	–	–	-100.0%	–
Travel and subsistence	1.6	0.9	0.9	2.2	9.5%	2.2%	2.7	2.8	2.9	10.6%	3.2%
Interest and rent on land	0.0	0.0	0.0	0.0	71.0%	–	0.0	0.0	0.0	-7.2%	–
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>–</b>
Departmental agencies and accounts											
Households	0.0	0.1	0.1	–	-100.0%	0.1%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>0.1</b>	<b>1.1</b>	<b>4.1</b>	<b>1.0</b>	<b>110.6%</b>	<b>2.5%</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>-31.4%</b>	<b>0.6%</b>
Machinery and equipment	0.1	1.1	1.6	0.5	72.8%	1.3%	0.3	0.3	0.3	-16.3%	0.4%
Software and other intangible assets	–	–	2.5	0.4	–	1.2%	–	–	–	-100.0%	0.1%
<b>Total</b>	<b>53.5</b>	<b>55.4</b>	<b>66.7</b>	<b>71.6</b>	<b>10.2%</b>	<b>100.0%</b>	<b>81.9</b>	<b>87.0</b>	<b>92.2</b>	<b>8.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>3.4%</b>	<b>3.3%</b>	<b>1.8%</b>	<b>4.1%</b>			<b>4.7%</b>	<b>4.4%</b>	<b>4.5%</b>		

## Personnel information

Table 13.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
<b>Methodology and Standards</b>																			
<b>Salary level</b>	168	–	148	57.3	0.4	143	64.2	0.4	167	75.0	0.4	167	79.7	0.5	167	84.6	0.5	5.3%	100.0%
7 – 10	96	–	88	24.9	0.3	85	28.6	0.3	96	29.6	0.3	96	31.5	0.3	96	33.4	0.3	4.1%	57.9%
11 – 12	48	–	41	17.2	0.4	40	20.7	0.5	47	25.4	0.5	47	27.1	0.6	47	29.1	0.6	5.5%	28.1%
13 – 16	24	–	19	15.1	0.8	18	15.0	0.8	24	20.0	0.8	24	21.1	0.9	24	22.1	0.9	10.1%	14.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing technical expertise on the methodologies and technical solutions for the production of official statistics, and maintaining and improving the sampling frame for economic statistics. This is supported by spending in the *Methodology and Evaluation* and *Business Register* subprogrammes, which use the bulk of the programme's expenditure over the medium term. Budget allocations in this programme allow the department to maintain the business register, which serves as a foundation of economic statistics. They also allow the department to provide technical expertise on methodologies and technical solutions for producing official statistics, conduct reviews of surveys through methodology and evaluation, and develop standards, classifications and definitions for surveys undertaken.

The significant increase in expenditure in the *Survey Standards* subprogramme projected over the medium term is mainly due to funding for permanent positions to strengthen the capacity to develop standards, classify and define surveys undertaken by the department.

In 2011/12, spending in the *Methodology and Evaluation* subprogramme increased by 26.7 per cent, mainly due to capacity building for expanding the methodological support provided to various surveys, while spending in the *Survey Standards* subprogramme increased due to funding for permanent positions provided to allow the subprogramme to achieve its objectives.

As part of the Cabinet approved reductions, the department reprioritised funding from spending on compensation of employees over the medium term to provide for the department's operational requirements. The funds reprioritised are sourced from a moratorium being placed on 7 vacant posts to provide for the department's operational requirements. The recruitment process for the remaining 18 vacancies is under way. Consultants are used to improve the sampling frame for household surveys, the business register and economic surveys. Spending on consultants decreased from R2 million to R293 000 between 2009/10 and 2012/13 as the department increased its headcount to reduce reliance on consultants.

## Programme 5: Statistical Support and Informatics

### Objectives

- Ensure a reliable sampling frame for household surveys by updating the spatial frame and database annually.
- Support the department's production of official statistics by upgrading ICT infrastructure as and when needed and ensuring 90 per cent network availability for users at all times.

## Subprogrammes

- *Programme Management for Statistical Support and Informatics* provides strategic direction and leadership for the programme. This subprogramme had a staff complement of 3 in 2012/13.
- *Geography Services* provides a mapping and information service to the department and other users. A key output is providing demarcated maps and summary books. This subprogramme had a staff complement of 39 in 2012/13.
- *Geography Frames* provides a sampling frame for household surveys and censuses. A key output is demarcating enumeration areas within municipal boundaries. 103 000 enumeration areas have been demarcated. This subprogramme had a staff complement of 55 in 2012/13.
- *Publication Services* provides editing, publishing and distribution services to survey areas. Key outputs include editing, designing and producing publications as required by the organisation. Statistical databases were made available electronically in time series based on user needs. This subprogramme had a staff complement of 39 in 2012/13.
- *Data Management and Technology* provides technology infrastructure for the department and supports data management across statistical series. Key activities include providing IT services to the department and developing systems applications, including maintaining and upgrading the department's IT infrastructure. This entails implementing virtual servers and establishing infrastructure to support three external stakeholders of the national statistics system. This subprogramme had a staff complement of 48 in 2012/13.
- *Business Modernisation* improves data and information management across the department by modernising the way business is conducted and supported by technology. A key activity is developing policies, standards and an enterprise architecture strategy. This subprogramme had a staff complement of 7 in 2012/13.

## Expenditure estimates

**Table 13.15 Statistical Support and Informatics**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Programme Management for Statistical Support and Informatics	2.3	2.7	2.3	2.7	6.1%	1.2%	2.8	2.9	3.1	3.7%	1.4%
Geography Services	22.5	27.9	23.2	19.8	-4.3%	11.5%	28.5	30.2	31.9	17.3%	13.4%
Geography Frames	114.9	47.1	27.1	21.2	-43.1%	26.0%	21.4	22.6	24.0	4.3%	10.8%
Publication Services	15.6	16.7	20.3	23.2	14.1%	9.4%	29.4	30.4	28.3	6.8%	13.5%
Data Management and Technology	92.9	100.9	99.9	115.0	7.4%	50.5%	115.0	121.1	124.0	2.5%	57.5%
Business Modernisation	2.5	-	2.9	5.6	30.1%	1.4%	7.5	7.9	7.3	9.1%	3.4%
<b>Total</b>	<b>250.8</b>	<b>195.4</b>	<b>175.7</b>	<b>187.5</b>	<b>-9.2%</b>	<b>100.0%</b>	<b>204.6</b>	<b>215.1</b>	<b>218.5</b>	<b>5.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(12.8)			(9.6)	(10.4)	218.5		

### Economic classification

<b>Current payments</b>	<b>221.2</b>	<b>174.0</b>	<b>150.9</b>	<b>157.8</b>	<b>-10.6%</b>	<b>87.0%</b>	<b>186.3</b>	<b>197.4</b>	<b>205.8</b>	<b>9.3%</b>	<b>90.5%</b>
Compensation of employees	124.4	64.0	66.9	76.3	-15.0%	41.0%	85.2	90.5	96.1	8.0%	42.2%
Goods and services	96.6	109.9	84.0	81.4	-5.6%	46.0%	100.5	106.1	109.0	10.2%	48.1%
of which:											
Communication (G&S)	2.7	3.3	3.9	2.8	2.1%	1.6%	3.2	3.3	3.5	7.2%	1.6%
Computer services	53.2	58.9	62.2	66.5	7.7%	29.8%	84.8	89.8	93.1	11.8%	40.5%
Operating leases	0.0	22.9	-	0.9	259.7%	2.9%	0.2	0.1	0.1	-53.9%	0.2%
Travel and subsistence	28.3	2.5	5.1	4.5	-45.7%	5.0%	4.1	4.3	4.5	-0.3%	2.1%
Interest and rent on land	0.2	0.2	0.0	0.0	-37.9%	0.1%	0.7	0.7	0.7	158.6%	0.3%
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	0.0	0.0	0.1	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>25.4</b>	<b>20.8</b>	<b>23.6</b>	<b>29.7</b>	<b>5.3%</b>	<b>12.3%</b>	<b>18.3</b>	<b>17.7</b>	<b>12.7</b>	<b>-24.6%</b>	<b>9.5%</b>
Machinery and equipment	23.5	19.2	23.6	10.9	-22.6%	9.5%	16.8	16.1	11.1	0.5%	6.6%
Software and other intangible assets	1.9	1.6	-	18.8	114.2%	2.8%	1.5	1.6	1.6	-55.6%	2.8%
<b>Payments for financial assets</b>	<b>4.2</b>	<b>0.6</b>	<b>1.1</b>	<b>-</b>	<b>-100.0%</b>	<b>0.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>250.8</b>	<b>195.4</b>	<b>175.7</b>	<b>187.5</b>	<b>-9.2%</b>	<b>100.0%</b>	<b>204.6</b>	<b>215.1</b>	<b>218.5</b>	<b>5.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>16.1%</b>	<b>11.5%</b>	<b>4.8%</b>	<b>10.6%</b>			<b>11.8%</b>	<b>11.0%</b>	<b>10.6%</b>		

## Personnel information

Table 13.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
Statistical Support and Informatics		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	231	–	176	66.9	0.4	191	73.7	0.4	203	85.2	0.4	203	90.5	0.4	203	96.1	0.5	2.1%	100.0%
1 – 6	49	–	32	7.8	0.2	45	8.2	0.2	29	4.9	0.2	29	5.2	0.2	29	5.5	0.2	-13.6%	16.5%
7 – 10	105	–	88	25.2	0.3	91	28.2	0.3	102	33.6	0.3	102	35.9	0.4	102	38.8	0.4	3.9%	49.6%
11 – 12	50	–	38	17.3	0.5	36	17.7	0.5	45	24.1	0.5	45	25.6	0.6	45	26.9	0.6	7.7%	21.4%
13 – 16	27	–	18	16.6	0.9	19	19.5	1.0	27	22.5	0.8	27	23.9	0.9	27	24.9	0.9	12.4%	12.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing technology infrastructure for the department and supporting data management across statistical series. This focus is reflected in spending on computer services and payments for capital assets within the *Data Management and Technology* subprogramme so that there is at least 90 per cent network availability for users at all times over the medium term. The spending focus will also be on providing mapping and information services and publishing support to the department and other users.

The budget allocations in this programme have allowed the department to acquire data imagery software and compile the dwelling frame in support of survey functions within the department in 2009/10 and 2011/12. This accounts for the significant increases in spending in the *Geography Frames* and *Geography Services* subprogrammes in these years.

The significant decrease in spending in the *Geography Frames* subprogramme from 2010/11 is mainly due to some functions in this subprogramme being moved to the *Provincial Coordination* subprogramme within the *Corporate Relations* programme and the project to develop a national geo-referenced dwelling frame for the country being concluded. This was the main reason for the funded posts on the programme's establishment decreasing from 243 in 2009/10 to 231 in 2012/13 and the related decrease in spending on personnel from R124.4 million to R76.3 million over the same period.

As part of the Cabinet approved budget reductions, R401 000 from spending on compensation of employees over the medium term was reduced from the programme's baseline. The funds are sourced from vacant funded posts.

Spending on consultants increased significantly in 2010/11 as a result of the department's IT infrastructure in preparation for the updating of Census 2011. Consultants used in the programme provide advisory services for IT and establish enterprise architecture to guide ICT systems development and information management as the department does not have specialised staff for these services.

## Programme 6: Corporate Relations

### Objectives

- Increase awareness and the use of official statistics by government and the public by:
  - maintaining and improving stakeholder relations and managing external and internal communications on statistical matters
  - improving website visitor sessions through ongoing publicity campaigns and interactions with stakeholders.



- Provide regular and integrated data collection services and disseminate quality statistics to provincial and local stakeholders and the public.
- Ensure alignment with international standards, best practice and statistical skills development by increasing participation, sharing and learning in international statistical initiatives on an ongoing basis.

## Subprogrammes

- *Programme Management for Corporate Relations* provides strategic direction and leadership for the programme. This subprogramme had a staff complement of 8 in 2012/13.
- *International Relations* manages relations with international statistical agencies. Key activities include engaging in international relations as well as building statistical capacity in Africa. This subprogramme had a staff complement of 12 in 2012/13.
- *Provincial Coordination* aims to increase the efficiency and effectiveness of survey operations by providing integrated data collection and dissemination services, as well as promoting the use and coordination of official statistics to provincial and local stakeholders. Key activities include administering survey instruments for various surveys, and conducting the Maths4Stats project and training on the statistical quality assessment framework. This subprogramme had a staff complement of 1 059 in 2012/13.
- *Stakeholder Relations and Marketing* maintains relations with stakeholders across the country. Key activities include marketing statistical products, educating on statistical usage and conducting a stakeholder satisfaction survey. This subprogramme had a staff complement of 40 in 2012/13.
- *Corporate Communications* manages external and internal communications in the department. Key activities include developing communication campaigns, advertising, liaising with the media, and implementing communications strategies for activities carried out by the department. In October 2012, a successful communication campaign was launched with the release of the Census 2011 results. This subprogramme had a staff complement of 15 in 2012/13.

## Expenditure estimates

**Table 13.17 Corporate Relations**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million					2009/10 -	2012/13				2012/13 -	2015/16
Programme Management for Corporate Relations	5.0	5.6	6.4	9.4	23.5%	1.6%	9.5	8.5	9.0	-1.5%	1.9%
International Relations	41.4	8.2	10.4	12.1	-33.6%	4.3%	13.5	14.7	15.5	8.6%	2.8%
Provincial Coordination	317.2	335.8	430.3	418.6	9.7%	89.0%	417.9	444.3	470.3	4.0%	89.1%
Stakeholders Relations and Marketing	11.7	15.1	15.5	16.4	11.9%	3.5%	18.0	19.1	20.3	7.3%	3.8%
Corporate Communications	4.8	6.4	8.2	8.6	21.5%	1.7%	12.4	13.3	13.9	17.6%	2.5%
<b>Total</b>	<b>380.1</b>	<b>371.0</b>	<b>470.7</b>	<b>465.1</b>	<b>7.0%</b>	<b>100.0%</b>	<b>471.3</b>	<b>499.9</b>	<b>529.0</b>	<b>4.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				10.5			(9.1)	(10.0)	529.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>369.5</b>	<b>367.7</b>	<b>466.2</b>	<b>461.3</b>	<b>7.7%</b>	<b>98.7%</b>	<b>469.0</b>	<b>497.5</b>	<b>526.5</b>	<b>4.5%</b>	<b>99.4%</b>
Compensation of employees	246.4	272.4	346.8	327.8	10.0%	70.7%	363.3	386.2	409.9	7.7%	75.7%
Goods and services	123.0	95.1	119.0	133.1	2.6%	27.9%	105.2	110.8	116.1	-4.5%	23.7%
<i>of which:</i>											
Communication	4.7	9.8	17.4	9.5	26.1%	2.5%	9.7	9.6	10.0	1.9%	2.0%
Operating leases	0.0	0.0	0.0	2.3	281.1%	0.1%	0.6	0.0	0.0	-74.0%	0.2%
Travel and subsistence	76.0	61.5	69.8	65.1	-5.0%	16.1%	74.4	77.4	81.3	7.7%	15.2%
Interest and rent on land	0.1	0.2	0.4	0.5	57.1%	0.1%	0.5	0.5	0.5	3.1%	0.1%

Table 13.17 Corporate Relations (continued)

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
<b>Transfers and subsidies</b>	<b>0.1</b>	<b>0.3</b>	<b>0.7</b>	<b>0.7</b>	<b>127.8%</b>	<b>0.1%</b>	-	-	-	<b>-100.0%</b>	-
Foreign governments and international organisations	-	-	-	0.7	-	-	-	-	-	-100.0%	-
Non-profit institutions											
Households	0.1	0.3	0.7	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>2.4</b>	<b>3.1</b>	<b>3.4</b>	<b>3.1</b>	<b>8.5%</b>	<b>0.7%</b>	<b>2.3</b>	<b>2.4</b>	<b>2.5</b>	<b>-6.7%</b>	<b>0.5%</b>
Machinery and equipment	2.4	3.1	3.4	3.1	8.5%	0.7%	2.3	2.4	2.5	-6.7%	0.5%
<b>Payments for financial assets</b>	<b>8.1</b>	<b>0.0</b>	<b>0.4</b>	<b>-</b>	<b>-100.0%</b>	<b>0.5%</b>	-	-	-	-	-
<b>Total</b>	<b>380.1</b>	<b>371.0</b>	<b>470.7</b>	<b>465.1</b>	<b>7.0%</b>	<b>100.0%</b>	<b>471.3</b>	<b>499.9</b>	<b>529.0</b>	<b>4.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>24.4%</b>	<b>21.9%</b>	<b>12.8%</b>	<b>26.4%</b>			<b>27.1%</b>	<b>25.5%</b>	<b>25.8%</b>		

## Details of selected transfers and subsidies

Foreign governments and international organisations												
Current												
Institute de la National Statistique	-	-	-	0.7	-	-	-	-	-	-	-100.0%	-
	-	-	-	0.7	-	-	-	-	-	-	-100.0%	-

## Personnel information

Table 13.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16												
Corporate Relations		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	1 203	-	1 085	346.8	0.3	1 134	329.4	0.3	1 239	363.3	0.3	1 239	386.2	0.3	1 239	409.9	0.3	3.0%	100.0%
1 - 6	652	-	609	119.1	0.2	636	114.6	0.2	653	117.5	0.2	653	125.8	0.2	653	136.9	0.2	0.9%	53.5%
7 - 10	361	-	311	115.1	0.4	323	95.3	0.3	384	117.9	0.3	384	125.0	0.3	384	131.1	0.3	5.9%	30.4%
11 - 12	142	-	124	75.3	0.6	132	82.3	0.6	155	88.1	0.6	155	93.4	0.6	155	98.0	0.6	5.5%	12.3%
13 - 16	48	-	41	37.3	0.9	43	37.1	0.9	47	39.7	0.8	47	42.1	0.9	47	44.0	0.9	3.0%	3.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing an integrated data collection service and disseminating quality statistics to provincial and local stakeholders and the public. This focus is reflected in spending in the *Provincial Coordination* subprogramme mainly on the compensation for the employees who provide these services.

The 28.8 per cent increase in spending in 2011/12 is the result of functions and posts being moved from other programmes to this programme and the number of permanent posts being increased to increase the capacity of provincial offices to centralise fieldwork at the provincial level. As a result, personnel numbers rose from 467 in 2009/10 to 1 203 in 2012/13. The significant decrease in spending in the *International Relations* subprogramme in 2010/11 was caused by non-recurring spending in the previous financial year for the hosting of the International Statistical Institute conference in August 2009.

The number of filled posts in this programme is expected to increase by 105 posts in 2013/14 and to stabilise over the medium term. This is due mainly to the appointment of 43 quarterly labour force survey data capturers

and 18 posts from the *Economic Statistics* programme and 1 post from the *Administration* programme being moved to this programme.

As part of the Cabinet approved budget reductions, R60.8 million from spending on compensation of employees was reduced from the programme's baseline over the medium term. The funds are sourced from vacant funded posts.

Consultants are used to pay the chair of the Statistics Council and the chair of the strategy committee for services rendered to the department, such as preparing and writing documents, and meeting with the statistician general, the minister and Parliament. The council is appointed in terms of the Statistics Act (1999) to advance the planning, production and dissemination of official statistics and to ensure that this done independently and without interference. Spending on consultants remained stable at R1.5 million between 2009/10 and 2012/13 and is expected to decrease to R1 million in 2015/16 due as the programme fills its vacant posts.

## Programme 7: Survey Operations

### Objectives

- Increase the statistical information base for use by government, the private sector and the general public by conducting a population census every 5 years or as determined by the minister.
- Ensure the efficiency and effectiveness of survey operations conducted by the department by coordinating household survey operations within the department on an ongoing basis.
- Improve the quality of departmental editing and data processing by standardising the use of technology within the department on an ongoing basis.

### Subprogrammes

- *Programme Management for Survey Operations* provides strategic direction and leadership to the programme. This subprogramme had no staff complement in 2012/13.
- *Population Census* conducts periodic population censuses. Key activities include collecting and processing census data. In 2011/12, a population census was conducted and its data was processed and analysed in 2012/13. This subprogramme had a staff complement of 182 in 2012/13.
- *Household Survey Operations* coordinates and integrates collection activities across surveys. Key activities include coordinating and monitoring data collection. This subprogramme had a staff complement of 28 in 2012/13.
- *Corporate Data Processing* manages the editing and processing of data. A key activity is the processing of survey instruments such as questionnaires and diaries. This subprogramme had a staff complement of 214 in 2012/13.

### Expenditure estimates

Table 13.19 Survey Operations

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Programme Management for Survey Operations	0.5	0.0	-	0.8	16.0%	-	2.1	2.2	2.3	44.6%	1.0%
Population Census	204.8	348.7	2 184.1	170.1	-6.0%	89.8%	69.2	73.5	78.0	-22.9%	52.3%
Household Survey Operations	54.4	52.2	31.0	35.0	-13.6%	5.3%	35.5	28.2	29.9	-5.2%	17.2%
Corporate Data Processing	20.5	25.7	57.6	53.5	37.7%	4.9%	52.5	55.7	59.1	3.4%	29.5%
<b>Total</b>	<b>280.1</b>	<b>426.7</b>	<b>2 272.8</b>	<b>259.4</b>	<b>-2.5%</b>	<b>100.0%</b>	<b>159.2</b>	<b>159.7</b>	<b>169.3</b>	<b>-13.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				53.4			34.7	29.6	169.3		

**Table 13.19 Survey Operations (continued)**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Economic classification</b>											
<b>Current payments</b>	<b>248.6</b>	<b>398.9</b>	<b>2 177.7</b>	<b>256.5</b>	<b>1.0%</b>	<b>95.1%</b>	<b>158.8</b>	<b>159.3</b>	<b>168.9</b>	<b>-13.0%</b>	<b>99.5%</b>
Compensation of employees	97.4	182.8	350.5	174.7	21.5%	24.9%	137.9	146.6	155.6	-3.8%	82.2%
Goods and services	151.2	216.0	1 826.8	81.1	-18.7%	70.2%	20.8	12.7	13.2	-45.4%	17.1%
of which:											
Communication	11.2	4.2	17.6	8.3	-9.7%	1.3%	1.9	2.0	2.1	-36.5%	1.9%
Computer services	18.6	16.9	21.5	10.8	-16.4%	2.1%	1.6	1.7	1.8	-45.2%	2.1%
Operating leases	0.0	58.6	27.7	3.6	432.7%	2.8%	0.3	-	-	-100.0%	0.5%
Travel and subsistence	35.1	38.8	392.9	21.7	-14.8%	15.1%	12.9	4.6	4.9	-39.3%	5.9%
Interest and rent on land	0.0	0.1	0.5	0.7	165.5%	-	0.0	0.0	0.0	-58.4%	0.1%
<b>Transfers and subsidies</b>	<b>2.1</b>	<b>0.6</b>	<b>10.3</b>	<b>0.1</b>	<b>-61.7%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Households	2.1	0.6	10.3	0.1	-61.7%	0.4%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>13.7</b>	<b>25.5</b>	<b>55.1</b>	<b>2.8</b>	<b>-41.4%</b>	<b>3.0%</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>-47.7%</b>	<b>0.5%</b>
Machinery and equipment	13.7	25.5	55.1	2.8	-41.4%	3.0%	0.4	0.4	0.4	-47.7%	0.5%
<b>Payments for financial assets</b>	<b>15.7</b>	<b>1.7</b>	<b>29.7</b>	<b>-</b>	<b>-100.0%</b>	<b>1.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>280.1</b>	<b>426.7</b>	<b>2 272.8</b>	<b>259.4</b>	<b>-2.5%</b>	<b>100.0%</b>	<b>159.2</b>	<b>159.7</b>	<b>169.3</b>	<b>-13.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>18.0%</b>	<b>25.2%</b>	<b>61.9%</b>	<b>14.7%</b>			<b>9.2%</b>	<b>8.1%</b>	<b>8.2%</b>		

**Details of selected transfers and subsidies**

<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>2.1</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>-61.6%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Employee social benefits	-	-	-	0.1	-	-	-	-	-	-100.0%	-
Bursaries for non-employees	2.1	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>0.0</b>	<b>0.6</b>	<b>10.3</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	0.0	0.5	10.3	-	-100.0%	0.3%	-	-	-	-	-
Claims against the state	-	0.1	-	-	-	-	-	-	-	-	-

**Personnel information**

**Table 13.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
		2011/12	Unit	Cost	2012/13	Unit	Cost	2013/14		2014/15		2015/16									
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	2012/13 - 2015/16				
<b>Survey Operations</b>																					
<b>Salary level</b>		1 881	-	-	1 374	350.5	0.3	424	169.9	0.4	532	137.9	0.3	532	146.6	0.3	532	155.6	0.3	7.9%	100.0%
1 – 6	1 606	-	-	-	1 167	106.8	0.1	230	87.8	0.4	339	55.5	0.2	339	59.3	0.2	339	63.9	0.2	13.8%	61.7%
7 – 10	198	-	-	-	146	121.9	0.8	129	46.0	0.4	121	36.0	0.3	121	38.2	0.3	121	40.3	0.3	-2.1%	24.4%
11 – 12	53	-	-	-	42	105.9	2.5	45	21.1	0.5	47	25.4	0.5	47	26.9	0.6	47	28.2	0.6	1.5%	9.2%
13 – 16	24	-	-	-	19	15.9	0.8	20	15.0	0.7	25	21.0	0.8	25	22.2	0.9	25	23.2	0.9	7.7%	4.7%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

The spending focus over the medium term will be on coordinating and integrating survey operations to improve their efficiency and effectiveness.

Spending in the *Population Census* subprogramme increased significantly in 2010/11 and 2011/12 to provide for the activities related to conducting the census project in October 2011, and the processing and dissemination of the results in October 2012. As a result, spending on compensation of employees increased significantly in 2010/11 and 2011/12 in line with personnel numbers, which increased from 625 in 2009/10 to 1 374 in 2011/12. Spending on goods and services increased by R1.6 billion in 2011/12 to provide for consulting services, a marketing campaign, the payment of fieldworkers and auditing services for the census. Consultants were used for survey operation management to conduct research on emerging issues across various census topics.

Spending in the *Population Census* subprogramme is expected to decrease significantly following the conclusion of Census 2011 activities in 2012/13 as there are no major projects to be undertaken over the medium term. The number of filled posts is expected to increase significantly over the medium term, particularly in the *Population Census* subprogramme, as the department fills vacancies for permanent positions.



# Vote 14

## Arts and Culture

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	234.0	227.0	–	7.0	247.4	260.0
Performing Arts	719.1	91.5	627.6	–	753.1	788.1
National Language Services	123.7	29.7	94.0	–	132.4	138.9
Cultural Development	221.9	202.9	19.0	–	275.2	287.9
Heritage Promotion	834.6	64.5	770.1	–	885.6	927.2
National Archives and Library Services	781.5	50.4	731.1	–	1 234.5	1 573.4
<b>Total expenditure estimates</b>	<b>2 914.8</b>	<b>666.1</b>	<b>2 241.7</b>	<b>7.0</b>	<b>3 528.1</b>	<b>3 975.4</b>
Executive authority	Minister of Arts and Culture					
Accounting officer	Director General of Arts and Culture					
Website address	www.dac.gov.za					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Contribute to sustainable economic development, job creation and social cohesion through developing, preserving and promoting South African arts, culture and heritage nationally and internationally.*

### Mandate

The Department of Arts and Culture derives its mandate from the following legislation:

- the Heraldry Act (1962)
- the Culture Promotion Act (1983)
- the National Archives and Record Service of South Africa Act (1996)
- the Legal Deposit Act (1997)
- the South African Geographical Names Council Act (1998)
- the Cultural Institutions Act (1998)
- the National Council for Library and Information Act (2001).

Broadly, this legislation mandates the department to:

- develop and promote arts and culture in South Africa and mainstream its role in social development
- develop and promote the official languages of South Africa and enhance the linguistic diversity of the country
- improve economic and other development opportunities for South African arts and culture nationally and globally through mutually beneficial partnerships, thereby ensuring the sustainability of the sector
- develop and monitor the implementation of policy, legislation and strategic direction for the identification, conservation and promotion of cultural heritage.

## Strategic goals

The department's strategic goals over the medium term are to:

- create decent jobs in the arts, culture and heritage sectors
- implement targeted programmes that are geared towards human capital development in arts, culture and heritage
- enhance access by citizens and public institutions to accurate, reliable and timely information in their language of choice through the provision of archives, libraries and language services
- entrench linguistic diversity in a manner that facilitates equitable cultural expression by citizens and communities
- develop, protect, preserve and promote arts culture and heritage
- enhance the capacity of the sector through policy development, legislative promulgation and implementation to ensure equitable and sustainable development and the protection and preservation of arts culture and heritage
- align public sector arts, culture and heritage institutions around a shared vision, common mandate and strong governance and accountability.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide leadership, management and support functions of the department.

### Programme 2: Performing Arts

**Purpose:** Promote the performing arts.

### Programme 3: National Language Services

**Purpose:** Promote the official languages of South Africa and enhance the linguistic diversity of the country.

### Programme 4: Cultural Development

**Purpose:** Promote and develop South African arts and culture.

### Programme 5: Heritage Promotion

**Purpose:** Provide policy, legislation and strategic direction for identifying, conserving and promoting cultural heritage.

### Programme 6: National Archives and Library Services

**Purpose:** Facilitate full and open access to the archival and information resources of South Africa.

## Selected performance indicators

**Table 14.1 Arts and Culture**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of arts practitioners placed in schools per year <sup>1</sup>	Performing Arts	Outcome 5: A skilled and capable workforce to support an inclusive growth path.	-1	-1	50	90	150	200	250
Number of public art projects supported per year <sup>1</sup>	Performing Arts	Outcome 12b: An empowered, fair and inclusive citizenship	-1	-1	-1	8	9	9	9



Table 14.1 Arts and Culture (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of jobs created through leveraging off partnerships, work streams of public art and touring ventures per year <sup>1</sup>	Performing Arts	Outcome 4: Decent employment through inclusive growth	- <sup>1</sup>	- <sup>1</sup>	1 000	1 050	1 150	1 300	1 450
Number of organisations trained annually in cultural events management <sup>2</sup>	Performing Arts	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	5	5	5	5
Number of language practice bursaries awarded per year	National Language Service	Outcome 12b: An empowered, fair and inclusive citizenship	100	100	120	280	280	280	280
Number of flags and poles installed at schools per year	Heritage Promotion		6 000	350 000 <sup>3</sup>	3 000	3 000	2 500	2 500	2 500
Number of handheld flags distributed per year	Heritage Promotion		200 000	400 000	100 000	250 000	100 000	100 000	100 000
Number of heritage (legacy/monuments) projects supported per year <sup>2</sup>	Heritage Promotion		- <sup>2</sup>	- <sup>2</sup>	1	4	2	3	4
Number of bursaries in heritage studies awarded per year <sup>2</sup>	Heritage Promotion		- <sup>2</sup>	- <sup>2</sup>	31	65	106	120	125
Number of jobs created in the Heritage sector per year	Heritage Promotion		6 000	6 000	6 000	6 750	7 500	7 500	7 500
Number of community libraries upgraded per year	National Archives and Library Services		43	56	51	50	40	45	50
Number of new community libraries built per year	National Archives and Library Services		7	10	13	15	16	17	18
Number of cultural events supported per year	Cross cutting		5	5	10	28	39	40	40
Number of touring venture projects supported per year <sup>1</sup>	Cross cutting		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	5	5	5	5
Number of jobs created through support to arts, culture and heritage events per year	Cross cutting		6 000	6 000	7 600	9 223	9 832	10 900	11 300

1. New indicator due to the implementation of the Mzansi golden economy strategy.

2. New indicator.

3. Flags distributed during the 2010 FIFA World Cup.

## The national development plan

The national development plan emphasises the importance of arts and culture activities in nation building and social cohesion. According to the plan, art has the ability to facilitate dialogue, heal and restore pride, and deliver an imaginatively expressed critical representation of ourselves that challenges us all to do better. The department's goals are in alignment with these principles, and aims to integrate art, culture, language and heritage into all sectors of national life.

School curricula will receive particular attention. In this regard, the department is working with the Department of Basic Education to revitalise arts and culture in schools through appropriate educator support and the placement of 740 arts practitioners at schools by 2015/16.

The plan also sees the creative arts sector as having good potential for growth and job creation, and proposes that artists should be supported by government and the private sector. An important departmental initiative to accommodate this goal is the Mzansi golden economy strategy, which will mainstream the role of arts, culture, and heritage in social and economic development, and aims to create 5 950 jobs over the medium term. In addition, the department has allocated an estimated R182.2 million over the medium term for financial support to arts practitioners to enable the expression of national creativity.

## Expenditure estimates

Table 14.2 Arts and Culture

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
	R million	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16			
Administration	162.9	190.8	210.9	212.7	214.9	9.7%	8.2%	234.0	247.4	260.0	6.6%	7.3%
Performing Arts	490.8	530.8	562.6	641.7	633.9	8.9%	23.2%	719.1	753.1	788.1	7.5%	22.1%
National Language Services	85.9	92.2	98.7	112.2	113.6	9.8%	4.1%	123.7	132.4	138.9	6.9%	3.9%
Cultural Development	119.4	138.9	121.1	158.9	150.1	7.9%	5.5%	221.9	275.2	287.9	24.2%	7.1%
Heritage Promotion	803.3	716.4	690.6	745.2	750.5	-2.2%	31.0%	834.6	885.6	927.2	7.3%	26.0%
National Archives and Library Services	562.7	579.7	721.9	801.7	800.6	12.5%	27.9%	781.5	1 234.5	1 573.4	25.3%	33.6%
<b>Total</b>	<b>2 224.9</b>	<b>2 248.8</b>	<b>2 405.8</b>	<b>2 672.5</b>	<b>2 663.6</b>	<b>6.2%</b>	<b>100.0%</b>	<b>2 914.8</b>	<b>3 528.1</b>	<b>3 975.4</b>	<b>14.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(13.2)	(22.0)			2.7	397.4	700.7		
<b>Economic classification</b>												
<b>Current payments</b>	<b>380.5</b>	<b>361.2</b>	<b>413.2</b>	<b>539.8</b>	<b>527.0</b>	<b>11.5%</b>	<b>17.6%</b>	<b>666.1</b>	<b>756.2</b>	<b>794.2</b>	<b>14.6%</b>	<b>21.0%</b>
Compensation of employees	146.3	152.8	163.7	183.0	183.0	7.8%	6.8%	196.4	209.1	221.7	6.6%	6.2%
Goods and services	234.3	208.4	249.5	356.8	344.0	13.7%	10.9%	469.7	547.2	572.5	18.5%	14.8%
of which:												
Contractors	–	29.1	37.5	18.1	19.6		0.9%	21.0	22.1	22.9	5.4%	0.7%
Agency and support / outsourced services	61.5	10.2	45.5	147.8	131.5	28.9%	2.6%	245.7	309.6	324.2	35.1%	7.7%
Operating leases	32.4	41.7	30.8	61.8	61.1	23.6%	1.7%	70.7	74.8	78.1	8.5%	2.2%
Travel and subsistence	58.3	41.5	40.2	25.4	28.0	-21.7%	1.8%	32.2	35.6	36.8	9.6%	1.0%
<b>Transfers and subsidies</b>	<b>1 839.2</b>	<b>1 885.2</b>	<b>1 989.0</b>	<b>2 125.6</b>	<b>2 129.5</b>	<b>5.0%</b>	<b>82.2%</b>	<b>2 241.7</b>	<b>2 764.5</b>	<b>3 173.4</b>	<b>14.2%</b>	<b>78.8%</b>
Provinces and municipalities	440.6	462.4	569.9	564.6	564.6	8.6%	21.4%	597.8	1 016.2	1 340.6	33.4%	26.9%
Departmental agencies and accounts	1 210.0	1 235.6	1 247.8	1 437.0	1 437.0	5.9%	53.8%	1 535.9	1 640.6	1 720.3	6.2%	48.4%
Non-profit institutions	10.5	11.3	12.3	12.9	12.9	7.0%	0.5%	13.6	14.4	15.1	5.4%	0.4%
Households	178.1	175.8	159.0	111.2	115.1	-13.5%	6.6%	94.4	93.3	97.6	-5.4%	3.1%
<b>Payments for capital assets</b>	<b>4.5</b>	<b>2.2</b>	<b>3.6</b>	<b>7.0</b>	<b>7.0</b>	<b>16.4%</b>	<b>0.2%</b>	<b>7.0</b>	<b>7.4</b>	<b>7.7</b>	<b>3.2%</b>	<b>0.2%</b>
Buildings and other fixed structures	–	0.1	0.1	–	–		0.0%	–	–	–		
Machinery and equipment	4.5	2.1	3.3	7.0	7.0	16.4%	0.2%	7.0	7.4	7.7	3.2%	0.2%
Heritage assets	–	0.0	0.2	–	–		0.0%	–	–	–		
<b>Payments for financial assets</b>	<b>0.7</b>	<b>0.2</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>		
<b>Total</b>	<b>2 224.9</b>	<b>2 248.8</b>	<b>2 405.8</b>	<b>2 672.5</b>	<b>2 663.6</b>	<b>6.2%</b>	<b>100.0%</b>	<b>2 914.8</b>	<b>3 528.1</b>	<b>3 975.4</b>	<b>14.3%</b>	<b>100.0%</b>

## Personnel information

Table 14.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual					Revised estimate <sup>3</sup>					Medium-term expenditure estimate					Average growth rate (%)	Salary level/total: Average (%)
			2011/12		2012/13			2013/14			2014/15		2015/16		2012/13 - 2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		Number	Cost		
<b>Arts and Culture</b>																			
<b>Salary level</b>	<b>509</b>	<b>51</b>	<b>457</b>	<b>160.3</b>	<b>0.4</b>	<b>440</b>	<b>179.3</b>	<b>0.4</b>	<b>477</b>	<b>192.5</b>	<b>0.4</b>	<b>479</b>	<b>205.0</b>	<b>0.4</b>	<b>477</b>	<b>217.4</b>	<b>0.5</b>	<b>2.7%</b>	<b>100.0%</b>
1 – 6	118	26	112	14.9	0.1	97	20.8	0.2	101	22.6	0.2	101	23.3	0.2	101	24.8	0.2	1.4%	21.4%
7 – 10	235	23	204	54.2	0.3	204	59.7	0.3	222	67.0	0.3	223	72.3	0.3	223	76.3	0.3	3.0%	46.6%
11 – 12	94	–	89	45.4	0.5	87	49.1	0.6	93	47.0	0.5	93	49.6	0.5	93	54.9	0.6	2.2%	19.5%
13 – 16	62	2	52	45.7	0.9	52	49.8	1.0	61	55.9	0.9	62	59.8	1.0	60	61.4	1.0	4.9%	12.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The department's spending focus over the medium term will be on the implementation of the Mzansi golden economy strategy. This entails investing resources into the identification and development of talent and support programmes with the potential to maximise growth and employment in the arts, culture and heritage sector; as well as increasing access to community library services through a recapitalisation programme that provides and enhances community library infrastructure, facilities and services.

The bulk of spending increases over the medium term are in the *Cultural Development* programme in respect of implementing Mzansi golden economy strategy projects, and the *National Archives and Library Services* programme to provide community library services and complete the shift of the library services function from

municipalities to provinces. The latter also accounts for the significant growth in transfers to provinces over the medium term. Additional funding allocated by the department in the 2012 Budget for the Mzansi golden economy strategy accounts for the growth in spending on agency and outsourced services from 2011/12 and over the medium term.

The 2013 Budget provides additional allocations of R13.3 million in 2013/14, R407.9 million in 2014/15 and R711.9 million in 2015/16 as follows:

- R4.6 million in 2013/14, R5.6 million in 2014/15 and R8.8 million in 2015/16 for improved conditions of service within the department
- R131 000 in 2013/14, R176 000 in 2014/15 and R229 000 in 2015/16 for Die Afrikaanse Taalmuseum for improved conditions of service
- R1 million in 2013/14, R1.4 million in 2014/15 and R1.8 million in 2015/16 for the National Museum Bloemfontein for improved conditions of service
- R269 000 in 2013/14, R361 000 in 2014/15 and R471 000 in 2015/16 for the Nelson Mandela National Museum for improved conditions of service
- R325 000 in 2013/14, R437 000 in 2014/15 and R569 000 in 2015/16 for the War Museum of the Boer Republic for improved conditions of service
- R400 000 in 2014/15 and R700 000 in 2015/16 in reprioritisations to the community library services conditional grant from the Department of Basic Education's school infrastructure backlogs grant due to poor spending in the latter
- R7 million in 2013/14 for the 2014 Africa Nations Championship.

Cabinet approved budget reductions of R32.3 million over the medium term have been implemented, details of which are given in each programme. The department reprioritised R28.3 million in this period from other programmes to the *Administration* programme to provide for the centralisation of bursaries, the purchase of computers, and user and data line charges from the State Information Technology Agency.

As at 30 September 2012, the department had a funded establishment of 509 posts. Of these, 440 were filled, 69 were vacant and 51 were additional to the establishment. The vacancies were the result of the department's organisational restructuring and realignment process that started in 2011/12 and continued into 2012/13. In addition to permanently employed staff, the department also appointed 22 interns between July 2012 and June 2013, as well as 29 contract workers who are paid from the compensation of employees budget. The ratio of support staff to line function staff is 1:1. The department had a budget of R23.8 million in 2012/13 for consultants, which was equivalent to 13 per cent of the budget for spending on compensation of employees. Consultants are used to provide technical expertise including project management, internal audit, legislative services, communications and marketing, and to support the implementation of the Mzansi golden economy strategy.

### Infrastructure spending

The department's spending on infrastructure is dominated by capital works transfers to performing arts and heritage institutions. Spending on infrastructure increased from R449.7 million in 2009/10 to R483 million in 2012/13, and is expected to increase to R565 million by 2015/16. In 2012/13, the department completed the construction of the Steve Biko Heritage Centre, the first phase of the OR Tambo Museum, Freedom Park and the Matola Raid Memorial; the second phase of the Ncome Museum will be completed in April 2013.

The department will complete the following projects over the medium term: the Iziko courtyard project, the upgrading of the Nelson Mandela Museum, the construction of the National English Literary Museum, the Ingquza Heritage Centre, the Sarah Baartman Centre of Remembrance, the upgrading of the Artscape Complex, and phase two of the OR Tambo Museum. The projected cost of completing these projects is estimated to be R645 million.

The department will continue to upgrade, renovate, and maintain museums, performing arts institutions, libraries and archives in line with its immovable asset management plan. The replacement of the fire and air-conditioning systems at the National Archives of South Africa and the facilities maintenance contract at the Robben Island Museum will cost R185 million and R250 million over the medium term. The Newtown and Gugulethu precincts will be renovated at a cost of R21 million.

## Departmental receipts

Table 14.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
<b>Departmental receipts</b>	<b>1 097</b>	<b>2 087</b>	<b>1 001</b>	<b>2 199</b>	<b>2 304</b>	<b>28.1%</b>	<b>100.0%</b>	<b>2 426</b>	<b>2 550</b>	<b>2 675</b>	<b>5.1%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>248</b>	<b>206</b>	<b>263</b>	<b>408</b>	<b>269</b>	<b>2.7%</b>	<b>15.2%</b>	<b>269</b>	<b>305</b>	<b>329</b>	<b>6.9%</b>	<b>11.8%</b>
Sales by market establishments	12	12	13	23	15	7.7%	0.8%	15	17	17	4.3%	0.6%
of which:												
Rental parking: Covered and open	12	12	13	23	15	7.7%	0.8%	15	17	17	4.3%	0.6%
Administration fees	6	6	2	5	7	5.3%	0.3%	7	8	8	4.6%	0.3%
of which:												
Access to information act	6	5	2	4	5	-5.9%	0.3%	5	6	6	6.3%	0.2%
Duplicate certificates	-	1	-	1	2	-	-	2	2	2	-	0.1%
Other sales	230	188	248	380	247	2.4%	14.1%	247	280	304	7.2%	10.8%
of which:												
Coat of arms	230	93	145	209	120	-19.5%	9.1%	120	137	147	7.0%	5.3%
Photocopy and faxes	-	33	86	80	50	-	2.6%	50	56	60	6.3%	2.2%
Commission on insurance and garnishee	-	61	16	89	75	-	2.3%	75	85	96	8.6%	3.3%
Traffic fines	-	1	1	2	2	-	0.1%	2	2	1	-20.6%	0.1%
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>
of which:												
Waste paper	1	1	-	1	1	-	-	1	1	1	-	-
Fines, penalties and forfeits	-	2	1	-	-	-	-	-	-	-	-	-
Interest, dividends and rent on land	12	4	10	10	10	-5.9%	0.6%	12	14	14	11.9%	0.5%
Interest	12	4	10	10	10	-5.9%	0.6%	12	14	14	11.9%	0.5%
Transactions in financial assets and liabilities	836	1 874	727	1 780	2 024	34.3%	84.2%	2 144	2 230	2 331	4.8%	87.7%
<b>Total</b>	<b>1 097</b>	<b>2 087</b>	<b>1 001</b>	<b>2 199</b>	<b>2 304</b>	<b>28.1%</b>	<b>100.0%</b>	<b>2 426</b>	<b>2 550</b>	<b>2 675</b>	<b>5.1%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 14.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Ministry	3.0	3.2	3.5	3.7	6.6%	1.7%	3.9	4.1	4.3	5.4%	1.7%
Management	39.7	38.8	37.5	51.0	8.7%	21.5%	53.2	56.4	59.0	5.0%	23.0%
Corporate Services	68.9	89.4	111.8	82.9	6.4%	45.4%	95.3	100.3	106.1	8.6%	40.3%
Office Accommodation	51.2	59.4	58.2	75.2	13.7%	31.4%	81.6	86.5	90.5	6.4%	35.0%
<b>Total</b>	<b>162.9</b>	<b>190.8</b>	<b>210.9</b>	<b>212.7</b>	<b>9.3%</b>	<b>100.0%</b>	<b>234.0</b>	<b>247.4</b>	<b>260.0</b>	<b>6.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				3.0			10.1	10.9	12.6		

### Economic classification

<b>Current payments</b>	<b>157.7</b>	<b>190.1</b>	<b>206.3</b>	<b>208.8</b>	<b>9.8%</b>	<b>98.1%</b>	<b>227.0</b>	<b>240.0</b>	<b>252.2</b>	<b>6.5%</b>	<b>97.3%</b>
Compensation of employees	58.7	64.8	71.2	81.5	11.6%	35.5%	86.5	91.1	96.7	5.9%	37.3%
Goods and services	99.1	125.3	135.1	127.3	8.7%	62.6%	140.6	148.9	155.6	6.9%	60.0%
of which:											
Contractors	-	4.1	11.2	0.0	-	2.0%	0.0	0.0	0.0	6.5%	-
Agency and support / outsourced services	15.7	0.8	12.2	-	-100.0%	3.7%	-	-	-	-	-
Operating leases	32.3	41.7	30.8	61.8	24.1%	21.4%	66.5	70.5	73.7	6.1%	28.5%
Travel and subsistence	15.9	15.6	17.3	8.9	-17.7%	7.4%	9.4	9.9	10.4	5.4%	4.0%
<b>Transfers and subsidies</b>	<b>2.7</b>	<b>0.3</b>	<b>1.9</b>	<b>-</b>	<b>-100.0%</b>	<b>0.6%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Departmental agencies and accounts	0.4	0.2	0.2	-	-100.0%	0.1%	-	-	-	-	-
Households	2.3	0.1	1.7	-	-100.0%	0.5%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>2.2</b>	<b>0.4</b>	<b>2.7</b>	<b>4.0</b>	<b>20.8%</b>	<b>1.2%</b>	<b>7.0</b>	<b>7.4</b>	<b>7.7</b>	<b>24.9%</b>	<b>2.7%</b>
Machinery and equipment	2.2	0.4	2.5	4.0	20.8%	1.2%	7.0	7.4	7.7	24.9%	2.7%
Heritage assets	-	0.0	0.2	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>162.9</b>	<b>190.8</b>	<b>210.9</b>	<b>212.7</b>	<b>9.3%</b>	<b>100.0%</b>	<b>234.0</b>	<b>247.4</b>	<b>260.0</b>	<b>6.9%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	7.3%	8.5%	8.8%	8.0%			8.0%	7.0%	6.5%		

Table 14.5 Administration (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
Details of selected transfers and subsidies											
Households											
Other transfers to households											
Current	2.3	0.1	1.7	-	-100.0%	0.5%	-	-	-	-	-
Employee social benefits	2.3	0.1	1.7	-	-100.0%	0.5%	-	-	-	-	-

## Personnel information

Table 14.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Administration																			
Salary level	212	33	172	67.8	0.4	179	77.8	0.4	193	82.6	0.4	191	87.0	0.5	188	92.4	0.5	1.6%	100.0%
1 - 6	45	18	33	4.6	0.1	34	8.4	0.2	33	9.3	0.3	33	9.5	0.3	33	10.0	0.3	-1.0%	17.7%
7 - 10	92	13	77	20.0	0.3	79	20.6	0.3	85	24.0	0.3	85	26.1	0.3	85	27.0	0.3	2.5%	44.5%
11 - 12	41	-	34	18.1	0.5	39	22.1	0.6	43	20.3	0.5	42	21.0	0.5	42	24.7	0.6	2.5%	22.1%
13 - 16	34	2	28	25.2	0.9	27	26.6	1.0	32	29.0	0.9	31	30.4	1.0	28	30.6	1.1	1.2%	15.7%

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

<sup>2</sup> Rand million.

<sup>3</sup> As at 30 September 2012.

## Expenditure trends

The spending focus in this programme over the medium term will be on centralising IT and employee bursary costs, and providing for the overall management and administration of the department.

Spending in the *Corporate Services* subprogramme increased by 25.1 per cent in 2011/12 because of increased spending on goods and services for State Information Technology Agency data lines and user charges, external audit costs, office equipment, computers, printing of the departmental magazine Kha Ri Ambe, and a new operating lease agreement for photocopy and fax machines. Spending on consultants grew significantly in 2012/13 due to the department hosting the social cohesion summit in July 2012. In 2012/13, spending on machinery and equipment increased due to a technology refresh, as the lifespan of the department's computers had expired.

As part of the Cabinet approved budget reductions, the department will reduce spending by R3 million over the medium term. These reductions will be effected in spending on goods and services from computer services. R28.3 million has also been reprioritised from other programmes for the centralisation of IT and bursary services. Additional funding of R8.3 million over the medium term is allocated for improved conditions of service.

As at 30 September 2012, this programme had 179 filled posts against a funded establishment of 212 posts. The number of personnel is projected to increase over the medium term to 188 by 2015/16. In 2012/13, the department used 4 consulting companies to provide ICT consulting services; internal audit services; and communications, marketing and public relations for the social cohesion summit.

## Programme 2: Performing Arts

### Objectives

- Increase participation and access to arts and culture programmes by targeted groups by 2013/14 by:
  - implementing 8 public art development programmes
  - implementing 10 targeted groups programmes
  - implementing 3 collaborative arts education projects with the Department of Basic Education

- hosting a national arts week
- hosting 4 juvenile arts access programmes in 2013/14.
- Mainstream arts and culture into the schooling system by increasing the number of arts practitioners placed in schools from 50 in 2011/12 to 250 by 2015/16.
- Build capacity in the sector through targeted skills development programmes by awarding 90 bursaries over the medium term.

## Subprogrammes

- *Promotion of Performing Arts* is discussed in more detail below.
- *National Arts Council* transfers funds to the National Arts Council, which supports the various disciplines of arts and culture through financial support, guided by funding criteria that promote government objectives. This subprogramme's total budget is transferred in full to the council on a monthly basis. This subprogramme had no staff complement in 2012/13.
- *Arts Institutions* transfers funds to various performing arts institutions to promote the performing arts. This subprogramme's total budget is transferred in full in 4 tranches to performing arts institutions for operations and capital works, and to Business and Arts South Africa for its operations. This subprogramme had no staff complement in 2012/13.
- *National Film and Video Foundation* transfers funds to the National Film and Video Foundation in support of skills, local content and local marketing development in South Africa's film and video industry. This subprogramme's total budget is transferred in full on a monthly basis to the foundation. This subprogramme had no staff complement in 2012/13.
- *Capital Works of Performing Arts Institutions* funds and administers capital grants to playhouses for maintenance and other capital projects. This subprogramme's total budget is transferred in full to entities based on approved plans. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

**Table 14.7 Performing Arts**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Promotion of Performing Arts	136.9	82.5	99.8	120.7	-4.1%	19.8%	136.9	141.3	148.2	7.1%	18.8%
National Arts Council	78.5	65.6	68.5	87.5	3.7%	13.5%	87.6	92.8	97.1	3.5%	12.6%
Arts Institutions	165.2	310.3	315.5	332.8	26.3%	50.5%	342.0	361.6	378.8	4.4%	48.8%
National Film and Video Foundation	39.1	48.9	74.9	86.4	30.2%	11.2%	105.2	111.6	116.7	10.5%	14.5%
Capital Works of Performing Arts Institutions	71.0	23.5	4.0	14.3	-41.4%	5.1%	47.4	45.8	47.3	49.0%	5.3%
<b>Total</b>	<b>490.8</b>	<b>530.8</b>	<b>562.6</b>	<b>641.7</b>	<b>9.3%</b>	<b>100.0%</b>	<b>719.1</b>	<b>753.1</b>	<b>788.1</b>	<b>7.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				1.7			0.4	(7.6)	(7.5)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>38.9</b>	<b>31.4</b>	<b>35.2</b>	<b>66.3</b>	<b>19.4%</b>	<b>7.7%</b>	<b>91.5</b>	<b>100.9</b>	<b>105.9</b>	<b>16.9%</b>	<b>12.6%</b>
Compensation of employees	10.5	12.1	7.5	9.5	-3.2%	1.8%	10.3	11.0	11.6	6.9%	1.5%
Goods and services	28.4	19.3	27.7	56.8	26.0%	5.9%	81.3	89.9	94.3	18.4%	11.1%
of which:											
Contractors	–	9.1	8.5	10.0	–	1.2%	10.6	11.2	11.7	5.4%	1.5%
Agency and support / outsourced services	9.3	1.5	10.3	39.1	61.2%	2.7%	62.5	70.1	73.5	23.4%	8.4%
Operating leases	0.0	–	–	–	-100.0%	–	–	–	–	–	–
Travel and subsistence	3.4	3.7	1.7	3.1	-2.8%	0.5%	3.4	3.6	3.7	5.9%	0.5%
<b>Transfers and subsidies</b>	<b>451.8</b>	<b>499.3</b>	<b>527.4</b>	<b>575.1</b>	<b>8.4%</b>	<b>92.3%</b>	<b>627.6</b>	<b>652.2</b>	<b>682.2</b>	<b>5.9%</b>	<b>87.4%</b>
Departmental agencies and accounts	348.4	442.5	456.7	514.5	13.9%	79.2%	575.3	604.5	632.3	7.1%	80.2%
Non-profit institutions	5.5	5.9	6.2	6.5	6.2%	1.1%	6.9	7.3	7.6	5.4%	1.0%
Households	97.9	51.0	64.5	54.1	-18.0%	12.0%	45.4	40.4	42.3	-7.9%	6.3%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>46.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>
Machinery and equipment	0.1	0.1	0.1	0.3	46.1%	–	–	–	–	-100.0%	–
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>490.8</b>	<b>530.8</b>	<b>562.6</b>	<b>641.7</b>	<b>9.3%</b>	<b>100.0%</b>	<b>719.1</b>	<b>753.1</b>	<b>788.1</b>	<b>7.1%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	22.1%	23.6%	23.4%	24.0%			24.7%	21.3%	19.8%		

Table 14.7 Performing Arts (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16		
<b>Details of transfers and subsidies</b>												
<b>Households</b>												
<b>Other transfers to households</b>												
<b>Current</b>	<b>97.9</b>	<b>51.0</b>	<b>64.5</b>	<b>54.1</b>	<b>-18.0%</b>	<b>12.0%</b>		<b>45.4</b>	<b>40.4</b>	<b>42.3</b>	<b>-7.9%</b>	<b>6.3%</b>
Visual and performing arts projects	46.1	51.0	64.5	54.1	5.4%	9.7%		45.4	40.4	42.3	-7.9%	6.3%
2010 FIFA World Cup projects	51.8	-	-	-	-100.0%	2.3%		-	-	-	-	-
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	<b>277.4</b>	<b>319.0</b>	<b>322.1</b>	<b>364.5</b>	<b>9.5%</b>	<b>57.6%</b>		<b>395.3</b>	<b>419.5</b>	<b>438.8</b>	<b>6.4%</b>	<b>55.8%</b>
Gifts and donations	-	-	0.1	-	-	-		-	-	-	-	-
Artscape: Operations	37.7	56.4	42.3	45.0	6.1%	8.2%		47.8	50.8	53.1	5.7%	6.8%
Market Theatre: Operations	20.6	21.8	23.1	24.6	6.1%	4.0%		26.2	27.8	29.1	5.7%	3.7%
National Arts Council	78.5	65.6	68.5	87.5	3.7%	13.5%		87.6	92.8	97.1	3.5%	12.6%
Performing Arts Centre of the Free State: Operations	27.9	37.6	31.1	33.3	6.0%	5.8%		35.5	37.7	39.4	5.8%	5.0%
The Playhouse Company: Operations	32.3	40.5	36.1	38.5	6.1%	6.6%		40.6	43.1	45.1	5.4%	5.8%
State Theatre: Operations	33.3	38.3	37.1	39.7	6.0%	6.7%		42.4	45.0	47.1	5.9%	6.0%
Windybrow Theatre: Operations	7.9	9.9	8.9	9.5	6.0%	1.6%		10.1	10.7	11.2	5.7%	1.4%
National Film and Video Foundation: Operations	39.1	48.9	74.9	86.4	30.2%	11.2%		105.2	111.6	116.7	10.5%	14.5%
<b>Capital</b>	<b>71.0</b>	<b>123.5</b>	<b>134.6</b>	<b>150.0</b>	<b>28.3%</b>	<b>21.5%</b>		<b>180.0</b>	<b>185.0</b>	<b>193.5</b>	<b>8.9%</b>	<b>24.4%</b>
Capital Works of Performing Arts Projects: Building, maintenance and upgrading of infrastructure	71.0	23.5	4.0	14.3	-41.4%	5.1%		47.4	45.8	47.3	49.0%	5.3%
Artscape: Capital works projects	-	13.2	26.7	44.0	-	3.8%		46.2	48.5	50.9	5.0%	6.5%
State Theatre: Capital works projects	-	11.6	13.2	9.8	-	1.6%		10.2	10.8	11.3	5.0%	1.4%
The Playhouse Company: Capital works projects	-	9.0	28.8	30.3	-	3.1%		31.8	33.4	35.1	5.0%	4.5%
Performing Arts Centre of the Free State: Capital works projects	-	16.0	7.6	15.7	-	1.8%		16.5	17.3	18.2	5.0%	2.3%
Market Theatre: Capital works projects	-	27.3	31.5	16.3	-	3.4%		17.1	18.0	18.9	5.0%	2.4%
Windybrow Theatre: Capital works projects	-	22.9	22.9	19.7	-	2.9%		10.8	11.3	11.9	-15.5%	1.9%
<b>Non-profit institutions</b>												
<b>Current</b>	<b>5.5</b>	<b>5.9</b>	<b>6.2</b>	<b>6.5</b>	<b>6.2%</b>	<b>1.1%</b>		<b>6.9</b>	<b>7.3</b>	<b>7.6</b>	<b>5.4%</b>	<b>1.0%</b>
Business and Arts South Africa	5.5	5.9	6.2	6.5	6.2%	1.1%		6.9	7.3	7.6	5.4%	1.0%

## Personnel information

Table 14.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Number of posts	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
<b>Performing Arts</b>			<b>18</b>	<b>7.5</b>	<b>0.4</b>	<b>18</b>	<b>9.5</b>	<b>0.5</b>	<b>22</b>	<b>10.3</b>	<b>0.5</b>	<b>23</b>	<b>11.0</b>	<b>0.5</b>	<b>23</b>	<b>11.6</b>	<b>0.5</b>	<b>8.5%</b>	<b>100.0%</b>
Salary level	26	6	18	7.5	0.4	18	9.5	0.5	22	10.3	0.5	23	11.0	0.5	23	11.6	0.5	8.5%	100.0%
1-6	2	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7-10	12	2	10	2.4	0.2	8	2.7	0.3	11	3.3	0.3	12	3.6	0.3	12	4.0	0.3	14.5%	50.0%
11-12	6	-	5	2.2	0.4	6	2.7	0.4	6	2.8	0.5	6	3.0	0.5	6	3.0	0.5	-	27.9%
13-16	6	-	3	2.9	1.0	4	4.1	1.0	5	4.1	0.8	5	4.4	0.9	5	4.6	0.9	7.7%	22.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term is on mainstreaming the role of arts in social and economic development by implementing Mzansi golden economy strategy projects and developing the local film industry through the *National Film and Video Foundation* subprogramme. Spending in the *National Film and Video Foundation* subprogramme grew significantly between 2009/10 and 2012/13 because additional allocations to the foundation were made in the 2011 Budget to develop the local film industry and create jobs, which also

accounts for the growth in spending in this subprogramme. Consistent with this allocation, the foundation awarded 62 bursaries for various elements of film and video studies, developed 49 local content scripts and produced 64 local content films in 2012/13. Over the medium term, spending on the Mzansi golden economy strategy projects accounts for the growth in spending in the *Performing Arts* subprogramme.

The significant growth in spending in the *Arts Institutions* subprogramme between 2009/10 and 2012/13 is attributed to the virement of capital works funding from the *Capital Works of Performing Arts Institutions* subprogramme to the specific performing arts institutions. Spending in the *Capital Works of Performing Arts Institutions* subprogramme is projected to increase significantly between 2012/13 and 2015/16 to fund the department's maintenance, restoration and refurbishment of arts institutions.

As part of the Cabinet approved budget reductions, the department will reduce spending by R4.9 million over the medium term. These reductions will be effected in spending on transfers to the National Arts Council and The Playhouse Company. R17.7 million is also reprioritised in this period from this programme to the *Administration* programme to centralise IT and bursary services. The programme's staff establishment and its use of consultants are discussed in the following section.

### Subprogramme: Promotion of Performing Arts

This subprogramme promotes and develops the literary, visual and performing arts through developing policy and providing financial assistance to performing arts institutions, organisations, community arts centres and individuals; supports the arts and social development through activities directed at women, children, youth, persons with disabilities and the elderly; and focuses on skills development through the improvement of basic education through the arts, culture and heritage. In 2012/13, the bulk of this subprogramme's budget was spent on Mzansi golden economy projects including drama and musical performances as part of the national touring circuit, and a series of performances honouring former president Nelson Mandela.

### Expenditure estimates

Table 14.9 Promotion of Performing Arts

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million					2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Current payments</b>	<b>38.9</b>	<b>31.4</b>	<b>35.2</b>	<b>66.3</b>	<b>19.4%</b>	<b>39.1%</b>	<b>91.5</b>	<b>100.9</b>	<b>105.9</b>	<b>16.9%</b>	<b>66.7%</b>
Compensation of employees	10.5	12.1	7.5	9.5	-3.2%	9.0%	10.3	11.0	11.6	6.9%	7.7%
Goods and services	28.4	19.3	27.7	56.8	26.0%	30.1%	81.3	89.9	94.3	18.4%	58.9%
of which:											
Contractors	–	9.1	8.5	10.0	–	6.3%	10.6	11.2	11.7	5.4%	7.9%
Agency and support / outsourced services	9.3	1.5	10.3	39.1	61.2%	13.7%	62.5	70.1	73.5	23.4%	44.8%
Travel and subsistence	3.4	3.7	1.7	3.1	-2.8%	2.7%	3.4	3.6	3.7	5.9%	2.5%
<b>Transfers and subsidies</b>	<b>97.9</b>	<b>51.0</b>	<b>64.6</b>	<b>54.1</b>	<b>-18.0%</b>	<b>60.8%</b>	<b>45.4</b>	<b>40.4</b>	<b>42.3</b>	<b>-7.9%</b>	<b>33.3%</b>
Departmental agencies and accounts	–	–	0.1	–	–	–	–	–	–	–	–
Households	97.9	51.0	64.5	54.1	-18.0%	60.8%	45.4	40.4	42.3	-7.9%	33.3%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>46.1%</b>	<b>0.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>
Machinery and equipment	0.1	0.1	0.1	0.3	46.1%	0.1%	–	–	–	-100.0%	0.1%
<b>Total</b>	<b>136.9</b>	<b>82.5</b>	<b>99.8</b>	<b>120.7</b>	<b>-4.1%</b>	<b>100.0%</b>	<b>136.9</b>	<b>141.3</b>	<b>148.2</b>	<b>7.1%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>27.9%</b>	<b>15.5%</b>	<b>17.7%</b>	<b>18.8%</b>			<b>19.0%</b>	<b>18.8%</b>	<b>18.8%</b>		



## Personnel information

**Table 14.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Promotion of Performing Arts		6	18	7.5	0.4	18	9.5	0.5	22	10.3	0.5	23	11.0	0.5	23	11.6	0.5	8.5%	100.0%
Salary level	26																		
1 – 6	2	4	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	12	2	10	2.4	0.2	8	2.7	0.3	11	3.3	0.3	12	3.6	0.3	12	4.0	0.3	14.5%	50.0%
11 – 12	6	–	5	2.2	0.4	6	2.7	0.4	6	2.8	0.5	6	3.0	0.5	6	3.0	0.5	–	27.9%
13 – 16	6	–	3	2.9	1.0	4	4.1	1.0	5	4.1	0.8	5	4.4	0.9	5	4.6	0.9	7.7%	22.1%

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

<sup>2</sup> Rand million.

<sup>3</sup> As at 30 September 2012.

## Expenditure trends

Spending on goods and services in this subprogramme is expected to grow significantly over the medium term due to spending on Mzansi golden economy strategy projects, which accounts for an estimated 77.6 per cent of spending on goods and services under the agency and outsourced services spending item.

Spending on goods and services constitutes 78.4 per cent of this subprogramme's total budget. In 2012/13, the following activities were consistent with spending in this subprogramme: 90 arts practitioners were placed in schools as part of mainstreaming arts and culture in the schooling system, 8 public art projects were supported and 1 050 jobs were created through the public art and touring venture programmes. Spending on transfers to households decreased from 2009/10 to 2012/13 as the rollout of Mzansi golden economy projects was slower than expected.

As part of the Cabinet approved budget reductions, the department has reduced spending over the medium term by R2 million. These reductions will be effected in spending on goods and services in the agency and outsourced services spending item due to the slow rollout of the strategy. R16.7 million and R989 000 is reprioritised over the medium term from transfers to households, and machinery and equipment to the *Administration* programme to provide for the centralising of computer and ICT services. The subprogramme receives additional funding of R948 000 over the medium term for improved conditions of service.

As at 30 September 2012, the subprogramme had 18 filled posts against a funded establishment of 26 posts, with 6 posts additional to the establishment. The number of personnel is projected to increase to 23 posts by 2015/16. In 2012/13, the department used 3 consultants for the implementation and management of the Mzansi golden economy strategy.

## Programme 3: National Language Services

### Objectives

- Promote the use of all official languages by:
  - providing specialised terminologies in 6 domains (main subject areas such as maths, science and life skills) by 2015/16
  - enhancing government's access to information through providing ongoing translating and editing services, and translating 786 local official documents and 432 foreign documents in 2013/14.
- Promote access to services and information through human language technology developments and activities of 11 official languages by 2015/16.
- Build capacity in language practice by increasing the number of bursaries awarded in this field of study from 100 in 2011/12 to 280 in 2013/14.

## Subprogrammes

- *National Language Services* promotes the national language policies and develops strategies for their implementation. In 2012/13, R9.8 million was used to fund 100 postgraduate bursaries in language practice, and 652 local official documents and 436 foreign documents were translated and edited at a total cost of R198 532. This subprogramme had a staff complement of 62 in 2012/13.
- *Pan South African Language Board* transfers funds to the Pan South African Language Board, which creates an environment that is conducive to developing, using and promoting the 11 official languages as well as the Khoi, Nama, San and South African sign languages. This subprogramme's total budget is transferred in full to the board in quarterly tranches. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

**Table 14.11 National Language Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16		
R million												
National Language Services	35.8	39.3	42.6	42.8	6.1%	41.2%		45.5	48.9	51.5	6.4%	37.2%
Pan South African Language Board	50.2	52.9	56.1	69.5	11.5%	58.8%		78.2	83.5	87.3	7.9%	62.8%
<b>Total</b>	<b>85.9</b>	<b>92.2</b>	<b>98.7</b>	<b>112.2</b>	<b>9.3%</b>	<b>100.0%</b>		<b>123.7</b>	<b>132.4</b>	<b>138.9</b>	<b>7.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				0.4				(0.4)	(0.4)	0.0		
<b>Economic classification</b>												
<b>Current payments</b>	<b>26.0</b>	<b>22.5</b>	<b>24.5</b>	<b>31.9</b>	<b>7.1%</b>	<b>27.0%</b>		<b>29.7</b>	<b>32.1</b>	<b>34.0</b>	<b>2.1%</b>	<b>25.2%</b>
Compensation of employees	17.3	18.9	20.3	23.5	10.8%	20.6%		26.1	28.3	30.0	8.5%	21.3%
Goods and services	8.7	3.6	4.1	8.4	-1.1%	6.4%		3.6	3.8	4.0	-22.2%	3.9%
of which:												
Contractors	–	0.1	0.0	–	–	–		0.0	0.0	0.0	–	–
Agency and support / outsourced services	2.2	0.2	0.6	–	-100.0%	0.8%		–	–	–	–	–
Travel and subsistence	2.4	1.1	1.1	2.5	1.2%	1.8%		0.3	0.3	0.3	-52.4%	0.6%
<b>Transfers and subsidies</b>	<b>59.8</b>	<b>69.7</b>	<b>73.7</b>	<b>79.3</b>	<b>9.8%</b>	<b>72.6%</b>		<b>94.0</b>	<b>100.2</b>	<b>104.9</b>	<b>9.7%</b>	<b>74.6%</b>
Departmental agencies and accounts	50.2	52.9	56.1	69.5	11.5%	58.8%		78.2	83.5	87.3	7.9%	62.8%
Households	9.7	16.8	17.6	9.8	0.5%	13.9%		15.8	16.7	17.5	21.2%	11.8%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.0</b>	<b>0.6</b>	<b>1.0</b>	<b>154.6%</b>	<b>0.4%</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.2%</b>
Machinery and equipment	0.1	0.0	0.6	1.0	154.6%	0.4%		–	–	–	-100.0%	0.2%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>85.9</b>	<b>92.2</b>	<b>98.7</b>	<b>112.2</b>	<b>9.3%</b>	<b>100.0%</b>		<b>123.7</b>	<b>132.4</b>	<b>138.9</b>	<b>7.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	3.9%	4.1%	4.1%	4.2%				4.2%	3.8%	3.5%		
<b>Details of transfers and subsidies</b>												
<b>Households</b>												
<b>Other transfers to households</b>												
<b>Current</b>	<b>9.7</b>	<b>16.8</b>	<b>17.6</b>	<b>9.8</b>	<b>0.5%</b>	<b>13.9%</b>		<b>15.8</b>	<b>16.7</b>	<b>17.5</b>	<b>21.2%</b>	<b>11.8%</b>
Language development projects	9.7	16.8	17.6	9.8	0.5%	13.9%		15.8	16.7	17.5	21.2%	11.8%
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	<b>50.2</b>	<b>52.9</b>	<b>56.1</b>	<b>69.5</b>	<b>11.5%</b>	<b>58.8%</b>		<b>78.2</b>	<b>83.5</b>	<b>87.3</b>	<b>7.9%</b>	<b>62.8%</b>
Pan South African Language Board	50.2	52.9	56.1	69.5	11.5%	58.8%		78.2	83.5	87.3	7.9%	62.8%

## Personnel information

**Table 14.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
National Language Services			62	20.3	0.3	58	23.5	0.4	60	26.1	0.4	61	28.3	0.5	61	30.0	0.5	1.7%	100.0%
Salary level	62	2	60	20.3	0.3	58	23.5	0.4	60	26.1	0.4	61	28.3	0.5	61	30.0	0.5	1.7%	100.0%
1-6	3	-	3	0.8	0.3	3	1.0	0.3	3	1.3	0.4	3	1.4	0.5	3	1.6	0.5	-	5.0%
7-10	48	2	46	11.8	0.3	45	13.5	0.3	46	14.4	0.3	46	15.0	0.3	46	15.7	0.3	0.7%	76.3%
11-12	6	-	6	3.3	0.5	5	3.8	0.8	6	4.8	0.8	6	5.0	0.8	6	5.5	0.9	6.3%	9.6%
13-16	5	-	5	4.6	0.9	5	5.2	1.0	5	5.6	1.1	6	7.0	1.2	6	7.3	1.2	6.3%	9.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on building capacity in language practice by awarding language practice bursaries and implementing language development projects. In this regard, 62.8 per cent of the programme's budget over the medium term is transferred to the Pan South African Language Board as a contribution to operations and 11.8 per cent is transferred to households in the form of bursaries to students of language practice. These transfers to households are expected to grow significantly over the medium term due to an expected increase in the number of bursaries awarded. The programme expects to award 840 bursaries in this period, which is more than double those awarded between 2009/10 and 2012/13.

The spending increases between 2009/10 and 2012/13 were mainly because of the department's drafting of the South African Language Practitioners Council Bill. Expenditure related to this is reflected mainly in spending on goods and services for consultants and legal costs. The finalisation of the drafting of the bill accounts for the decrease in spending on goods and services, as does the reduction in the amount of travelling undertaken.

R3.3 million over the medium term has been reprioritised from spending on machinery and equipment in this programme to the *Administration* programme to centralise IT services. The programme receives additional funding of R2.5 million in this period for improved conditions of service.

As at 30 September 2012, this programme had 62 funded posts, and 2 posts additional to the establishment. The programme had 58 filled posts in 2012/13, which is expected to increase to 61 by 2015/16. In 2012/13, the programme used 3 consulting companies, which worked on the drafting of the South African Language Practitioners Council Bill.

## Programme 4: Cultural Development

### Objectives

- Promote the cultural industries by:
  - implementing targeted programmes that stimulate demand and supply by supporting 6 national and 12 international cultural industry events in 2013/14
  - implementing targeted programmes supporting entrepreneurship, job creation and growth in the creative sector and creating 5 950 jobs in the sector over the MTEF period.
- Increase job opportunities by developing a sourcing enterprise dedicated to supporting scarce and critical skills in the creative sector by 2014/15.
- Improve socioeconomic participation in the arts and culture sector by increasing the demand for arts and culture offerings through increasing support provided to cultural events that showcase the work and talent of artists across various arts disciplines from 5 events in 2011/12 to 40 events in 2014/15.

## Subprogrammes

- *Cultural Development* is discussed in more detail below.
- *International Cooperation* manages South Africa's cultural participation in bilateral and multilateral activities; secures official development assistance; promotes the national arts, culture and heritage presence in the international arena; and builds international partnerships. In 2012/13, agreements to develop economic and resource opportunities in the arts, culture and heritage sectors were signed with Spain, the Republic of the Congo, and the Democratic Republic of the Congo. This subprogramme had a funded staff complement of 26 posts, of which 21 were filled in 2012/13.

## Expenditure estimates

**Table 14.13 Cultural Development**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Cultural Development	44.5	21.8	44.3	121.9	39.9%	43.2%	182.8	233.6	244.1	26.1%	82.9%
Investing in Culture	39.1	88.6	51.5	–	-100.0%	33.3%	–	–	–	–	–
International Cooperation	35.9	28.4	25.2	37.1	1.1%	23.5%	39.1	41.6	43.7	5.7%	17.1%
<b>Total</b>	<b>119.4</b>	<b>138.9</b>	<b>121.1</b>	<b>158.9</b>	<b>10.0%</b>	<b>100.0%</b>	<b>221.9</b>	<b>275.2</b>	<b>287.9</b>	<b>21.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(21.5)			(5.9)	(5.9)	(6.1)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>67.3</b>	<b>43.2</b>	<b>57.1</b>	<b>122.4</b>	<b>22.0%</b>	<b>53.9%</b>	<b>202.9</b>	<b>255.2</b>	<b>267.0</b>	<b>29.7%</b>	<b>89.8%</b>
Compensation of employees	22.4	18.3	25.1	21.7	-1.0%	16.3%	23.4	25.0	26.5	6.9%	10.2%
Goods and services	44.9	24.9	32.1	100.6	30.9%	37.6%	179.5	230.2	240.5	33.7%	79.5%
of which:											
Contractors	–	7.1	6.0	1.1	–	2.6%	3.0	3.0	3.0	41.8%	1.1%
Agency and support / outsourced services	10.9	0.4	9.5	82.9	96.4%	19.3%	151.0	200.0	208.9	36.1%	68.1%
Operating leases	0.0	–	–	–	-100.0%	–	0.1	0.1	0.1	–	–
Travel and subsistence	21.6	13.0	10.9	4.8	-39.5%	9.3%	12.8	15.6	17.2	53.4%	5.3%
<b>Transfers and subsidies</b>	<b>51.5</b>	<b>95.4</b>	<b>63.9</b>	<b>36.1</b>	<b>-11.2%</b>	<b>45.9%</b>	<b>19.0</b>	<b>20.0</b>	<b>20.9</b>	<b>-16.6%</b>	<b>10.2%</b>
Departmental agencies and accounts	–	0.1	0.0	–	–	–	–	–	–	–	–
Households	51.5	95.3	63.8	36.1	-11.2%	45.8%	19.0	20.0	20.9	-16.6%	10.2%
<b>Payments for capital assets</b>	<b>0.5</b>	<b>0.1</b>	<b>0.1</b>	<b>0.5</b>	<b>0.4%</b>	<b>0.2%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>
Buildings and other fixed structures	–	0.1	0.1	–	–	–	–	–	–	–	–
Machinery and equipment	0.5	–	0.0	0.5	0.4%	0.2%	–	–	–	-100.0%	0.1%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>119.4</b>	<b>138.9</b>	<b>121.1</b>	<b>158.9</b>	<b>10.0%</b>	<b>100.0%</b>	<b>221.9</b>	<b>275.2</b>	<b>287.9</b>	<b>21.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>5.4%</b>	<b>6.2%</b>	<b>5.0%</b>	<b>5.9%</b>			<b>7.6%</b>	<b>7.8%</b>	<b>7.2%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>51.5</b>	<b>95.3</b>	<b>63.8</b>	<b>36.1</b>	<b>-11.2%</b>	<b>45.8%</b>	<b>19.0</b>	<b>20.0</b>	<b>20.9</b>	<b>-16.6%</b>	<b>10.2%</b>
Cultural industries	29.1	11.6	19.0	28.5	-0.6%	16.4%	17.2	18.1	18.9	-12.8%	8.8%
Investing in culture	11.8	81.7	42.0	–	-100.0%	25.2%	–	–	–	–	–
International promotion programme	10.7	2.0	2.8	7.5	-11.2%	4.3%	1.8	1.9	2.0	-35.7%	1.4%

## Personnel information

**Table 14.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Cultural Development</b>																			
<b>Salary level</b>	<b>46</b>	<b>2</b>	<b>54</b>	<b>25.1</b>	<b>0.5</b>	<b>42</b>	<b>21.7</b>	<b>0.5</b>	<b>46</b>	<b>23.4</b>	<b>0.5</b>	<b>46</b>	<b>25.0</b>	<b>0.5</b>	<b>47</b>	<b>26.5</b>	<b>0.6</b>	<b>3.8%</b>	<b>100.0%</b>
1 – 6	–	–	1	0.2	0.2	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	20	2	19	5.3	0.3	18	6.1	0.3	19	6.8	0.4	19	7.7	0.4	19	8.3	0.4	1.8%	41.4%
11 – 12	18	–	26	12.9	0.5	17	9.6	0.6	17	8.1	0.5	17	8.6	0.5	17	8.9	0.5	–	37.6%
13 – 16	8	–	8	6.7	0.8	7	6.1	0.9	10	8.6	0.9	10	8.7	0.9	11	9.2	0.8	16.3%	21.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on mainstreaming the role of culture in social and economic development through the implementation of the Mzansi golden economy strategy and providing financial support to cultural industries and events. The bulk of this programme's spending goes towards agency and support and other outsourced services over the medium term. In the same period, 9 design programmes will be supported, and 3 000 jobs will be created through supporting cultural events.

The significant growth in spending on contractors in the *International Cooperation* subprogramme is attributed to the signed programmes of cooperation with Spain, the Republic of the Congo and the Democratic Republic of the Congo to promote art exhibitions in these countries. This also accounts for the increased spending on travel and subsistence over the medium term as well as other cultural development and international cooperation projects that are taking place internationally, such as the annual Edinburgh International Festival, the Tunisian Film Festival and the French-South African reciprocal seasons in 2013/14. In 2011/12, investing in culture projects were closed and incorporated into the Mzansi golden economy strategy. This accounts for the significant decrease in spending in the *Investing in Culture* subprogramme.

The programme receives additional funding of R2.3 million over the medium term for improved conditions of service. The programme had 46 funded posts and 2 posts additional to the establishment in 2012/13, 42 of which were filled. The number of filled posts grows to 47 by 2015/16.

The programme used 4 consulting companies in 2012/13 for the French-South African reciprocal seasons and for the celebration of Tanzania's liberation.

## Subprogramme: Cultural Development

This subprogramme supports the creative industries by developing strategies, participating in various stakeholder forums, supporting projects in the various disciplines and providing training. In 2012/13, the bulk of this subprogramme's budget was used to create employment and stimulate the economy through support initiatives including the Mapungubwe Arts and Cultural Festival and the Macufe Arts Festival.

## Expenditure estimates

**Table 14.15 Cultural Development**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
R million												
<b>Current payments</b>	<b>15.3</b>	<b>10.1</b>	<b>25.2</b>	<b>93.3</b>	<b>82.5%</b>	<b>61.9%</b>	<b>165.7</b>	<b>215.5</b>	<b>225.2</b>	<b>34.1%</b>	<b>89.4%</b>	
Compensation of employees	5.5	7.6	7.7	9.0	17.6%	12.8%	9.5	10.1	10.7	6.0%	5.0%	
Goods and services	9.8	2.5	17.5	84.3	104.8%	49.1%	156.1	205.4	214.5	36.5%	84.4%	
of which:												
Administration fees	0.0	–	0.4	–	-100.0%	0.2%	–	0.4	0.4	–	0.1%	
Agency and support / outsourced services	–	0.2	9.4	71.6	–	34.9%	151.0	200.0	208.9	42.9%	80.7%	
Inventory: Other consumables	–	0.0	–	4.0	–	1.7%	4.0	2.8	2.9	-10.1%	1.7%	
Travel and subsistence	8.6	0.6	2.9	2.2	-37.0%	6.1%	0.6	1.5	1.6	-10.3%	0.7%	
<b>Transfers and subsidies</b>	<b>29.1</b>	<b>11.6</b>	<b>19.0</b>	<b>28.5</b>	<b>-0.6%</b>	<b>37.9%</b>	<b>17.2</b>	<b>18.1</b>	<b>18.9</b>	<b>-12.8%</b>	<b>10.6%</b>	
Households	29.1	11.6	19.0	28.5	-0.6%	37.9%	17.2	18.1	18.9	-12.8%	10.6%	
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
Buildings and other fixed structures	–	0.0	0.1	–	–	–	–	–	–	–	–	
Machinery and equipment	0.1	–	0.0	–	-100.0%	0.1%	–	–	–	–	–	
<b>Payments for financial assets</b>	<b>–</b>	<b>0.2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total</b>	<b>44.5</b>	<b>21.8</b>	<b>44.3</b>	<b>121.9</b>	<b>39.9%</b>	<b>100.0%</b>	<b>182.8</b>	<b>233.6</b>	<b>244.1</b>	<b>26.1%</b>	<b>100.0%</b>	
Proportion of total subprogramme expenditure to programme expenditure	37.3%	15.7%	36.6%	76.7%			82.4%	84.9%	84.8%			

## Personnel information

**Table 14.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
<b>Cultural Development</b>			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	20	–	19	9	0.5	22	10	0.4	23	10	0.4	23	10	0.4	24	11	0.4	2.9%	100.0%
1 – 6	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7 – 10	8	–	9	2.8	0.3	9	1.9	0.2	10	2.0	0.2	10	2.2	0.2	10	2.4	0.2	3.6%	42.4%
11 – 12	8	–	7	3.5	0.5	10	5.1	0.5	8	3.5	0.4	8	3.7	0.5	8	4.0	0.5	-7.2%	37.0%
13 – 16	4	–	3	2.6	0.9	3	2.6	0.9	5	4.0	0.8	5	4.1	0.8	6	4.3	0.7	26.0%	20.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on implementing Mzansi golden economy strategy projects in the visual arts, design, film, music, and books and publishing sectors; establishing the sourcing enterprise, which will provide a distribution channel for the sale of arts and culture products; piloting the cultural observatory; producing an approved framework for cultural statistics; and developing 6 000 business manuals for distribution to crafters.

Spending in this subprogramme grew significantly in 2012/13 and this trend is set to continue over the medium term due to additional allocations for the Mzansi golden economy strategy and the shifting of the investing in culture project funding to the Mzansi golden economy strategy projects. Spending on goods and services over the seven-year period grows at an average annual rate of 67.2 per cent, mainly due to the implementation of the Mzansi golden economy strategy projects. This strategy also accounts for the significant growth in spending on agency and outsourced services over the medium term.

As part of the Cabinet approved budget reductions, the department reduced spending by R18.2 million over the medium term. These reductions are effected in spending on goods and services due to poor spending on funding allocated for the Mzansi golden economy strategy projects. R2 million is reprioritised in this period from spending on bursaries and machinery and equipment to the *Administration* programme for the same purpose.

The subprogramme receives additional funding of R1.1 million over the medium term for improved conditions of service.

The subprogramme had 20 funded posts and 22 filled posts in 2012/13, with the number of filled posts increasing to 24 by 2015/16.

## Programme 5: Heritage Promotion

### Objectives

- Transform South Africa's heritage and heraldry landscape through targeted legacy projects and geographical name changes by supporting 9 legacy or monument heritage projects over the medium term.
- Build capacity and enhance the skills base in the heritage sector by promoting heritage studies through increasing the number of bursaries awarded from 31 in 2011/12 to 125 in 2015/16.
- Promote national identity, nation building and social cohesion by:
  - commemorating and hosting national days and historic events
  - popularising national symbols by increasing the number of flags distributed from 100 000 in 2011/12 to 250 000 in 2012/13.
- Facilitate the creation of 22 500 decent jobs in arts, culture and heritage by March 2016 through the support of events and campaigns in the craft, books and publishing, music, design, film and visual arts sectors.

### Subprogrammes

- *Promotion of Heritage* funds a range of heritage initiatives and projects such as Heritage Month; the repatriation of South African culture and heritage objects; and the Bureau of Heraldry, which registers symbols, popularises national symbols through public awareness campaigns and coordinates the national orders awards ceremony. In 2012/13, this subprogramme distributed 250 000 handheld flags and had a funded staff complement of 33 posts, with 2 additional posts.
- *Heritage Institutions* funds and determines policy for declared cultural institutions and heritage bodies by ensuring that funds to the institutions are used to preserve, protect and promote heritage. This subprogramme's total budget is transferred in full to the institutions on a monthly basis. This subprogramme had no staff complement in 2012/13.
- *South African Heritage Resources Agency* transfers funds to the South African Heritage Resources Agency, whose key strategic objectives are developing and implementing norms and standards for managing heritage resources. This subprogramme's total budget is transferred in full to the South African Heritage Resources Agency on a monthly basis. This subprogramme had no staff complement in 2012/13.
- *South African Geographical Names Council* transfers funds to the South African Geographical Names Council, which is an advisory body that facilitates name changes by consulting with communities to advise the minister. This subprogramme's total budget is transferred in full to the council on a monthly basis. This subprogramme had no staff complement in 2012/13.
- *Capital Works of Heritage Institutions* is mainly used for providing and administering capital allocations for the construction and maintenance of heritage infrastructure, and constructing new commemorative structures under national legacy projects. Funds are awarded annually based on entity business plans. This subprogramme's total budget is either transferred in full to heritage institutions as approved, or paid to the Department of Public Works. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

Table 14.17 Heritage Promotion

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16
R million											
Promotion of Heritage	52.0	40.1	50.9	65.0	7.7%	7.0%	69.3	74.7	78.4	6.5%	8.5%
Heritage Institutions	533.1	501.4	382.5	564.4	1.9%	67.0%	648.0	685.8	712.1	8.1%	76.9%
South African Heritage Resources Agency	33.8	36.2	85.5	41.0	6.6%	6.7%	43.7	46.4	48.6	5.8%	5.3%
South African Geographical Names Council	5.6	1.8	6.4	7.7	11.0%	0.7%	8.1	8.6	9.0	5.4%	1.0%
Capital Works of Heritage Institutions	178.7	136.8	165.3	67.1	-27.9%	18.5%	65.5	70.1	79.1	5.7%	8.3%
<b>Total</b>	<b>803.3</b>	<b>716.4</b>	<b>690.6</b>	<b>745.2</b>	<b>-2.5%</b>	<b>100.0%</b>	<b>834.6</b>	<b>885.6</b>	<b>927.2</b>	<b>7.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				1.0			(0.8)	0.7	1.6		

## Economic classification

<b>Current payments</b>	<b>42.7</b>	<b>30.1</b>	<b>45.9</b>	<b>61.3</b>	<b>12.8%</b>	<b>6.1%</b>	<b>64.5</b>	<b>68.7</b>	<b>72.1</b>	<b>5.6%</b>	<b>7.9%</b>
Compensation of employees	9.8	9.6	13.5	15.7	17.0%	1.6%	16.9	18.3	19.4	7.2%	2.1%
Goods and services	32.9	20.5	32.4	45.6	11.5%	4.4%	47.6	50.4	52.7	5.0%	5.8%
of which:											
Contractors	-	5.5	8.7	7.0	-	0.7%	7.4	7.8	8.2	5.4%	0.9%
Agency and support / outsourced services	16.7	3.3	8.5	25.3	14.7%	1.8%	26.1	27.7	28.9	4.6%	3.2%
Operating leases	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Travel and subsistence	7.5	4.2	5.2	4.5	-15.5%	0.7%	4.7	5.0	5.3	5.4%	0.6%
<b>Transfers and subsidies</b>	<b>760.4</b>	<b>686.3</b>	<b>644.6</b>	<b>683.5</b>	<b>-3.5%</b>	<b>93.9%</b>	<b>770.1</b>	<b>816.9</b>	<b>855.0</b>	<b>7.7%</b>	<b>92.1%</b>
Departmental agencies and accounts	745.4	674.2	633.0	672.3	-3.4%	92.2%	756.9	802.0	839.4	7.7%	90.5%
Non-profit institutions	0.2	0.2	0.2	0.3	6.2%	-	0.3	0.3	0.3	5.3%	-
Households	14.8	11.9	11.3	11.0	-9.4%	1.7%	12.9	14.6	15.3	11.6%	1.6%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>	<b>65.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Machinery and equipment	0.1	0.0	0.1	0.4	65.4%	-	-	-	-	-100.0%	-
<b>Payments for financial assets</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>803.3</b>	<b>716.4</b>	<b>690.6</b>	<b>745.2</b>	<b>-2.5%</b>	<b>100.0%</b>	<b>834.6</b>	<b>885.6</b>	<b>927.2</b>	<b>7.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>36.1%</b>	<b>31.9%</b>	<b>28.7%</b>	<b>27.9%</b>			<b>28.6%</b>	<b>25.1%</b>	<b>23.3%</b>		

## Details of transfers and subsidies

<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>14.8</b>	<b>11.9</b>	<b>11.3</b>	<b>11.0</b>	<b>-9.4%</b>	<b>1.7%</b>	<b>12.9</b>	<b>14.6</b>	<b>15.3</b>	<b>11.6%</b>	<b>1.6%</b>
Bursaries for non-employees	-	-	-	3.0	-	0.1%	4.5	4.8	5.0	18.5%	0.5%
Projects that promote heritage	14.8	11.9	11.3	8.0	-18.6%	1.6%	8.4	9.8	10.3	8.8%	1.1%
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>566.8</b>	<b>532.1</b>	<b>410.9</b>	<b>442.2</b>	<b>-7.9%</b>	<b>66.0%</b>	<b>467.4</b>	<b>496.9</b>	<b>520.3</b>	<b>5.6%</b>	<b>56.8%</b>
Gifts and donations	-	0.0	-	-	-	-	-	-	-	-	-
Die Afrikaanse Taal Museum - Paarl: Operations	3.5	4.0	4.2	4.6	9.3%	0.6%	5.0	5.3	5.6	6.9%	0.6%
Freedom Park - Pretoria: Operations	251.0	187.8	60.4	62.3	-37.2%	19.0%	66.4	70.5	73.7	5.8%	8.0%
Iziko Museums of Cape Town: Operations	48.4	50.8	53.9	60.5	7.8%	7.2%	61.5	65.3	68.3	4.1%	7.5%
Luthuli Museum - Stanger: Operations	5.9	6.2	6.6	7.0	6.0%	0.9%	7.5	7.9	8.3	5.6%	0.9%
KwaZulu-Natal Museum - Pietermaritzburg: Operations	12.9	13.5	14.3	15.3	5.9%	1.9%	16.4	17.4	18.2	5.9%	2.0%
National Heritage Council	48.4	46.7	47.3	50.1	1.1%	6.5%	52.7	55.9	58.5	5.3%	6.4%
National Museum - Bloemfontein: Operations	23.4	24.5	31.0	35.1	14.5%	3.9%	38.4	41.1	43.3	7.3%	4.7%
Nelson Mandela Museum - Mthatha: Operations	14.8	32.5	16.6	17.7	6.2%	2.8%	18.9	20.1	21.1	6.1%	2.3%
Robben Island Museum - Cape Town: Operations	49.9	51.8	55.0	58.9	5.7%	7.3%	61.6	65.4	68.4	5.1%	7.5%
South African Heritage Resources Agency: Operations	33.8	36.2	38.5	41.0	6.6%	5.1%	43.7	46.4	48.6	5.8%	5.3%
The National English Literary Museum - Grahamstown: Operations	6.4	6.7	7.1	7.6	6.0%	0.9%	8.1	8.7	9.1	5.9%	1.0%
Voortrekker Museum - Pietermaritzburg: Operations	8.8	9.3	9.8	10.5	6.0%	1.3%	11.2	11.9	12.5	5.8%	1.4%
War Museum of the Boer Republics - Bloemfontein: Operations	6.1	6.5	6.7	7.8	8.8%	0.9%	8.0	8.6	9.1	5.4%	1.0%
William Humphreys Art Gallery - Kimberley: Operations	4.4	4.7	4.9	5.3	6.0%	0.7%	5.6	6.0	6.2	5.8%	0.7%
Dilsong Museum of South Africa - Pretoria: Operations	49.0	51.2	54.4	58.4	6.0%	7.2%	62.5	66.4	69.4	5.9%	7.6%



Table 14.17 Heritage Promotion (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
<b>Capital</b>	<b>178.7</b>	<b>142.1</b>	<b>222.1</b>	<b>230.1</b>	<b>8.8%</b>	<b>26.2%</b>	<b>289.5</b>	<b>305.1</b>	<b>319.1</b>	<b>11.5%</b>	<b>33.7%</b>
Capital Works of museums: Building, maintenance and upgrading of infrastructure	178.7	136.8	165.3	(2.4)	-123.7%	16.2%	0.0	(1.1)	1.1	-178.1%	-0.1%
Iziko Museums of Cape Town - Capital works projects	-	-	8.0	29.0	-	1.3%	40.0	40.0	44.0	14.9%	4.5%
Nelson Mandela Museum - Mthatha: Capital works projects	-	-	1.8	25.0	-	0.9%	29.0	30.0	31.0	7.4%	3.4%
South African Heritage Resources Agency: Capital works projects	-	-	47.0	-	-	1.6%	-	-	-	-	-
Capital works of heritage legacy projects	-	-	-	69.5	-	2.4%	65.5	71.2	78.0	3.9%	8.4%
KwaZulu-Natal Museum - Pietermaritzburg: Capital works projects	-	0.7	-	14.0	-	0.5%	17.0	18.0	19.0	10.7%	2.0%
Luthuli Museum - Stanger: Capital works projects	-	1.9	-	-	-	0.1%	4.0	4.0	4.0	-	0.4%
Voortrekker Museum - Pietermaritzburg: Capital works projects	-	2.5	-	24.0	-	0.9%	38.0	40.0	42.0	20.5%	4.2%
William Humphreys Art Gallery - Kimberley: Capital works projects	-	0.1	-	1.0	-	-	4.0	5.0	4.0	58.7%	0.4%
War Museum of the Boer Republics - Bloemfontein: Capital works projects	-	0.2	-	10.0	-	0.3%	14.0	15.0	15.0	14.5%	1.6%
Die Afrikaanse Taal Museum - Paarl: Capital works projects	-	-	-	3.0	-	0.1%	6.0	6.0	6.0	26.0%	0.6%
Ditsong Museum of South Africa - Pretoria: Capital works projects	-	-	-	17.0	-	0.6%	20.0	22.0	22.0	9.0%	2.4%
National Museum - Bloemfontein: Capital works projects	-	-	-	-	-	-	4.0	4.0	4.0	-	0.4%
The National English Literary Museum - Grahamstown: Capital works projects	-	-	-	5.0	-	0.2%	9.0	9.0	9.0	21.6%	0.9%
Robben Island Museum - Cape Town: Capital works projects	-	-	-	35.0	-	1.2%	39.0	42.0	40.0	4.6%	4.6%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>6.2%</b>	<b>-</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>5.3%</b>	<b>-</b>
Engelenburg House Art Collection - Pretoria: Operations	0.2	0.2	0.2	0.3	6.2%	-	0.3	0.3	0.3	5.3%	-

## Personnel information

Table 14.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of additional posts to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Heritage Promotion</b>																			
<b>Salary level</b>	<b>34</b>	<b>4</b>	<b>28</b>	<b>13.5</b>	<b>0.5</b>	<b>36</b>	<b>15.7</b>	<b>0.4</b>	<b>36</b>	<b>16.9</b>	<b>0.5</b>	<b>36</b>	<b>18.3</b>	<b>0.5</b>	<b>36</b>	<b>19.4</b>	<b>0.5</b>	<b>-</b>	<b>100.0%</b>
1-6	2	-	1	0.1	0.1	2	0.2	0.1	2	0.4	0.2	2	0.4	0.2	2	0.4	0.2	-	5.6%
7-10	13	4	11	3.9	0.4	14	3.5	0.3	14	3.8	0.3	14	4.9	0.3	14	5.3	0.4	-	38.9%
11-12	14	-	11	5.6	0.5	14	6.9	0.5	14	7.5	0.5	14	7.6	0.5	14	8.0	0.6	-	38.9%
13-16	5	-	5	3.9	0.8	6	5.0	0.8	6	5.3	0.9	6	5.4	0.9	6	5.6	0.9	-	16.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Spending over the medium term will focus on making transfers to heritage institutions for operations and capital works to ensure that they remain operational and are maintained, preserved, protected; and promote heritage. The bulk of this programme's expenditure in 2012/13 and over the medium term goes towards transfers to heritage institutions, particularly for capital works at museums. Spending on heritage study bursaries is expected to increase in this period in order for the programme to increase the number of bursaries awarded yearly from 31 in 2011/12 to 125 by 2015/16.

Spending on operating payments grew significantly in 2012/13 due to the implementation and maintenance of the geographical names database system. Expenditure in the *Heritage Institutions* subprogramme decreases

from 2009/10 to 2012/13 due to the conclusion of the construction of Freedom Park. The programme's spending on compensation of employees grows significantly between 2009/10 and 2012/13 due to the shift of the *Heraldic Services* sub-subprogramme from the *National Archives and Library Services* programme to this programme.

As part of the Cabinet approved budget reductions, the department has reduced spending by R1 million in 2013/14 from goods and services and R5 million over the medium term from transfers to the Robben Island Museum. R1.3 million has been reprioritised from spending on machinery and equipment in this programme to the *Administration* programme to centralise IT services. This programme receives additional allocations of R1.7 million for the programme and R7.2 million for selected museums for improved conditions of service.

As at 30 September 2012, the programme had 34 funded posts, 36 filled posts, and 4 posts additional to the establishment, of which 2 are contract workers and 2 are interns. There is 1 vacant post in this programme, which will be filled over the medium term. In 2012/13, the programme used 2 consultants to develop concept strategies for the Heroes' Acre and to manage the legacy projects.

## **Programme 6: National Archives and Library Services**

### **Objectives**

- Identify and acquire records and materials of national significance with enduring value by conducting 3 oral history projects and purchasing 90 000 items of appropriate library material in 2013/14.
- Safeguard archival materials by digitising and compiling inventories of collections, including 4 audiovisual formats in 2013/14.
- Promote archival and library resources and services and improve access through awareness and other outreach programmes by conducting 4 archival outreach programmes in 2013/14.
- Ensure the proper management of records in governmental bodies through 12 records management and compliance inspections over the MTEF period.
- Provide adequate and modern infrastructure for archives and libraries through the upgrading of 40 new community libraries and the upgrading of the national archives and records service system in 2013/14.

### **Subprogrammes**

- *National Archive Services* acquires, preserves, manages and makes accessible public and non-public records with enduring value. In 2012/13, 6 archival outreach programmes were presented. This subprogramme had a funded staff complement of 121 posts in 2012/13, of which 98 were filled.
- *National Library Services* funds libraries and institutions, and develops related policy. The bulk of this subprogramme's total budget is used for transfers to the National Library of South Africa, the South African Library for the Blind and Blind SA. This subprogramme had a staff complement of 8 in 2012/13.
- *Community Library Services* transfers funds to provincial departments for the community library services conditional grant for constructing and upgrading libraries, hiring personnel and purchasing library materials. This subprogramme's total budget is transferred in full to provinces based on business plans. In 2012/13, 50 libraries were upgraded and 15 new libraries were built. This subprogramme has no staff complement.
- *Capital Works of Libraries* provides and administers capital grants to the National Library of South Africa and the South African Library for the Blind for maintenance and other capital projects. This subprogramme's total budget is used for transfers to the National Library of South Africa and the National Archives. This subprogramme has no staff complement.

## Expenditure estimates

Table 14.19 National Archives and Library Services

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
National Archive Services	51.6	46.3	44.4	50.2	-0.9%	7.2%	51.8	60.8	64.6	8.7%	5.2%
National Library Services	70.4	71.0	87.5	100.5	12.6%	12.4%	104.9	121.5	130.0	9.0%	10.4%
Community Library Services	440.6	462.4	569.9	564.6	8.6%	76.4%	597.8	1 016.2	1 340.6	33.4%	80.1%
Capital Works of Libraries	-	-	20.0	86.4	-	4.0%	27.0	36.0	38.3	-23.7%	4.3%
<b>Total</b>	<b>562.7</b>	<b>579.7</b>	<b>721.9</b>	<b>801.7</b>	<b>12.5%</b>	<b>100.0%</b>	<b>781.5</b>	<b>1 234.5</b>	<b>1 573.4</b>	<b>25.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				2.2			(0.7)	399.6	700.1		

## Economic classification

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
<b>Current payments</b>	<b>47.9</b>	<b>44.0</b>	<b>44.3</b>	<b>49.2</b>	<b>0.9%</b>	<b>6.9%</b>	<b>50.4</b>	<b>59.3</b>	<b>63.0</b>	<b>8.6%</b>	<b>5.1%</b>
Compensation of employees	27.6	29.2	26.1	31.1	4.0%	4.3%	33.2	35.4	37.5	6.5%	3.1%
Goods and services	20.3	14.8	18.1	18.1	-3.7%	2.7%	17.2	23.9	25.5	12.1%	1.9%
of which:											
Contractors	-	3.2	3.1	0.0	-	0.2%	-	-	-	-100.0%	-
Agency and support / outsourced services	6.5	3.9	4.4	0.5	-57.5%	0.6%	6.1	11.9	12.9	195.5%	0.7%
Operating leases	-	0.0	0.1	-	-	-	4.1	4.3	4.3	-	0.3%
Travel and subsistence	7.6	3.9	4.0	1.7	-39.5%	0.6%	1.6	1.2	-	-100.0%	0.1%
<b>Transfers and subsidies</b>	<b>513.0</b>	<b>534.1</b>	<b>677.6</b>	<b>751.6</b>	<b>13.6%</b>	<b>92.9%</b>	<b>731.1</b>	<b>1 175.2</b>	<b>1 510.4</b>	<b>26.2%</b>	<b>94.9%</b>
Provinces and municipalities	440.6	462.4	569.9	564.6	8.6%	76.4%	597.8	1 016.2	1 340.6	33.4%	80.1%
Departmental agencies and accounts	65.6	65.8	101.7	180.8	40.2%	15.5%	125.5	150.7	161.2	-3.8%	14.1%
Non-profit institutions	4.8	5.2	5.8	6.1	7.8%	0.8%	6.4	6.8	7.1	5.4%	0.6%
Households	1.9	0.7	0.1	0.2	-52.4%	0.1%	1.4	1.5	1.6	97.8%	0.1%
<b>Payments for capital assets</b>	<b>1.5</b>	<b>1.6</b>	<b>0.0</b>	<b>0.9</b>	<b>-15.4%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Machinery and equipment	1.5	1.6	0.0	0.9	-15.4%	0.1%	-	-	-	-100.0%	-
<b>Payments for financial assets</b>	<b>0.4</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>562.7</b>	<b>579.7</b>	<b>721.9</b>	<b>801.7</b>	<b>12.5%</b>	<b>100.0%</b>	<b>781.5</b>	<b>1 234.5</b>	<b>1 573.4</b>	<b>25.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>25.3%</b>	<b>25.8%</b>	<b>30.0%</b>	<b>30.0%</b>			<b>26.8%</b>	<b>35.0%</b>	<b>39.6%</b>		

## Details of transfers and subsidies

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>1.9</b>	<b>0.7</b>	<b>0.1</b>	<b>0.2</b>	<b>-52.4%</b>	<b>0.1%</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>	<b>97.8%</b>	<b>0.1%</b>
Projects that conserve archival material	1.9	0.7	0.1	0.2	-52.4%	0.1%	1.4	1.5	1.6	97.8%	0.1%
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>65.6</b>	<b>60.4</b>	<b>74.7</b>	<b>82.4</b>	<b>7.9%</b>	<b>10.6%</b>	<b>85.5</b>	<b>100.7</b>	<b>108.9</b>	<b>9.7%</b>	<b>8.6%</b>
National Library of South Africa: Operations	42.3	45.1	58.4	64.7	15.3%	7.9%	68.1	72.4	75.7	5.4%	6.4%
South African Library for the Blind: Operations	11.3	12.0	13.5	14.6	8.7%	1.9%	15.6	16.6	17.4	6.0%	1.5%
National Library of South Africa: Support to community libraries	12.0	3.4	2.9	3.1	-36.3%	0.8%	1.7	11.7	15.8	72.0%	0.7%
<b>Capital</b>	<b>-</b>	<b>5.4</b>	<b>27.0</b>	<b>98.4</b>	<b>-</b>	<b>4.9%</b>	<b>40.0</b>	<b>50.0</b>	<b>52.3</b>	<b>-19.0%</b>	<b>5.5%</b>
Capital Works of national archives: Building, maintenance and upgrading of infrastructure	-	-	20.0	71.9	-	3.4%	14.2	22.9	23.9	-30.7%	3.0%
National Library of South Africa: Capital works projects	-	4.1	7.0	2.0	-	0.5%	3.0	3.0	3.0	14.5%	0.3%
South Africa Library for the Blind: Capital works projects	-	0.9	-	10.0	-	0.4%	10.0	11.0	11.0	3.2%	1.0%
Blind South Africa: Capital works projects	-	0.4	-	-	-	-	-	-	-	-	-
Capital Works of libraries: Building, maintenance and upgrading of infrastructure	-	-	-	14.5	-	0.5%	12.8	13.1	14.4	-0.2%	1.2%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>4.8</b>	<b>5.2</b>	<b>5.8</b>	<b>6.1</b>	<b>7.8%</b>	<b>0.8%</b>	<b>6.4</b>	<b>6.8</b>	<b>7.1</b>	<b>5.4%</b>	<b>0.6%</b>
Blind South Africa: Operations	4.8	5.2	5.8	6.1	7.8%	0.8%	6.4	6.8	7.1	5.4%	0.6%
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>440.6</b>	<b>462.4</b>	<b>569.9</b>	<b>564.6</b>	<b>8.6%</b>	<b>76.4%</b>	<b>597.8</b>	<b>1 016.2</b>	<b>1 340.6</b>	<b>33.4%</b>	<b>80.1%</b>
Community library services grant	440.6	462.4	569.9	564.6	8.6%	76.4%	597.8	1 016.2	1 340.6	33.4%	80.1%

## Personnel information

**Table 14.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
National Archives and Library Services		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	129	4	125	26.1	0.2	107	31.1	0.3	120	33.2	0.3	122	35.4	0.3	122	37.5	0.3	4.5%	100.0%
1 – 6	66	4	74	9.3	0.1	58	11.1	0.2	63	11.6	0.2	63	12.0	0.2	63	12.8	0.2	2.8%	52.4%
7 – 10	50	–	41	10.9	0.3	40	13.3	0.3	47	14.7	0.3	47	15.0	0.3	47	15.9	0.3	5.5%	38.4%
11 – 12	9	–	7	3.5	0.5	6	3.9	0.7	7	3.6	0.5	8	4.5	0.6	8	4.8	0.6	10.1%	6.2%
13 – 16	4	–	3	2.4	0.8	3	2.8	0.9	3	3.3	1.1	4	3.9	1.0	4	4.0	1.0	10.1%	3.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing community library services through the community library services conditional grant transfers to provinces to allow them to build and upgrade libraries, hire personnel and purchase library materials. The bulk of spending increases in this programme over the medium term goes towards these transfers. The increase in transfers to provinces projected over the medium term includes the building of 51 new libraries and the upgrading of 135 existing libraries.

As part of the Cabinet approved budget reductions, the department has reduced spending by R186 000 in 2013/14. These reductions will be effected in spending on goods and services in the operating leases classification. Over the medium term, R4 million is reprioritised from the *National Archive Services* and *National Library Services* subprogrammes to the *Administration* programme to centralise IT services. The programme receives additional funding of R3.2 million over the medium term for improved conditions of service. In addition, R1.1 billion is reprioritised from the Department of Basic Education's schools infrastructure backlog grant to the community library services conditional grant to accelerate the provision of community library services and provide for the function shift of library services from municipalities to provinces. R35.3 million of this revised grant allocation was allocated to the programme to manage, monitor and exercise oversight over the community library services grant.

In 2012/13, this programme had 129 funded posts, 107 of which were filled. There were 4 posts additional to the establishment. Vacant posts were due to the restructuring and realignment process, which started in 2011/12 and continued into 2012/13. The programme used 1 consultant in 2012/13 to conduct a feasibility study for the establishment of an archival services conditional grant. This also accounts for the increased spending on consultants between 2009/10 and 2012/13.

## Public entities and other agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The following officially declared **heritage institutions** are dependent on annual transfers from the Department of Arts and Culture: Freedom Park; Northern Flagship Institutions, Pretoria; Iziko Museum, Cape Town; Natal Museum, Pietermaritzburg; Bloemfontein National Museum; Die Afrikaanse Taalmuseum, Paarl; The National English Literary Museum, Grahamstown; the Voortrekker Museum, Pietermaritzburg; War Museum of the Boer Republics, Bloemfontein; William Humphreys Art Gallery, Kimberley; Luthuli Museum, Stanger; and Nelson Mandela Museum, Mthatha. Total transfers in 2013/14 amount to R322.6 million excluding capital works.
- The Department of Arts and Culture oversees various **libraries**, including the National Library of South Africa, a statutory body; the South African Library for the Blind; and Blind South Africa. Total transfers to the libraries in 2013/14 amount to R88.5 million, excluding capital works.

- The **National Arts Council of South Africa** facilitates opportunities for people to practice and appreciate the arts. The council also promotes the general application of the arts in the community, fosters the expression of national identity by means of the arts, promotes freedom in the practice of the arts, and gives historically disadvantaged people greater access to the arts. The council's total budget for 2013/14 is R87.6 million.
- The **National Film and Video Foundation of South Africa** develops and promotes the film and video industry in South Africa. The foundation promotes local film and video products, supports the development of and access to the industry, and addresses historical imbalances in infrastructure, skills and resources in the industry. The foundation's total budget for 2013/14 is R105.2 million.
- The **National Heritage Council of South Africa** engages heritage stakeholders in public and private institutions, including the various organs of civil society, mobilises debates and building awareness about heritage. The council's total budget for 2013/14 is R52.7 million
- The **Pan South African Language Board** is a constitutional institution that promotes an awareness of multilingualism as a national resource and supports previously marginalised languages. It is mandated to investigate complaints about language rights and violations from any individual, organisation or institution. The board's total budget for 2013/14 is R78.2 million.
- The following **performing arts institutions** receive annual transfers from the Department of Arts and Culture: the State Theatre, The Playhouse Company, Artscape Theatre, The Market Theatre, the Performing Arts Council of the Free State and the Windybrow Theatre. In addition to the annual transfer from the department, these entities also generate their own revenue through entrance fees, donor assistance and sponsorships. Total transfers in 2013/14 amount to R342 million, including capital works.
- The **Robben Island Museum** is a schedule 3A public entity established in terms of the Cultural Institutions Act (1998), and was declared a World Heritage Site by the United Nations Educational, Scientific and Cultural Organisation in 1999. The museum's total budget for 2013/14 is R132.8 million.
- The **South African Heritage Resources Agency** is the national administrative management body for the protection of South Africa's cultural heritage. The agency's main functions include managing the national estate through partnerships with other bodies to promote an integrated heritage resources management system. The agency's total budget for 2013/14 is R43.7 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2009/10	2010/11		2011/12	2013/14
R million								
<b>Infrastructure transfers to other spheres, agencies and departments</b>								
Freedom Park	Freedom Park	Construction	700.0	200.0	134.0	-	-	-
Department of Arts and Culture	Building, maintenance and upgrading of infrastructure in various heritage institutions, playhouses, libraries and archives	Various	4 656.0	249.7	280.0	169.3	11.0	0.5
Public Entities: Capital works								0.1
William Humphrey Art Gallery	Various: Upgrading and maintenance projects	Various	-	-	0.1	-	1.0	4.0
Die Afrikaanse Taal Museum	Various: Upgrading and maintenance projects	Various	-	-	-	-	3.0	6.0
Ditsong Museum projects	Various: Upgrading and maintenance projects	Various	-	-	-	-	17.0	20.0
Kwa-Zulu Natal Museums projects	Various: Upgrading and maintenance projects	Various	-	-	0.7	-	14.0	17.0
Lufhuli Museum	Various: Upgrading and maintenance projects	Various	-	-	1.9	-	-	4.0
Voortrekkers/Msunduzi Museum	Various: Upgrading and maintenance projects	Various	-	-	2.5	-	24.0	38.0
National Museum: Bloemfontein	Various: Upgrading and maintenance projects	Various	-	-	-	-	-	4.0
The National English Literary Museum	Various: Upgrading and maintenance projects	Various	-	-	-	-	5.0	9.0
Nelson Mandela Museums	Various: Upgrading and maintenance projects	Various	-	-	-	2.0	25.0	29.0
War Museum of the Boer Republic	Various: Upgrading and maintenance projects	Various	-	-	0.2	-	10.0	14.0
Iziko Museum of Cape Town	Various: Upgrading and maintenance projects	Various	-	-	-	8.0	26.0	30.0
Robben Island Museum	Various: Upgrading and maintenance projects	Various	-	-	-	-	35.0	39.0
Iziko Museum of Cape Town (New)	Various: Upgrading and maintenance projects	Various	-	-	-	-	3.0	10.0
South African Heritage Resource Agency	Various: Upgrading and maintenance projects	Various	-	-	-	47.0	-	-
Heritage 2012 Legacy projects	Various: Upgrading and maintenance projects	Various	-	-	-	-	17.0	18.0
Heritage Legacy project: Sarah Baartman	Various: Upgrading and maintenance projects	Various	-	-	-	-	14.0	14.0
Technical assistance for the implementation and management of the Department of Arts and Culture infrastructure projects	Various: Upgrading and maintenance projects	Various	-	-	-	-	8.0	1.0
Heritage Legacy projects: Khananda (New)	Various: Upgrading and maintenance projects	Various	-	-	-	-	4.0	4.0
Heritage Legacy project: Bram Fischer (New)	Various: Upgrading and maintenance projects	Various	-	-	-	-	5.0	5.0
Heritage Legacy projects: Gugulethu (New)	Various: Upgrading and maintenance projects	Various	-	-	-	-	10.0	10.0
Heritage Legacy projects: J.L. Dube (New)	Various: Upgrading and maintenance projects	Various	-	-	-	-	4.0	4.0
Heritage Legacy project: OR Tambo (New)	Various: Upgrading and maintenance projects	Various	-	-	-	-	5.0	5.0
Heritage Legacy projects: Reverent Mahabane (New)	Various: Upgrading and maintenance projects	Various	-	-	-	-	4.0	4.0
Pretoria Archive	Various: Upgrading and maintenance projects	Various	-	-	-	-	72.0	13.0
Pietermaritzburg Archive	Various: Upgrading and maintenance projects	Various	-	-	-	-	-	1.0
South African Library for the Blind	Various: Upgrading and maintenance projects	Various	-	-	-	-	4.0	4.0
National Library Centre for the Books	Various: Upgrading and maintenance projects	Various	-	-	-	-	13.0	13.0
National Library Pretoria Campus	Various: Upgrading and maintenance projects	Various	-	-	-	-	-	1.0

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation 2012/13	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
Libraries: Capital Works project unprocessed claims	Various: Upgrading and maintenance projects	Various	-	-	-	7.0	2.0	-	-	-
Archive Main Building projects (New)	Various: Upgrading and maintenance projects	Various	-	-	-	-	-	-	-	1.0
South African Library for the Blind (New)	Various: Upgrading and maintenance projects	Various	-	0.9	-	-	6.0	6.0	7.0	7.0
National Library Pretoria Campus (New)	Various: Upgrading and maintenance projects	Various	-	4.1	-	-	2.0	2.0	2.0	2.0
Artscape Theatre (New)	Various: Upgrading and maintenance projects	Various	-	23.5	27.0	-	43.0	46.0	48.0	51.0
Market Theatre (New)	Various: Upgrading and maintenance projects	Various	-	-	31.0	-	16.0	17.0	18.0	19.0
Performing Arts Centre of the State (New)	Various: Upgrading and maintenance projects	Various	-	-	8.0	-	16.0	16.0	17.0	18.0
State Theatre (New)	Various: Upgrading and maintenance projects	Various	-	-	13.0	-	10.0	10.0	11.0	11.0
The Playhouse Company (New)	Various: Upgrading and maintenance projects	Various	-	-	29.0	-	30.0	32.0	33.0	35.0
Windybrow Theatre (New)	Various: Upgrading and maintenance projects	Various	-	-	23.0	-	20.0	11.0	11.0	12.0
Performing Arts projects	Various: Upgrading and maintenance projects	Various	-	-	-	-	4.0	48.0	45.0	47.0
<b>Total</b>			<b>5 356.0</b>	<b>449.7</b>	<b>447.8</b>	<b>364.3</b>	<b>483.0</b>	<b>509.5</b>	<b>540.1</b>	<b>565.0</b>





# Vote 15

## Basic Education

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	335.6	306.2	12.2	17.2	356.3	373.9
Curriculum Policy, Support and Monitoring	1 523.6	1 523.1	–	0.6	1 619.3	1 694.6
Teachers, Education Human Resources and Institutional Development	984.7	90.5	893.9	0.4	1 044.1	1 092.8
Planning, Information and Assessment	8 989.0	303.8	6 753.3	1 931.8	10 844.8	13 519.8
Educational Enrichment Services	5 759.0	46.2	5 712.7	0.2	6 076.9	6 342.4
<b>Total expenditure estimates</b>	<b>17 591.9</b>	<b>2 269.7</b>	<b>13 372.1</b>	<b>1 950.1</b>	<b>19 941.3</b>	<b>23 023.6</b>
Executive authority	Minister of Basic Education					
Accounting officer	Director General of Basic Education					
Website address	www.education.gov.za					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Develop, maintain and support a South African school education system for the 21<sup>st</sup> century.*

### Mandate

The Department of Basic Education derives its mandate from the following legislation:

- the National Education Policy Act (1996), which inscribed into law the policies, the legislative and monitoring responsibilities of the Minister of Education, as well as the formal relations between national and provincial authorities
- the South African Schools Act (1996), which promotes access, quality and democratic governance in the schooling system and makes schooling compulsory for children aged 7 to 15, to ensure that all learners have right of access to quality education without discrimination
- the Employment of Educators Act (1998), which regulates the professional, moral and ethical responsibilities of educators, as well as the competency requirements for teachers.

### Strategic goals

The department's work is aligned with the government outcome to provide improved quality of basic education (outcome 1). In line with this, the department's strategic goals over the medium are to:

- improve the quality of teaching and learning
- improve the quality of early childhood development
- track progress across the education system through regular assessment
- ensure a credible outcomes focused planning and accountability system
- promote learner wellbeing.

## Programme purposes

### Programme 1: Administration

**Purpose:** Manage the department and provide strategic and administrative support services.

### Programme 2: Curriculum Policy, Support and Monitoring

**Purpose:** Develop curriculum and assessment policies and monitor and support their implementation.

### Programme 3: Teachers, Education Human Resources and Institutional Development

**Purpose:** Promote quality teaching and institutional performance through the effective supply, development and utilisation of human resources.

### Programme 4: Planning, Information and Assessment

**Purpose:** Promote quality and effective service delivery in the basic education system through planning, implementation and assessment.

### Programme 5: Educational Enrichment Services

**Purpose:** Develop policies and programmes to improve the quality of learning in schools.

## Selected performance indicators

Table 15.1 Basic Education

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new learners enrolled in the Kha Ri Gude mass literacy campaign per year	Curriculum Policy, Support and Monitoring	Outcome 1: Improved quality of basic education	613 643	609 199	660 924	665 246	683 514	681 732 <sup>1</sup>	661 386 <sup>1</sup>
Number of learners who completed the Kha Ri Gude course per year	Curriculum Policy, Support and Monitoring		545 666	486 000	612 450	532 197	546 811	545 386 <sup>1</sup>	529 109 <sup>1</sup>
Number of learners who have received workbooks per year	Curriculum Policy, Support and Monitoring		– <sup>3</sup>	– <sup>3</sup>	2.8 million	10.3million	11 million	12 million	12 million
Number of public ordinary schools moderated through school based integrated quality management system evaluations per year	Teachers, Education Human Resources and Institutional Development		7 500	7 160	8 407	9 500	8 000	8 000	8 000
Number of Funza Lushaka bursaries awarded per year	Teachers, Education Human Resources and Institutional Development		9 190	10 074	8 733	11 455	14 500	12 500	12 500
Number and percentage of Funza Lushaka bursary holders graduating each year	Teachers, Education Human Resources and Institutional Development		1 797 (85%)	2 266 (85.1%)	2 486 (93.3%)	3 800 (85%)	3 950 (85%)	4 000 (85.1%)	4 200 (86%)
Total number of learners captured by the learner unit record information tracking system	Planning, Information and Assessment		7.2 million	10 million	12.6 million	12 million	12.4 million	2.4 million	12.4 million
Total number of schools interacting with learner unit record information tracking system <sup>2</sup>	Planning, Information and Assessment		17 000	24 000	20 500	25 000	25 800	25 800	25 800
Percentage of public schools complying with basic level of school infrastructure	Planning, Information and Assessment		77% (16 545)	84% (17 579)	55% (19 130)	92% (19 906)	96% (23 783)	100% (24 255)	100% (24 255)
Total number of schools and districts evaluated through the national education evaluation development unit	Planning, Information and Assessment		– <sup>3</sup>	– <sup>3</sup>	78	149	180	200	200

**Table 15.1 Basic Education (continued)**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of learners fed a meal each school day per year	Educational Enrichment Services	Outcome 1: Improved quality of basic education	7.4 million	8.1 million	8.9 million	8.7 million	8.7 million	8.7 million	8.7 million
Number of matric mathematics university (or equivalent) passes at Dinaledi schools per year	Educational Enrichment Services		11 462	15 000	24 478	22 003	23 416	26 215	29 168
Number of matric science university (or equivalent) passes at Dinaledi schools per year	Educational Enrichment Services		4 920	6 000	13 651	11 596	12 755	14 001	15 340

1. Costs of implementing the Kha Ri Gude plan have increased more than expected, which has resulted in reducing the number of learners that can be reached in future.

2. Includes independent schools.

3. No data in these years as indicator began in 2011/12.

## The national development plan

The department's action plan and vision for schooling in 2025 and the national development plan's proposals for basic education are complementary. Both focus on the need to improve the quality of education on an ongoing basis. Schools should be adequately and appropriately supported to increase capacity for improved performance, and the department has initiatives in place to best achieve this.

The plan calls for resources to be made available to teachers and schools to support learning, with the focus on improving literacy, numeracy, science and language outcomes. The department's provision of workbooks is integral to ensuring that learner materials are readily available to support performance in languages and mathematics in particular. The department will provide and deliver workbooks for grades 1 to 9 to 24 355 public schools across the country in 2013 and this will increase annually.

Providing nutritious meals to learners in schools improves attendance and learning capacity, thus ensuring that poor learners can continue to access schooling and have a meaningful school experience. More than 8.7 million learners benefited from the school nutrition programme in 2012/13 and the focus over the medium term will be on stabilising and improving the quality of implementation.

The national development plan calls for a trebling of the number of Grade 12 learners who achieve university entrance passes with mathematics and physical science by 2030. Although the number of Grade 12 mathematics and science candidates at Dinaledi schools has been declining, the number passing these key subjects has steadily increased. In 2012, there were 26 500 mathematics passes out of 43 237 candidates, a pass rate of 61.3 per cent. There were 23 569 physical science passes out of 34 402 candidates, a 68.5 per cent pass rate. However, both the number of candidates and passes need to increase in the period ahead if the plan's goal of trebling university entrance passes by 2030 is to be achieved.

It is critical that the expansion of the Funza Lushaka bursary scheme is complemented by ensuring that all graduates are absorbed into the schooling system and deployed in areas of shortage such as mathematics, science, languages, in the foundation phase, and to rural areas. Expanding and strengthening the Funza Lushaka bursary scheme is in line with the proposal in the national development plan to produce more and better qualified teachers. It is expected that about 3 800 graduates will have qualified in 2012 for placement in 2013.

Significant progress has been made in ensuring that more schools are complying with the basic level of infrastructure. The department aims for every school to have access to safe drinking water, hygienic and sufficient toilet facilities and electricity, and for all inappropriate structures to be eradicated by 2014/15, in line with the national development plan's objective that all schools meet minimum infrastructure standards by 2016.

In line with the objective of improving the performance of the education sector, the national education evaluation and development unit adopted a different model for conducting evaluations in 2012. A more focused approach has now been adopted, where a team of at least two evaluators spend an average of seven days evaluating and compiling a report for each school. This accounts for the lower number of schools to be evaluated compared to previously published targets.

## Expenditure estimates

Table 15.2 Basic Education

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R million													
Administration	150.8	247.0	278.6	319.6	319.6	28.4%	2.2%	335.6	356.3	373.9	5.4%	1.8%	
Curriculum Policy, Support and Monitoring	564.2	672.9	1 421.9	1 426.9	1 341.2	33.5%	9.0%	1 523.6	1 619.3	1 694.6	8.1%	8.2%	
Teachers, Education Human Resources and Institutional Development	497.5	486.6	537.6	861.5	822.9	18.3%	5.3%	984.7	1 044.1	1 092.8	9.9%	5.2%	
Planning, Information and Assessment	4 034.2	3 320.5	5 574.8	8 127.1	7 103.3	20.8%	45.1%	8 989.0	10 844.8	13 519.8	23.9%	53.5%	
Educational Enrichment Services	2 607.5	3 950.8	5 088.0	5 468.9	5 447.8	27.8%	38.4%	5 759.0	6 076.9	6 342.4	5.2%	31.3%	
<b>Total</b>	<b>7 854.3</b>	<b>8 677.9</b>	<b>12 900.9</b>	<b>16 204.0</b>	<b>15 034.8</b>	<b>24.2%</b>	<b>100.0%</b>	<b>17 591.9</b>	<b>19 941.3</b>	<b>23 023.6</b>	<b>15.3%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(139.6)	(1 308.8)			(2 781.6)	(1 425.5)	673.8			
<b>Economic classification</b>													
<b>Current payments</b>	<b>950.4</b>	<b>1 128.5</b>	<b>1 971.5</b>	<b>2 149.3</b>	<b>2 025.1</b>	<b>28.7%</b>	<b>13.7%</b>	<b>2 269.7</b>	<b>2 491.1</b>	<b>2 610.0</b>	<b>8.8%</b>	<b>12.4%</b>	
Compensation of employees	225.2	252.9	295.4	356.7	356.7	16.6%	2.5%	389.4	414.7	438.0	7.1%	2.1%	
Goods and services	725.2	824.0	1 623.6	1 742.6	1 618.3	30.7%	10.8%	1 819.7	2 012.7	2 105.0	9.2%	10.0%	
<i>of which:</i>													
<i>Inventory: Stationery and printing</i>	84.1	38.1	517.3	90.3	79.3	-1.9%	1.6%	133.4	210.1	228.1	42.2%	0.9%	
<i>Property payments</i>	10.8	66.4	67.4	77.2	77.2	92.4%	0.5%	71.2	74.7	76.2	-0.5%	0.4%	
<i>Travel and subsistence</i>	55.3	46.2	98.9	96.1	91.9	18.4%	0.7%	88.5	93.3	98.0	2.2%	0.5%	
<i>Operating payments</i>	398.4	557.6	788.6	1 281.6	1 195.9	44.3%	6.6%	1 343.9	1 420.5	1 478.0	7.3%	7.2%	
Interest and rent on land	–	51.5	52.5	50.1	50.1		0.3%	60.7	63.7	67.0	10.1%	0.3%	
<b>Transfers and subsidies</b>	<b>6 895.5</b>	<b>7 536.6</b>	<b>10 838.6</b>	<b>11 974.1</b>	<b>11 717.4</b>	<b>19.3%</b>	<b>83.2%</b>	<b>13 372.1</b>	<b>14 286.2</b>	<b>17 507.3</b>	<b>14.3%</b>	<b>75.3%</b>	
Provinces and municipalities	6 460.1	7 078.6	10 357.7	11 246.6	10 989.9	19.4%	78.5%	12 343.3	13 188.3	16 349.9	14.2%	69.9%	
Departmental agencies and accounts	419.6	448.4	468.0	714.4	714.4	19.4%	4.6%	991.7	1 055.0	1 104.0	15.6%	5.1%	
Foreign governments and international organisations	11.1	9.4	10.5	11.4	11.4	1.1%	0.1%	12.0	12.8	13.3	5.4%	0.1%	
Non-profit institutions	0.1	0.1	0.1	0.1	0.1		0.0%	25.1	30.1	40.1	828.7%	0.1%	
Households	4.8	0.2	2.4	1.7	1.7	-29.5%	0.0%	–	–	–	-100.0%	0.0%	
<b>Payments for capital assets</b>	<b>8.2</b>	<b>12.8</b>	<b>90.8</b>	<b>2 080.5</b>	<b>1 292.3</b>	<b>439.9%</b>	<b>3.2%</b>	<b>1 950.1</b>	<b>3 164.0</b>	<b>2 906.3</b>	<b>31.0%</b>	<b>12.3%</b>	
Buildings and other fixed structures	–	5.9	85.3	2 072.4	1 284.2		3.1%	1 943.7	3 156.9	2 898.5	31.2%	12.3%	
Machinery and equipment	6.6	5.6	5.4	8.0	8.0	6.6%	0.1%	6.4	7.0	7.7	-1.1%	0.0%	
Software and other intangible assets	1.6	1.2	0.1	0.1	0.1	-56.0%	0.0%	0.1	0.1	0.1	-23.8%	0.0%	
<b>Payments for financial assets</b>	<b>0.2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>			
<b>Total</b>	<b>7 854.3</b>	<b>8 677.9</b>	<b>12 900.9</b>	<b>16 204.0</b>	<b>15 034.8</b>	<b>24.2%</b>	<b>100.0%</b>	<b>17 591.9</b>	<b>19 941.3</b>	<b>23 023.6</b>	<b>15.3%</b>	<b>100.0%</b>	

## Personnel information

Table 15.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit	2012/13		Unit	2013/14		Unit	2014/15		Unit			2015/16		Unit	
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	2012/13 - 2015/16		
<b>Basic Education</b>																			
Salary level	749	4	682	266.2	0.4	698	315.0	0.5	749	349.5	0.5	749	372.4	0.5	749	393.5	0.5	2.4%	100.0%
1 – 6	204	2	193	32.3	0.2	194	37.7	0.2	204	41.5	0.2	204	44.2	0.2	204	46.6	0.2	1.7%	27.4%
7 – 10	283	–	259	81.3	0.3	260	94.4	0.4	284	104.8	0.4	284	112.2	0.4	284	118.0	0.4	3.0%	37.8%
11 – 12	163	–	147	79.1	0.5	155	91.2	0.6	162	101.8	0.6	162	107.9	0.7	162	114.7	0.7	1.5%	21.8%
13 – 16	99	2	83	73.5	0.9	89	91.7	1.0	99	101.4	1.0	99	108.1	1.1	99	114.1	1.2	3.6%	13.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on infrastructure funding in the form of transfers to provinces through the education infrastructure grant, and payments for capital assets for the school infrastructure backlogs conditional grant, where the department will take responsibility for the delivery of projects. These grants account for the bulk of spending increases over the medium term, particularly in spending in the *Planning, Information and Assessment* programme to further accelerate the delivery and improvement of schools infrastructure.

Increased spending on these grants also increased the department's spending by 48.7 per cent in 2011/12 and 25.6 per cent in 2012/13 as the department expedited the realisation of government's commitment to ensuring that learning and teaching take place in safe and secure buildings.

Operating payments within spending on goods and services are second only to infrastructure in terms of spending over the medium term and mainly provide funding for the Kha Ri Gude mass literacy project, which aims to reduce adult illiteracy by providing an additional 2 million adults with an opportunity to become literate over the medium term, and the provision of workbooks for grades 1 to 9 to improve learner performance in the foundational learning areas of literacy and numeracy. Operating payments also increased spending between 2009/10 and 2011/12 to provide for the expansion of the mass literacy project and additional allocations for the workbooks project.

The department has a funded establishment of 749, of which 698 were filled as at 30 September 2012. The number of filled posts increased from 682 in 2011/12 to 698 in 2012/13 due to the reconfiguration of the department and the implementation of the reviewed organisational structure based on the department's strategic plan. The department has four posts additional to the establishment. These posts are temporarily used in the ministry, mainly for project management. The ratio of support to line function staff is 1:3 and the number of consultants used as a percentage of department personnel is 1.9 per cent. There are 78 companies that are appointed as consultants for various projects, mainly in the *Curriculum Policy, Support and Monitoring* and the *Planning, Information and Assessment* programmes. Consultants provide services related to the development of adult literacy learning materials and workbooks, and support the infrastructure programme.

The 2013 Budget provides additional allocations of R34.4 million, R41.7 million and R876.6 million over the medium term as follows:

- R25 million, R30 million and R40 million for the national initiative to improve learning outcomes
- R8.2 million, R10.1 million and R14.5 million for improved conditions of service for the department
- R1.2 million, R1.6 million and R2.1 million for transfers to the Umalusi Council for Quality Assurance in General and Further Education and Training (Umalusi) for improved conditions of service

- R820 million in 2015/16 for the education infrastructure grant for Grade R classrooms to provide for the increased enrolments and to upgrade facilities at special schools and provide full services at ordinary schools for learners with special needs.

The department also effected Cabinet approved budget reductions and a reprioritisation of R316 million in 2013/14, R2.7 billion in 2014/15 and R6 billion in 2015/16, details of which are covered within each programme.

### Infrastructure spending

The education infrastructure grant is used to supplement the infrastructure programme in provinces to accelerate construction, maintenance, upgrading and rehabilitation of new and existing schools infrastructure. The grant is also used to enhance capacity to deliver infrastructure projects in education. R23.9 billion is allocated to this grant over the MTEF period. This includes an additional allocation of R820 million in 2015/16 to provide for the increase expected in Grade R enrolments, to upgrade facilities in special schools, and to provide full services at ordinary schools for learners with special needs.

R8.0 billion has been allocated over the MTEF period to the school infrastructure backlogs grant, which was introduced in 2011/12. The grant aims to eradicate and replace inappropriate schools infrastructure such as mud schools and other unsafe structures. It also aims to ensure that all schools have basic services such as water, sanitation and electricity. Over the medium term, these funds will be used to: replace inappropriate infrastructure in 496 schools, 395 of which are mud schools; and provide water to 1 257 schools, sanitation to 868 schools and electricity to 878 schools. Between the 2013/14 and 2014/15, 143 inappropriate schools are to be replaced with new schools and a further 203 inappropriate schools are to be replaced between 2014/15 and 2015/16.

R698.6 million has been allocated over the MTEF period for the technical secondary schools recapitalisation conditional grant to build, refurbish and resource new and existing teaching spaces such as technology workshops and classrooms. Under this grant, 31 new workshops will be built, 228 workshops will be refurbished, 267 workshops will be appropriately equipped and 1 538 technology teachers will be trained.

## Departmental receipts

Table 15.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
<b>Departmental receipts</b>	<b>705</b>	<b>1 660</b>	<b>12 731</b>	<b>10 794</b>	<b>8 829</b>	<b>132.2%</b>	<b>100.0%</b>	<b>10 797</b>	<b>6 533</b>	<b>1 870</b>	<b>-40.4%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>457</b>	<b>1 270</b>	<b>12 148</b>	<b>10 291</b>	<b>8 519</b>	<b>165.1%</b>	<b>93.6%</b>	<b>10 664</b>	<b>6 400</b>	<b>1 737</b>	<b>-41.1%</b>	<b>97.5%</b>
Sales by market establishments	-	214	121	120	120	-	1.9%	125	125	125	1.4%	1.8%
of which:												
Market establishment: Rental parking: Covered and open	-	214	121	120	120	-	1.9%	125	125	125	1.4%	1.8%
Administration fees	363	980	11 944	10 087	8 314	184.0%	90.3%	10 445	6 171	1 500	-43.5%	94.3%
of which:												
Services rendered: Exam certificates	363	980	1 198	950	1 100	44.7%	15.2%	1 000	1 200	1 500	10.9%	17.1%
Academic services: Course material	-	-	10 746	8 587	6 500	-	72.1%	9 445	4 971	-	-100.0%	74.6%
Sales: Tender documents	-	-	-	550	550	-	2.3%	-	-	-	-100.0%	2.0%
Sales: Entrance fees	-	-	-	-	164	-	0.7%	-	-	-	-100.0%	0.6%
Other sales	94	76	83	84	85	-3.3%	1.4%	94	104	112	9.6%	1.4%
of which:												
Services rendered: Commission on Insurance and gamishee	94	76	80	82	82	-4.5%	1.4%	92	102	110	10.3%	1.4%
Replacement of security card	-	-	3	2	3	-	-	2	2	2	-12.6%	-

Table 15.4 Receipts (continued)

R thousand	Audited outcome			Adjusted estimate 2012/13	Revised estimate	Average growth rate (%) 2009/10 - 2012/13	Receipt/total: Average (%) 2012/13	Medium-term receipts estimate			Average growth rate (%) 2012/13 - 2015/16	Receipt/total: Average (%) 2015/16
	2009/10	2010/11	2011/12					2013/14	2014/15	2015/16		
<b>Sales of scrap, waste, arms and other used current goods of which:</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>Waste paper</i>	21	-	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Transfers received</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18</b>	<b>6.3%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>
<b>Fines, penalties and forfeits</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest, dividends and rent on land</b>	<b>6</b>	<b>379</b>	<b>100</b>	<b>3</b>	<b>10</b>	<b>18.6%</b>	<b>2.1%</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>-33.1%</b>	<b>0.1%</b>
Interest	6	379	100	3	10	18.6%	2.1%	3	3	3	-33.1%	0.1%
<b>Sales of capital assets</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions in financial assets and liabilities</b>	<b>201</b>	<b>11</b>	<b>481</b>	<b>500</b>	<b>282</b>	<b>11.9%</b>	<b>4.1%</b>	<b>130</b>	<b>130</b>	<b>130</b>	<b>-22.8%</b>	<b>2.4%</b>
<b>Total</b>	<b>705</b>	<b>1 660</b>	<b>12 731</b>	<b>10 794</b>	<b>8 829</b>	<b>132.2%</b>	<b>100.0%</b>	<b>10 797</b>	<b>6 533</b>	<b>1 870</b>	<b>-40.4%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 15.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Ministry	24.5	21.6	24.7	22.1	-3.4%	9.3%	23.8	25.3	26.6	6.4%	7.1%
Department Management	16.1	23.2	33.4	54.2	49.7%	12.7%	55.2	58.7	61.9	4.6%	16.6%
Corporate Services	54.1	55.9	63.4	70.4	9.1%	24.5%	74.3	78.9	83.0	5.6%	22.1%
Office of the Chief Financial Officer	14.8	18.2	24.5	26.4	21.2%	8.4%	26.9	28.6	30.1	4.5%	8.1%
Internal Audit	1.6	1.5	2.4	4.5	41.3%	1.0%	5.5	5.9	6.2	11.3%	1.6%
Office Accommodation	39.6	126.7	130.1	142.1	53.1%	44.0%	149.8	158.8	166.1	5.4%	44.5%
<b>Total</b>	<b>150.8</b>	<b>247.0</b>	<b>278.6</b>	<b>319.6</b>	<b>28.4%</b>	<b>100.0%</b>	<b>335.6</b>	<b>356.3</b>	<b>373.9</b>	<b>5.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				10.0			(1.0)	(0.6)	0.6		

#### Economic classification

<b>Current payments</b>	<b>132.2</b>	<b>227.5</b>	<b>255.2</b>	<b>295.1</b>	<b>30.7%</b>	<b>91.4%</b>	<b>306.2</b>	<b>323.8</b>	<b>338.6</b>	<b>4.7%</b>	<b>91.2%</b>
Compensation of employees	58.5	63.9	80.7	102.7	20.6%	30.7%	109.8	117.1	123.6	6.4%	32.7%
Goods and services	73.6	112.1	122.0	142.3	24.6%	45.2%	135.7	143.0	148.0	1.3%	41.1%
<i>of which:</i>											
<i>Inventory: Stationery and printing</i>	1.9	2.7	2.4	10.5	77.6%	1.7%	7.1	7.6	8.1	-8.1%	2.4%
<i>Property payments</i>	10.8	66.4	67.4	77.2	92.9%	22.3%	71.2	74.7	76.2	-0.5%	21.6%
<i>Travel and subsistence</i>	10.5	8.9	13.2	14.4	11.2%	4.7%	13.5	14.3	15.3	2.1%	4.2%
<i>Operating payments</i>	1.3	1.2	0.6	0.4	-34.9%	0.3%	1.1	1.6	1.4	56.6%	0.3%
Interest and rent on land	-	51.5	52.5	50.1	-	15.5%	60.7	63.7	67.0	10.1%	17.4%
<b>Transfers and subsidies</b>	<b>14.8</b>	<b>9.5</b>	<b>11.0</b>	<b>11.6</b>	<b>-7.8%</b>	<b>4.7%</b>	<b>12.2</b>	<b>12.9</b>	<b>13.5</b>	<b>5.1%</b>	<b>3.6%</b>
Departmental agencies and accounts	0.1	0.1	0.2	0.2	12.5%	0.1%	0.2	0.2	0.2	-	0.1%
Foreign governments and international organisations	11.1	9.4	10.5	11.4	1.1%	4.2%	12.0	12.8	13.3	5.4%	3.6%
Households	3.7	0.0	0.4	0.0	-76.6%	0.4%	-	-	-	-100.0%	-

**Table 15.5 Administration (continued)**

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Payments for capital assets</b>	<b>3.8</b>	<b>10.0</b>	<b>12.4</b>	<b>12.9</b>	<b>50.1%</b>	<b>3.9%</b>	<b>17.2</b>	<b>19.5</b>	<b>21.8</b>	<b>19.2%</b>	<b>5.2%</b>
Buildings and other fixed structures	–	5.9	9.2	7.4	–	2.3%	12.6	14.6	16.9	31.8%	3.7%
Machinery and equipment	3.4	3.9	3.1	5.4	15.8%	1.6%	4.5	4.9	4.9	-3.3%	1.4%
Software and other intangible assets	0.4	0.2	0.1	0.1	-27.4%	0.1%	0.1	0.1	0.1	-23.8%	–
<b>Total</b>	<b>150.8</b>	<b>247.0</b>	<b>278.6</b>	<b>319.6</b>	<b>28.4%</b>	<b>100.0%</b>	<b>335.6</b>	<b>356.3</b>	<b>373.9</b>	<b>5.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.9%</b>	<b>2.8%</b>	<b>2.2%</b>	<b>2.0%</b>			<b>1.9%</b>	<b>1.8%</b>	<b>1.6%</b>		

**Details of selected transfers and subsidies**

Households	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Social benefits</b>											
<b>Current</b>	<b>3.7</b>	<b>0.0</b>	<b>0.4</b>	<b>0.0</b>	<b>-76.6%</b>	<b>0.4%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>
Employee social benefits	3.7	0.0	0.4	0.0	-76.6%	0.4%	–	–	–	-100.0%	–
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>11.1</b>	<b>9.4</b>	<b>10.5</b>	<b>11.4</b>	<b>1.1%</b>	<b>4.2%</b>	<b>12.0</b>	<b>12.8</b>	<b>13.3</b>	<b>5.4%</b>	<b>3.6%</b>
United Nations Educational, Scientific and Cultural Organisation	11.0	9.2	10.5	11.3	0.7%	4.2%	11.9	12.6	13.2	5.4%	3.5%
Guidance Counselling and Youth Development Centre, Malawi	–	0.1	–	0.1	–	–	0.1	0.1	0.1	5.3%	–

**Personnel information****Table 15.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit	Cost	Number	Unit	Cost	Number	Unit	Cost	Number	Unit	Cost	Number	Unit	Cost			
<b>Administration</b>																			
<b>Salary level</b>	<b>246</b>	<b>4</b>	<b>228</b>	<b>80.7</b>	<b>0.4</b>	<b>230</b>	<b>99.7</b>	<b>0.4</b>	<b>246</b>	<b>109.8</b>	<b>0.4</b>	<b>246</b>	<b>117.1</b>	<b>0.5</b>	<b>246</b>	<b>123.6</b>	<b>0.5</b>	<b>2.3%</b>	<b>100.0%</b>
1 – 6	108	2	108	16.7	0.2	108	19.7	0.2	108	21.7	0.2	108	23.1	0.2	108	24.4	0.2	–	44.6%
7 – 10	72	–	67	19.1	0.3	62	24.6	0.4	72	27.1	0.4	72	28.8	0.4	72	30.5	0.4	5.1%	28.7%
11 – 12	30	–	23	14.4	0.6	29	18.9	0.7	30	20.8	0.7	30	22.2	0.7	30	23.5	0.8	1.1%	12.3%
13 – 16	36	2	30	30.5	1.0	31	36.6	1.2	36	40.3	1.1	36	42.9	1.2	36	45.3	1.3	5.1%	14.4%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

The bulk of spending in this programme over the medium term goes towards the *Office Accommodation* subprogramme, where the public private partnership unitary fee for the new office building that the department took occupation of in February 2010 is paid. The construction of the new office building also accounts for the high consultancy fees in 2009/10 and the marked increase in property payments and buildings and other fixed structures from 2010/11 onwards.

The increased expenditure in the *Department Management* subprogramme in 2012/13 was mainly due to the additional costs associated with section 100 interventions in Eastern Cape and Limpopo, where the department took over the management of the provincial education departments in these provinces. This required additional oversight related expenditure, which accounts for the increases in goods and services items such as consultants,



and travel and subsistence in 2011/12 onwards. This also accounted for the decrease in expenditure in the *Ministry* subprogramme in 2012/13, as funds were shifted from that subprogramme to the *Department Management* subprogramme to provide funding for the section 100 interventions.

As part of the Cabinet approved budget reductions, the department will reduce spending by R3.4 million, R3.6 million and R3.7 million over the medium term. These reductions will be effected in spending items such as goods and services by the department lessening its reliance on contractors and consultants.

This programme receives additional funding of R9.8 million over the medium term for improved conditions of service. The number of filled posts in this programme was 230 as at 30 September 2012 and this is expected to increase to 246 over the medium term as the department moves towards full functionality. Spending on consultants is equivalent to 1.6 per cent of total expenditure on compensation of employees in 2012/13. There are nine companies that are appointed as consultants in this programme, mostly to assist with the section 100 intervention in Eastern Cape and Limpopo, as well as with legal matters.

## Programme 2: Curriculum Policy, Support and Monitoring

### Objectives

- Reduce the number of illiterate adults in South Africa by 4.7 million by 2015/16 through the ongoing implementation of the Kha Ri Gude mass literacy campaign.
- Increase literacy and contribute to job creation by recruiting and training 41 000 volunteer educators and coordinators for the Kha Ri Gude mass literacy campaign in 2013/14.
- Improve learning outcomes by ensuring that 96 per cent of Grade 1 learners who start at public schools in January 2014 have participated in a reception year programme (Grade R).
- Improve the implementation of inclusive education by developing training programmes for teachers and providing access to learning and teaching resource material for special schools in 2013/14.
- Improve the learning and teaching of critical foundational skills by developing, printing and distributing literacy/languages, numeracy/mathematics, and English first additional language workbooks to all learners from grades R to 9 in time for them to be used at the start of the 2014 school year; and monitoring and supporting delivery, utilisation and the impact of workbooks in grades R to 9 in 2013/14.

### Subprogrammes

- *Programme Management: Curriculum Policy, Support and Monitoring* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 3 in 2012/13.
- *Curriculum Implementation and Monitoring* supports and monitors the implementation of the national curriculum statement for grades R to 12 as well as the phasing in of the curriculum assessment policy statement. In 2013/14, focus will be placed on compiling Grade 12 exemplars for assessment at a cost of R1.7 million, and providing support to registered early childhood development centres so that universal enrolment in Grade R can be achieved by 2014, at a cost of R2.9 million. This subprogramme had a staff complement of 51 in 2012/13.
- *Kha Ri Gude Literacy Project* expands the provision of basic literacy education to adults. There are currently 42 607 registered volunteer educators, supervisors, coordinators and monitors. In 2012/13, R395.3 million was used to pay stipends to volunteers, who have provided for more than 532 000 adults to gain literacy and numeracy skills. This subprogramme had a staff complement of 11 in 2012/13.
- *Curriculum and Quality Enhancement Programmes* is discussed in more detail below.

## Expenditure estimates

Table 15.7 Curriculum Policy, Support and Monitoring

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Programme Management: Curriculum Policy, Support and Monitoring	1.6	0.8	2.0	3.8	33.3%	0.2%	3.3	3.5	3.7	-1.1%	0.2%
Curriculum Implementation and Monitoring	51.3	24.7	27.2	29.7	-16.7%	3.3%	34.2	36.4	38.4	8.9%	2.2%
Kha Ri Gude Literacy Project	443.2	466.8	497.3	590.0	10.0%	48.9%	608.9	644.9	674.7	4.6%	40.2%
Curriculum and Quality Enhancement Programmes	68.1	180.6	895.4	803.4	127.7%	47.7%	877.2	934.5	977.8	6.8%	57.4%
<b>Total</b>	<b>564.2</b>	<b>672.9</b>	<b>1 421.9</b>	<b>1 426.9</b>	<b>36.2%</b>	<b>100.0%</b>	<b>1 523.6</b>	<b>1 619.3</b>	<b>1 694.6</b>	<b>5.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(10.7)			1.6	2.0	2.9		

## Economic classification

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
<b>Current payments</b>	<b>563.0</b>	<b>672.3</b>	<b>1 421.4</b>	<b>1 426.2</b>	<b>36.3%</b>	<b>99.9%</b>	<b>1 523.1</b>	<b>1 618.7</b>	<b>1 694.0</b>	<b>5.9%</b>	<b>100.0%</b>
Compensation of employees	41.4	52.0	63.9	65.9	16.8%	5.5%	72.8	77.5	81.9	7.5%	4.8%
Goods and services	521.6	620.4	1 357.5	1 360.3	37.6%	94.5%	1 450.3	1 541.2	1 612.1	5.8%	95.2%
<i>of which:</i>											
<i>Inventory: Stationery and printing</i>	70.2	32.0	508.0	56.8	-6.8%	16.3%	44.8	55.5	65.2	4.7%	3.5%
<i>Travel and subsistence</i>	8.8	4.9	16.9	8.2	-2.2%	1.0%	6.9	7.4	8.0	-0.7%	0.5%
<i>Operating payments</i>	392.8	541.7	784.0	1 238.9	46.7%	72.4%	1 339.0	1 414.6	1 472.3	5.9%	87.2%
<b>Transfers and subsidies</b>	<b>1.0</b>	<b>0.1</b>	<b>0.2</b>	<b>0.0</b>	<b>-77.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Departmental agencies and accounts	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Households	1.0	0.1	0.2	0.0	-77.4%	-	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.4</b>	<b>0.3</b>	<b>0.7</b>	<b>77.7%</b>	<b>-</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>-7.8%</b>	<b>-</b>
Machinery and equipment	0.1	0.4	0.3	0.7	81.1%	-	0.6	0.6	0.6	-7.8%	-
<b>Payments for financial assets</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>564.2</b>	<b>672.9</b>	<b>1 421.9</b>	<b>1 426.9</b>	<b>36.2%</b>	<b>100.0%</b>	<b>1 523.6</b>	<b>1 619.3</b>	<b>1 694.6</b>	<b>5.9%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	7.2%	7.8%	11.0%	8.8%			8.7%	8.1%	7.4%		

## Personnel information

Table 15.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	Unit	Cost	2012/13	Unit	Cost	2013/14	Unit	Cost	2014/15	Unit	Cost			2015/16	Unit	Cost
Curriculum Policy, Support and Monitoring																			
Salary level	100	-	96	45.7	0.5	96	50.3	0.5	100	55.2	0.6	100	58.9	0.6	100	62.1	0.6	1.4%	100.0%
1 - 6	22	-	22	4.4	0.2	22	4.6	0.2	22	5.0	0.2	22	5.4	0.2	22	5.7	0.3	-	22.2%
7 - 10	20	-	20	6.6	0.3	20	6.8	0.3	20	7.5	0.4	20	8.0	0.4	20	8.4	0.4	-	20.2%
11 - 12	42	-	38	22.1	0.6	38	24.2	0.6	42	26.6	0.6	42	28.4	0.7	42	30.0	0.7	3.4%	41.4%
13 - 16	16	-	16	12.7	0.8	16	14.7	0.9	16	16.1	1.0	16	17.1	1.1	16	18.1	1.1	-	16.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on implementing specific interventions to improve educational outcomes, such as developing, printing and distributing workbooks for grades R to 9, the details of which are discussed in the following section. Other projects such as the Kha Ri Gude mass literacy project will also be prioritised as they are projected to expand over the medium term through the expanded public works programme incentive grant, which was introduced in 2011/12.

Between 2009/10 and 2012/13, the overall increase in expenditure was mainly due to allocations for the Kha Ri Gude project in 2008/09 and workbooks in 2010/11. Expenditure on these key projects is also reflected in the growth in expenditure on goods and services over this period, as well as the sustained expenditure pattern over the medium term. The *Kha Ri Gude Literacy Project* subprogramme, which is allocated R1.9 billion over the medium term, has to date provided 2.9 million adults with the opportunity of becoming numerate and literate in one of the 11 official languages. In 2012/13, the project registered 665 246 additional learners and provided a stipend to 42 607 volunteer facilitators. The project is expected to reach the initial target of 4.7 million adult learners by March 2016.

This programme receives additional funding of R6.5 million over the medium term for improved conditions of service. There were 96 filled posts in this programme as at 30 September 2012, with the number increasing to 100 by 2013/14 as full functionality is established. Spending on consultants is equivalent to 7.2 per cent of total expenditure on compensation of employees in 2012/13. There are 44 companies appointed as consultants, mainly for the development and distribution of workbooks.

## Subprogramme: Curriculum and Quality Enhancement Programmes

This subprogramme supports programmes that enhance curriculum outcomes in the basic education system. A key project is the development of literacy and numeracy workbooks. Other activities include curriculum enhancement programmes using ICT, establishing e-learning in schools, evaluating school performance, providing workbooks and textbooks, and developing and implementing policy.

## Expenditure estimates

**Table 15.9 Curriculum and Quality Enhancement Programmes**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16	
<b>Current payments</b>	<b>67.2</b>	<b>180.4</b>	<b>895.3</b>	<b>802.9</b>	<b>128.7%</b>	<b>99.9%</b>	<b>877.0</b>	<b>934.3</b>	<b>977.6</b>	<b>6.8%</b>	<b>100.0%</b>
Compensation of employees	10.9	24.4	32.6	30.6	41.0%	5.1%	32.4	34.5	36.4	6.0%	3.7%
Goods and services	56.2	156.0	862.7	772.4	139.5%	94.9%	844.6	899.8	941.2	6.8%	96.2%
<i>of which:</i>											
<i>Inventory: Stationery and printing</i>	25.4	9.0	503.5	0.4	-75.1%	27.6%	0.4	0.5	0.5	6.4%	-
<i>Travel and subsistence</i>	1.0	1.6	13.0	1.5	13.5%	0.9%	1.4	1.5	1.7	3.6%	0.2%
<i>Operating payments</i>	24.7	141.5	336.3	763.4	214.0%	65.0%	835.8	890.2	930.8	6.8%	95.2%
<b>Transfers and subsidies</b>	<b>0.9</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>-76.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Households	0.9	-	-	0.0	-76.8%	-	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>0.4</b>	<b>94.9%</b>	<b>-</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>-16.2%</b>	<b>-</b>
Machinery and equipment	0.1	0.2	0.1	0.4	94.9%	-	0.3	0.2	0.2	-16.2%	-
<b>Total</b>	<b>68.1</b>	<b>180.6</b>	<b>895.4</b>	<b>803.4</b>	<b>127.7%</b>	<b>100.0%</b>	<b>877.2</b>	<b>934.5</b>	<b>977.8</b>	<b>6.8%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>12.1%</b>	<b>26.8%</b>	<b>63.0%</b>	<b>56.3%</b>			<b>57.6%</b>	<b>57.7%</b>	<b>57.7%</b>		

## Personnel information

**Table 15.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost
Curriculum and Quality Enhancement Programmes			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16	
Salary level	31	–	31	14.4	0.5	31	13.4	0.4	31	14.8	0.5	31	15.8	0.5	31	16.7	0.5	–	100.0%
1 – 6	10	–	10	2.2	0.2	10	2.1	0.2	10	2.3	0.2	10	2.5	0.2	10	2.6	0.3	–	32.3%
7 – 10	9	–	9	3.4	0.4	9	3.2	0.4	9	3.5	0.4	9	3.7	0.4	9	3.9	0.4	–	29.0%
11 – 12	8	–	8	5.1	0.6	8	4.8	0.6	8	5.3	0.7	8	5.6	0.7	8	5.9	0.7	–	25.8%
13 – 16	4	–	4	3.6	0.9	4	3.4	0.8	4	3.7	0.9	4	4.0	1.0	4	4.2	1.0	–	12.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The bulk of spending in this subprogramme goes towards the workbooks project, which is mainly responsible for the increased spending on goods and services between 2009/10 and 2012/13. The department was allocated R756.2 million in 2012/13 for this purpose, which resulted in 26 000 literacy and numeracy workbooks for grades 1 to 9 being developed and printed in all 11 official languages and then delivered to all public schools in preparation for the 2013 academic year.

R2.7 billion is allocated for workbooks over the medium term, which will allow for the continued development and distribution of literacy and numeracy workbooks and related support material for grades 1 to 9. Through savings from developing content in-house, the department plans to expand the scope of the workbooks project over the medium term to also develop and print workbooks in natural sciences and technology for grades 4 to 9.

This subprogramme receives additional funding of R2.9 million in the 2013 Budget for improved conditions of service. As at 30 September 2012, this subprogramme had 31 filled posts and this is not expected to change over the medium term. Spending on consultants is equivalent to 7.2 per cent of total expenditure on compensation of employees in 2012/13. In the same year, 44 companies were appointed as consultants, mainly for the developing, printing, translating, converting to Braille, and distributing workbooks for some grades.

## Programme 3: Teachers, Education Human Resources and Institutional Development

### Objectives

- Improve teaching by maintaining good labour relations between the employer and teachers by consulting and collective bargaining with teacher trade unions, and evaluating the implementation of all collective agreements by provinces annually over the MTEF period.
- Strengthening teaching and learning by monitoring the implementation of the integrated quality management system through 8 000 school visits by external moderators, and providing each of the schools visited with recommendations and a written report on their findings each year.
- Improve overall school performance and the effectiveness of schools by 2014 by:
  - undertaking 128 school visits to monitor the implementation of whole school evaluation policies and reviewing the existing whole school evaluation policies
  - reviewing whole school evaluation instruments
  - training new supervisors as and when the need arises.
- Improve the quality of teaching and learning by ensuring an adequate supply of young, inspired and qualified recruits in the system by offering Funza Lushaka bursaries to prospective teachers, targeting the awarding of 14 500 bursaries in 2013/14.

- Improve classroom management, teaching and learning over the medium term by:
  - ensuring the demand for teachers is accurately determined through the framework’s new demand and supply projection outline
  - ensuring 77 per cent of learners are in classes with not more than 45 learners per class
  - setting and maintaining norms and standards for teacher distribution and utilisation.
- Improve teacher performance in mathematics and English first additional language by providing self-appraisal tools and an updated guide of available teacher development programmes in these subjects to teachers in 2013/14.
- Improve school management by piloting training materials to provide induction training for newly appointed school principals in 2013/14.
- Improve school governance by providing an updated and comprehensive training manual in 2013/14 aimed at informing parents about their rights and duties to improve their levels of participation in school governance.

### Subprogrammes

- *Programme Management: Teachers, Education Human Resources and Institutional Development* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 3 in 2012/13.
- *Education Human Resources Management* is responsible for education human resources planning, provisioning and monitoring; educator performance management and development; whole school evaluation; and education labour relations and conditions of service. In 2012/13, R37.4 million was spent on the integrated quality management system project, in which moderators visited 2 337 schools in the first quarter of 2012. In the second and third quarters, moderators were deployed for data collection in Eastern Cape, where 5 853 schools were visited at an approximate cost of R7 million. This subprogramme had a staff complement of 96 in 2012/13.
- *Education Human Resources Development* oversees the integrated strategic planning framework for teacher education and development in South Africa and translates it into a wide range of teacher development materials and collaborative professional development activities, directs the teacher recruitment campaign, and improves district support to schools for effective teaching and learning. In 2012/13, R671.9 million was spent on the Funza Lushaka bursary programme, which provided bursaries to 11 455 students, of which approximately 2 600 will enter the teaching profession in 2013. This subprogramme had a staff complement of 26 in 2012/13.
- *Curriculum and Professional Development Unit* manages and develops innovative programmes for an effective teacher development system. This entails curriculum research, teacher development research and teacher development implementation. The integrated strategic planning framework for teacher education and development provides strategic direction for the work of the National Institute for Curriculum and Professional Development, which is also located in this subprogramme. In 2012/13, work on the development of teacher diagnostic assessment tools and short courses in selected subjects was completed. This subprogramme had a staff complement of 8 in 2012/13.

## Expenditure estimates

Table 15.11 Teachers, Education Human Resources and Institutional Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Programme Management: Teachers, Education Human Resources and Institutional Development	3.0	3.1	3.0	2.8	-2.4%	0.5%	2.4	2.5	2.6	-2.2%	0.3%
Education Human Resources Management	38.8	39.2	45.3	51.4	9.8%	7.3%	55.5	59.0	62.2	6.6%	5.7%
Education Human Resources Development	455.7	444.3	489.3	799.3	20.6%	91.8%	913.6	968.5	1 013.2	8.2%	92.8%
Curriculum and Professional Development Unit	-	-	-	8.0	-	0.3%	13.2	14.1	14.8	23.0%	1.3%
<b>Total</b>	<b>497.5</b>	<b>486.6</b>	<b>537.6</b>	<b>861.5</b>	<b>20.1%</b>	<b>100.0%</b>	<b>984.7</b>	<b>1 044.1</b>	<b>1 092.8</b>	<b>8.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				105.9			1.5	1.9	2.7		

## Economic classification

<b>Current payments</b>	<b>95.7</b>	<b>61.3</b>	<b>87.9</b>	<b>187.7</b>	<b>25.2%</b>	<b>18.1%</b>	<b>90.5</b>	<b>96.0</b>	<b>101.3</b>	<b>-18.6%</b>	<b>11.9%</b>
Compensation of employees	46.6	46.6	51.7	60.6	9.2%	8.6%	69.2	73.7	77.8	8.7%	7.1%
Goods and services	49.1	14.7	36.2	127.1	37.3%	9.5%	21.3	22.3	23.5	-43.0%	4.9%
<i>of which:</i>											
<i>Inventory: Stationery and printing</i>	2.3	0.9	4.3	6.6	42.9%	0.6%	1.5	1.7	1.8	-35.3%	0.3%
<i>Travel and subsistence</i>	8.1	9.4	21.5	25.9	47.4%	2.7%	12.8	13.5	14.2	-18.2%	1.7%
<i>Operating payments</i>	1.3	0.1	0.3	41.7	213.9%	1.8%	0.1	0.0	0.1	-88.3%	1.1%
<b>Transfers and subsidies</b>	<b>401.6</b>	<b>425.0</b>	<b>449.5</b>	<b>673.4</b>	<b>18.8%</b>	<b>81.8%</b>	<b>893.9</b>	<b>947.5</b>	<b>991.1</b>	<b>13.7%</b>	<b>88.0%</b>
Departmental agencies and accounts	401.5	425.0	449.4	671.9	18.7%	81.7%	893.9	947.5	991.1	13.8%	88.0%
Households	0.1	-	0.1	1.5	131.9%	0.1%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.3</b>	<b>0.2</b>	<b>0.4</b>	<b>25.8%</b>	<b>-</b>	<b>0.4</b>	<b>0.6</b>	<b>0.4</b>	<b>2.5%</b>	<b>-</b>
Machinery and equipment	0.2	0.3	0.2	0.4	25.8%	-	0.4	0.6	0.4	2.5%	-
<b>Total</b>	<b>497.5</b>	<b>486.6</b>	<b>537.6</b>	<b>861.5</b>	<b>20.1%</b>	<b>100.0%</b>	<b>984.7</b>	<b>1 044.1</b>	<b>1 092.8</b>	<b>8.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>6.3%</b>	<b>5.6%</b>	<b>4.2%</b>	<b>5.3%</b>			<b>5.6%</b>	<b>5.2%</b>	<b>4.7%</b>		

## Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>401.5</b>	<b>425.0</b>	<b>449.4</b>	<b>671.9</b>	<b>18.7%</b>	<b>81.7%</b>	<b>893.9</b>	<b>947.5</b>	<b>991.1</b>	<b>13.8%</b>	<b>88.0%</b>
South African Council for Educators	1.5	1.0	-	-	-100.0%	0.1%	-	-	-	-	-
National Student Financial Aid Scheme	400.0	424.0	449.4	671.9	18.9%	81.6%	893.9	947.5	991.1	13.8%	88.0%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>	<b>1.5</b>	<b>131.9%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Employee social benefits	0.1	-	0.1	1.5	131.9%	0.1%	-	-	-	-100.0%	-

## Personnel information

**Table 15.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Teachers, Education Human Resources and Institutional Development		Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost			
Salary level	150	-	124	51.7	0.4	133	63.4	0.5	150	69.2	0.5	150	73.7	0.5	150	77.8	0.5	4.1%	100.0%
1-6	9	-	6	1.3	0.2	7	1.8	0.3	9	2.0	0.2	9	2.2	0.2	9	2.3	0.3	8.7%	5.8%
7-10	98	-	81	28.6	0.4	84	33.3	0.4	98	36.2	0.4	98	38.6	0.4	98	40.7	0.4	5.3%	64.8%
11-12	29	-	27	13.4	0.5	29	15.9	0.5	29	17.3	0.6	29	18.5	0.6	29	19.5	0.7	-	19.9%
13-16	14	-	10	8.3	0.8	13	12.4	1.0	14	13.6	1.0	14	14.5	1.0	14	15.3	1.1	2.5%	9.4%

## Expenditure trends

The bulk of spending in this programme goes towards funding for the Funza Lushaka bursary scheme, which is also the main driver of spending increases over the seven-year period due to additional funds allocated to attract new teachers to the teaching profession. The bursary scheme, which is administered by the National Student Financial Aid Scheme, aims to address the shortage of teachers in specific areas such as mathematics, science and technology. Spending on the bursary scheme, reflected in transfers and subsidies, increased from R400 million in 2009/10, when 9 190 bursaries were awarded, to R671.9 million in 2012/13, when 11 455 bursaries were awarded. This also accounts for the increases reflected in the *Education Human Resources Development* subprogramme. Projections indicate that more than 39 500 bursaries will be awarded over the medium term at a cost of R2.8 billion.

The department received additional funds in the 2012 Budget for the establishment of the curriculum and professional development unit, which accounts for the increased expenditure in the *Curriculum and Professional Development Unit* subprogramme over the medium term.

In 2012/13, R37 million was spent to allow the department to conduct 9 500 school visits to monitor the implementation of the integrated quality management system. Included in this figure were 5 853 visits to all schools in Eastern Cape, where moderators also collected data to assess the current situation on the provision and use of resources in provinces. This activity is mainly responsible for travel and subsistence expenditure and the fluctuation in expenditure on this item until 2011/12 is due to the delay in filling vacancies before 2011/12.

The increase in travel and subsistence expenditure in 2011/12 and 2012/13 is also due to the support provided to provinces by the *Education Human Resources Management* subprogramme as part of the section 100 intervention in Eastern Cape and Limpopo. Responsibilities in this regard are expected to decrease in 2013/14, which accounts for the decrease in expenditure over the medium term.

The increase in training and development and operating payments in 2012/13 is due to the shifting of funds from the allocation for workbooks in the *Curriculum Policy, Support and Monitoring* programme for the training of teachers in the utilisation of the literacy and numeracy workbooks, which also accounts for the increase in expenditure on goods and services in 2012/13.

This programme receives additional funding of R6.2 million in the 2013 Budget for improved conditions of service. As at 30 September 2012, the programme had 133 filled posts, which is expected to increase to 150 by 2013/14 as the integrated quality management system project and curriculum and professional development unit become fully operational in 2013/14. Spending on consultants is equivalent to 21.8 per cent of total expenditure on compensation of employees in 2012/13. Consultants are mainly used to support activities of the curriculum professional development unit.

## Programme 4: Planning, Information and Assessment

### Objectives

- Improve the delivery of school infrastructure over the MTEF period by providing the necessary oversight and support to provinces.
- Facilitate teaching and learning through improving and upgrading infrastructure by:
  - building 496 schools to replace all unsafe school structures
  - providing electricity to 878 schools
  - providing water to 1 257 schools
  - providing sanitation to 888 schools by December 2014.
- Improve literacy and numeracy by providing independently moderated literacy, language and mathematics tests and reports for all learners in grades 3, 6 and 9 by September of each year, and using these results to direct appropriate support to schools in the following year.
- Improve learner performance in Grade 12 in 2013/14 by providing comprehensive Grade 12 subject reports based on the findings of Grade 12 markers of the 2012 examinations, and to repeat this annually over the MTEF period.
- Improve the ability of the education sector to respond to enrolment and performance shifts by ensuring that the national learner unit record information system is credible by capturing details of all learners in public ordinary and special schools in the 2013 school year.
- Improve school performance outcome by increasing the number of schools benefiting from the Adopt-a-School programme linked to the National Economic Development and Labour Council's Accord on Basic Education, from the current 170 schools to 1 000 schools over the MTEF period.
- Facilitate school improvement through systemic evaluation in 2013/14 by:
  - evaluating not less than 135 schools, 30 districts and all provincial offices
  - providing reports for every site evaluated
  - providing an overall national report highlighting critical factors inhibiting school improvement and undermining the attainment of sector goals
  - providing clear recommendations to enable the system to take the necessary corrective actions.

### Subprogrammes

- *Programme Management: Planning, Information and Assessment* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 3 in 2012/13.
- *Information Management Systems* develops systems and procedures to support and maintain the integrated education management system based on individual learner records, and reports on the implementation of the education information policy in the basic education sector. In 2012/13, R14.2 million was used for the education management information system project, which provides accurate enrolment numbers and will track individual learner movement within the system between schools, provinces and grades. By the end of 2012/13, it is expected that approximately 12 million learners will have been captured by the learner unit record information and tracking system and that all learners at public ordinary schools will be on the system as from 2013/14. This subprogramme had a staff complement of 25 in 2012/13.
- *Financial and Physical Planning* is discussed in more detail below.
- *National Assessments and Public Examinations* is discussed in more detail below.
- *National Education Evaluation and Development Unit* facilitates school improvement through systemic evaluation. The unit also evaluates how provincial and national departments monitor and evaluate schools and how well schools, school governing bodies and teachers are supported. This entails identifying the critical factors that inhibit or advance the attainment of sector goals, as well as those factors that inhibit or advance school improvement; and making focused recommendations for addressing the problem areas that undermine school improvement and the attainment of sector goals. The unit will have evaluated 135 schools,



30 districts and all provincial offices by the end of the 2013/14. This subprogramme had a staff complement of 14 in 2012/13.

- *Planning and Delivery Oversight Unit* assists the department in meeting objectives by monitoring the planning and delivery of selected priorities and assisting provinces in this regard. The unit will work with and through provinces to ensure that provincial initiatives are aligned with national priorities, and will provide institutional support for their effective delivery. This subprogramme had a staff complement of 30 in 2012/13.

## Expenditure estimates

**Table 15.13 Planning, Information and Assessment**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
R million											
Programme Management: Planning, Information and Assessment	0.7	0.2	0.8	2.4	48.6%	-	2.4	2.6	2.7	4.1%	-
Information Management Systems	32.1	25.0	29.7	30.4	-1.8%	0.6%	30.2	32.1	33.7	3.4%	0.3%
Financial and Physical Planning	3 898.6	3 177.9	5 403.6	7 902.1	26.6%	96.8%	8 602.9	10 347.5	12 989.9	18.0%	96.1%
National Assessments and Public Examinations	98.0	109.2	123.1	160.1	17.7%	2.3%	291.3	393.1	411.9	37.0%	3.0%
National Education Evaluation and Development Unit	0.9	3.1	6.6	16.8	168.0%	0.1%	13.4	14.2	14.9	-3.8%	0.1%
Planning and Delivery Oversight Unit	3.8	5.1	11.0	15.3	58.8%	0.2%	48.8	55.3	66.7	63.5%	0.4%
<b>Total</b>	<b>4 034.2</b>	<b>3 320.5</b>	<b>5 574.8</b>	<b>8 127.1</b>	<b>26.3%</b>	<b>100.0%</b>	<b>8 989.0</b>	<b>10 844.8</b>	<b>13 519.8</b>	<b>18.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(243.1)			(2 771.9)	(1 406.1)	1 200.9		
<b>Economic classification</b>											
<b>Current payments</b>	<b>127.7</b>	<b>133.0</b>	<b>167.6</b>	<b>195.9</b>	<b>15.3%</b>	<b>3.0%</b>	<b>303.8</b>	<b>403.6</b>	<b>424.4</b>	<b>29.4%</b>	<b>3.2%</b>
Compensation of employees	60.6	66.4	71.6	97.9	17.3%	1.4%	105.8	112.7	119.1	6.7%	1.0%
Goods and services	67.1	66.6	96.0	98.0	13.5%	1.6%	198.0	290.9	305.4	46.0%	2.2%
of which:											
<i>Inventory: Stationery and printing</i>	7.6	1.4	1.3	12.7	18.8%	0.1%	77.9	142.9	150.6	127.8%	0.9%
<i>Travel and subsistence</i>	22.0	19.0	40.5	40.8	22.9%	0.6%	49.2	51.8	53.7	9.5%	0.5%
<i>Operating payments</i>	2.7	14.0	3.7	0.5	-41.3%	0.1%	3.6	4.3	4.2	97.1%	-
<b>Transfers and subsidies</b>	<b>3 902.6</b>	<b>3 186.1</b>	<b>5 329.6</b>	<b>5 864.8</b>	<b>14.5%</b>	<b>86.8%</b>	<b>6 753.3</b>	<b>7 298.1</b>	<b>10 212.0</b>	<b>20.3%</b>	<b>72.6%</b>
Provinces and municipalities	3 884.7	3 162.8	5 311.1	5 822.4	14.4%	86.3%	6 630.7	7 160.7	10 059.3	20.0%	71.5%
Departmental agencies and accounts	17.9	23.3	18.4	42.3	33.3%	0.5%	97.7	107.4	112.7	38.6%	0.9%
Non-profit institutions	-	-	-	-	-	-	25.0	30.0	40.0	-	0.2%
Households	0.0	0.1	0.1	0.1	39.9%	-	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>3.9</b>	<b>1.3</b>	<b>77.7</b>	<b>2 066.4</b>	<b>711.8%</b>	<b>10.2%</b>	<b>1 931.8</b>	<b>3 143.1</b>	<b>2 883.3</b>	<b>11.7%</b>	<b>24.2%</b>
Buildings and other fixed structures	-	-	76.1	2 065.0	-	10.2%	1 931.1	3 142.3	2 881.6	11.7%	24.2%
Machinery and equipment	2.6	0.4	1.6	1.4	-19.7%	-	0.7	0.8	1.7	8.9%	-
Software and other intangible assets	1.3	0.9	-	-	-100.0%	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4 034.2</b>	<b>3 320.5</b>	<b>5 574.8</b>	<b>8 127.1</b>	<b>26.3%</b>	<b>100.0%</b>	<b>8 989.0</b>	<b>10 844.8</b>	<b>13 519.8</b>	<b>18.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>51.4%</b>	<b>38.3%</b>	<b>43.2%</b>	<b>50.2%</b>			<b>51.1%</b>	<b>54.4%</b>	<b>58.7%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>17.9</b>	<b>23.3</b>	<b>18.4</b>	<b>42.3</b>	<b>33.3%</b>	<b>0.5%</b>	<b>97.7</b>	<b>107.4</b>	<b>112.7</b>	<b>38.6%</b>	<b>0.9%</b>
Umalusi Council for Quality Assurance in General and Further Education and Training	16.5	17.4	18.4	42.3	36.9%	0.4%	97.7	107.4	112.7	38.6%	0.9%
Human Sciences Research Council	1.4	5.9	-	-	-100.0%	-	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25.0</b>	<b>30.0</b>	<b>40.0</b>	<b>-</b>	<b>0.2%</b>
National initiative to improve learning outcomes	-	-	-	-	-	-	25.0	30.0	40.0	-	0.2%
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Capital</b>	<b>3 884.7</b>	<b>3 162.8</b>	<b>5 311.1</b>	<b>5 822.4</b>	<b>14.4%</b>	<b>86.3%</b>	<b>6 630.7</b>	<b>7 160.7</b>	<b>10 059.3</b>	<b>20.0%</b>	<b>71.5%</b>
Education infrastructure grant	3 884.7	3 162.8	5 311.1	5 822.4	14.4%	86.3%	6 630.7	7 160.7	10 059.3	20.0%	71.5%

## Personnel information

Table 15.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Planning, Information and Assessment		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	187	–	169	60.6	0.4	173	72.7	0.4	187	83.5	0.4	187	89.1	0.5	187	94.3	0.5	2.6%	100.0%
1 – 6	54	–	46	8.1	0.2	46	9.6	0.2	54	10.6	0.2	54	11.3	0.2	54	11.9	0.2	5.5%	28.3%
7 – 10	65	–	63	18.2	0.3	65	20.1	0.3	65	23.5	0.4	65	25.6	0.4	65	26.6	0.4	–	35.4%
11 – 12	45	–	42	20.8	0.5	43	23.5	0.5	45	27.4	0.6	45	28.7	0.6	45	31.0	0.7	1.5%	24.3%
13 – 16	23	–	18	13.4	0.7	19	19.4	1.0	23	22.0	1.0	23	23.4	1.0	23	24.7	1.1	6.6%	12.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The bulk of expenditure in this programme goes towards the education infrastructure grant and the school infrastructure backlogs grant, which are discussed in more detail in the section that follows. The second largest item of expenditure, the *National Assessments and Public Examinations* subprogramme, is also discussed in more detail below. The spending in the rest of the programme, excluding these two items, is mainly on developing systems and procedures to support and maintain the integrated education management system, reporting on the implementation of the education information policy in the basic education sector, monitoring the planning and delivery of selected priorities, and assisting provinces where required.

Increased spending on travel and subsistence, particularly in 2011/12 and 2012/13, allowed the national education evaluation development unit to visit and evaluate 135 schools. The increased spending on this item over the medium term will allow the unit to evaluate a further 490 schools as this unit's functionality is fully established over this period.

This programme receives additional funding of R7.6 million in the 2013 Budget for improved conditions of service. As at 30 September 2012, this programme had 173 filled posts and plans to fill the 14 vacant posts over the medium term.

Spending on consultants is equivalent to 4.4 per cent of total expenditure on compensation of employees in 2012/13. Consultants are mainly used to provide technical assistance with the management of the education management information system. Spending on consultants is expected to increase to 23.6 per cent of expenditure on compensation of employees in 2013/14, mainly to provide specialised technical assistance with the management and implementation of the school infrastructure backlogs grant.

## Subprogramme: Financial and Physical Planning

This subprogramme focuses on cross-cutting issues, such as financial and physical resource planning, budgeting support and monitoring, and coordinating the implementation of national policy with provincial education departments. Since the introduction of the school infrastructure backlogs grant in 2011/12, 12 unsafe schools have been replaced, 106 schools have been provided with water, 144 schools with sanitation and 118 with electricity. In 2013/14, the school infrastructure backlogs grant will provide 1 069 schools with water, 714 schools with electricity and 514 with sanitation.

## Expenditure estimates

**Table 15.15 Financial and Physical Planning**

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome			2012/13				2009/10 - 2012/13	2013/14	2014/15		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
<b>Current payments</b>	<b>13.9</b>	<b>15.0</b>	<b>16.3</b>	<b>14.6</b>	<b>1.6%</b>	<b>0.3%</b>	<b>41.0</b>	<b>44.4</b>	<b>48.9</b>	<b>49.7%</b>	<b>0.4%</b>
Compensation of employees	12.5	13.9	14.5	12.7	0.5%	0.3%	16.6	17.8	19.0	14.3%	0.2%
Goods and services	1.4	1.1	1.8	1.9	9.8%	-	24.4	26.6	29.9	152.7%	0.2%
of which:											
Inventory: Stationery and printing	0.3	0.1	0.1	0.3	2.2%	-	0.3	0.3	0.4	2.9%	-
Travel and subsistence	0.4	0.6	1.3	1.1	38.9%	-	1.1	1.2	1.2	2.8%	-
Operating payments	0.0	0.1	0.0	0.0	-26.3%	-	0.0	0.0	0.0	65.1%	-
<b>Transfers and subsidies</b>	<b>3 884.7</b>	<b>3 162.8</b>	<b>5 311.1</b>	<b>5 822.4</b>	<b>14.4%</b>	<b>89.2%</b>	<b>6 630.7</b>	<b>7 160.7</b>	<b>10 059.3</b>	<b>20.0%</b>	<b>74.5%</b>
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.1</b>	<b>76.2</b>	<b>2 065.2</b>	<b>3311.8%</b>	<b>10.5%</b>	<b>1 931.2</b>	<b>3 142.4</b>	<b>2 881.7</b>	<b>11.7%</b>	<b>25.2%</b>
Machinery and equipment	0.1	0.1	0.1	0.2	43.6%	-	0.1	0.1	0.1	-15.8%	-
<b>Total</b>	<b>3 898.6</b>	<b>3 177.9</b>	<b>5 403.6</b>	<b>7 902.1</b>	<b>26.6%</b>	<b>100.0%</b>	<b>8 602.9</b>	<b>10 347.5</b>	<b>12 989.9</b>	<b>18.0%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>96.6%</b>	<b>95.7%</b>	<b>96.9%</b>	<b>97.2%</b>			<b>95.7%</b>	<b>95.4%</b>	<b>96.1%</b>		

## Personnel information

**Table 15.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Financial and Physical Planning		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Salary level</b>	<b>29</b>	<b>-</b>	<b>25</b>	<b>15</b>	<b>0.6</b>	<b>25</b>	<b>13</b>	<b>0.5</b>	<b>29</b>	<b>17</b>	<b>0.6</b>	<b>29</b>	<b>18</b>	<b>0.6</b>	<b>29</b>	<b>19</b>	<b>0.7</b>	<b>5.1%</b>	<b>100.0%</b>
1-6	4	-	2	1	0.4	2	1	0.4	4	1	0.2	4	1	0.2	4	1	0.2	26.0%	12.5%
7-10	11	-	11	3.8	0.3	11	3.3	0.3	11	4.9	0.4	11	5.3	0.5	11	5.7	0.5	-	39.3%
11-12	10	-	8	6.3	0.8	8	5.6	0.7	10	7.4	0.7	10	7.9	0.8	10	8.5	0.8	7.7%	33.9%
13-16	4	-	4	3.6	0.9	4	3.2	0.8	4	3.5	0.9	4	3.7	0.9	4	3.9	1.0	-	14.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The primary spending focus of this subprogramme is on the delivery of school infrastructure, either directly through the school infrastructure backlogs grant introduced in 2011/12, which is administered by the department, or indirectly through the education infrastructure grant transferred to provinces. The additional allocations provided for these two grants to accelerate the improvement and delivery of schools infrastructure account for the significant increases in expenditure from 2012/13 onwards.

As part of the Cabinet approved budget reductions and reprioritisations, mainly due to initial implementation delays, this subprogramme reduces spending by R1.65 billion (R650 million from the school infrastructure backlogs grant and R1 billion from the education infrastructure grant) and reprioritises R7.2 billion (R1.65 billion for the new universities in Mpumalanga and the Northern Cape, R1.1 billion for the community library services grant and R4.47 billion for the education infrastructure grant) over the medium term. R2.5 billion has also been rescheduled from the school infrastructure backlogs grant from 2013/14 to 2015/16. As a result, all planned projects in the school infrastructure backlogs grant will now be completed over a five-year period instead of three years.

R533 million is reallocated from the school infrastructure backlogs grant to the education infrastructure grant in 2013/14, where it is allocated to the Western Cape education department as the implementing agent for backlog related projects in the province. An additional R820 million is also allocated to the education infrastructure

grant in 2015/16, specifically for Grade R classrooms to accommodate increasing enrolments, upgrade facilities at special schools and provide full services for learners with special needs.

As a result of all the above shifts, the school infrastructure backlogs grant is allocated R8 billion and the education infrastructure grant is allocated R23.9 billion, over the MTEF period.

The subprogramme receives additional funding of R1.3 million over the medium term for improved conditions of service. As at 30 September 2012, this subprogramme had 25 filled posts, which is expected to increase to 29 over the medium term as the vacant positions are filled. There was no spending on consultants in this subprogramme in 2012/13, but consultants will be used to provide specialised technical assistance with the management and implementation of the school infrastructure backlogs grant in 2013/14.

### Subprogramme: National Assessments and Public Examinations

This subprogramme promotes the integrity of national school assessments and examinations by setting and moderating all Grade 12 examination papers, moderating the Grade 12 life orientation school based assessment, monitoring the examination writing and marking processes in all provinces, and overseeing the annual national assessments. Monitoring progress over time is also undertaken through the publishing of performance trends in all national examinations and assessments each year.

### Expenditure estimates

Table 15.17 National Assessments and Public Examinations

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
	R million							2012/13 - 2015/16				
<b>Current payments</b>	<b>78.8</b>	<b>84.9</b>	<b>103.8</b>	<b>116.8</b>	<b>14.0%</b>	<b>78.4%</b>	<b>193.3</b>	<b>285.4</b>	<b>297.9</b>	<b>36.6%</b>	<b>71.1%</b>	
Compensation of employees	36.9	37.9	35.5	49.1	10.0%	32.5%	49.8	52.9	55.7	4.3%	16.5%	
Goods and services	41.9	47.0	68.3	67.7	17.3%	48.8%	143.5	232.4	242.1	53.0%	54.6%	
<b>Transfers and subsidies</b>	<b>17.9</b>	<b>23.3</b>	<b>18.4</b>	<b>42.4</b>	<b>33.3%</b>	<b>20.8%</b>	<b>97.7</b>	<b>107.4</b>	<b>112.7</b>	<b>38.5%</b>	<b>28.7%</b>	
Departmental agencies and accounts	17.8	23.3	18.4	42.3	33.4%	20.8%	97.7	107.4	112.7	38.6%	28.7%	
Households	0.0	0.1	0.0	0.1	26.0%	-	-	-	-	-100.0%	-	
<b>Payments for capital assets</b>	<b>1.3</b>	<b>1.0</b>	<b>0.9</b>	<b>0.9</b>	<b>-11.3%</b>	<b>0.8%</b>	<b>0.3</b>	<b>0.4</b>	<b>1.4</b>	<b>14.1%</b>	<b>0.2%</b>	
Machinery and equipment	0.1	0.0	0.9	0.9	155.0%	0.4%	0.3	0.4	1.4	14.1%	0.2%	
Software and other intangible assets	1.3	0.9	-	-	-100.0%	0.4%	-	-	-	-	-	
<b>Payments for financial assets</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>98.0</b>	<b>109.2</b>	<b>123.1</b>	<b>160.1</b>	<b>17.7%</b>	<b>100.0%</b>	<b>291.3</b>	<b>393.1</b>	<b>411.9</b>	<b>37.0%</b>	<b>100.0%</b>	
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>2.4%</b>	<b>3.3%</b>	<b>2.2%</b>	<b>2.0%</b>			<b>3.2%</b>	<b>3.6%</b>	<b>3.0%</b>			

### Personnel information

Table 15.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
<b>National Assessments and Public Examinations</b>																			
<b>Salary level</b>	<b>76</b>	<b>-</b>	<b>74</b>	<b>24</b>	<b>0.3</b>	<b>76</b>	<b>25</b>	<b>0.3</b>	<b>76</b>	<b>27</b>	<b>0.4</b>	<b>76</b>	<b>29</b>	<b>0.4</b>	<b>76</b>	<b>31</b>	<b>0.4</b>	<b>-</b>	<b>100.0%</b>
1 – 6	28	-	28	5	0.2	28	5	0.2	28	5	0.2	28	6	0.2	28	6	0.2	-	36.8%
7 – 10	29	-	28	9.4	0.3	29	9.5	0.3	29	10.5	0.4	29	11.2	0.4	29	11.8	0.4	-	38.2%
11 – 12	16	-	15	8.0	0.5	16	8.1	0.5	16	9.0	0.6	16	9.6	0.6	16	10.1	0.6	-	21.1%
13 – 16	3	-	3	2.4	0.8	3	2.5	0.8	3	2.7	0.9	3	2.9	1.0	3	3.0	1.0	-	3.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus of this subprogramme is to set and moderate question papers for the national senior certificate examinations and the annual national assessments, which accounts for the high proportion of expenditure on travel and subsistence for examiners and moderators, as well as on stationery and printing. The increased expenditure over the medium term can be attributed to the additional allocations in the 2012 Budget for the annual national assessments to improve their administration for grades 1 to 6 and to extend it to Grade 9 in 2012, as well as the increase in the transfer to Umalusi over the medium term to enable the entity to deliver on an expanded mandate that includes verification of Grade 9 assessments. This allocation also accounts for the increased expenditure on stationery and printing, computer services, and transfers to departmental agencies between 2012/13 and 2015/16.

In September 2012, an annual national assessment was conducted for approximately 7 million learners from grades 1 to 6 and Grade 9 in more than 20 000 schools, at an estimated cost of R24.7 million. The results of these assessments were released in December 2012 and an annual national assessment report with guidelines for the interpretation and use of these results was published. These results provide an indication of the specific challenges in numeracy and literacy at each school. The information allows the school to address their shortcomings and improve literacy and numeracy as well as the department to assist schools in this regard. The department has set aside R402.4 million to conduct these assessments annually over the medium term.

This subprogramme receives additional funding of R2.8 million in the 2013 Budget for improved conditions of service. As at 30 September 2012, the subprogramme had 76 filled posts and this is not expected to change over the medium term.

## Programme 5: Educational Enrichment Services

### Objectives

- Improve identification and management of incidents of sexual abuse by developing and providing materials for the training of teachers and training provincial teacher trainers in 2013/14.
- Reduce sexual violence in schools by developing and distributing learner and teacher support materials like posters to support the implementation of an advocacy programme against sexual violence in schools in 2013/14.
- Improve learner and school safety by linking an additional 4 000 schools with their local police stations, establishing a database for linked schools and training safe school committees in these schools in 2013/14.
- Improve learner retention by ensuring that all children remain effectively enrolled in school up to the year in which they turn 15 through phased enrolment of schools in well organised school sport leagues, physical education activities and music education programmes each year.
- Recapitalise up to 200 technical schools to improve the capacity to contribute to skills development and training in the country in 2013/14 by:
  - building 31 workshops at technical schools to support the technical subject offerings
  - refurbishing or redesigning 228 workshops in technical schools to comply with safety laws and regulations and to meet minimum industry standards
  - buying and installing new machinery and equipment consistent with the technical subjects that are offered in technical schools at 267 workshops
  - training and upskilling 1 538 teachers at technical schools to acquire practical skills and acquaint themselves with new trends and developments in their technical subjects.
- Improve the quality of mathematics, science and technology education by providing learner and teacher support materials such as science equipment and IT infrastructure, additional training for mathematics and science teachers at Dinaledi schools, and monitoring the performance and participation of all Dinaledi schools in these subjects over the MTEF period to increase the number of matric mathematics and science university passes.

## Subprogrammes

- *Programme Management: Educational Enrichment Services* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 3 in 2012/13.
- *Mobilisation and Partnerships in Education* mobilises partners and stakeholders in support of education in an attempt to make education a societal issue; manages policy, programmes and systems on the creation of a safe and cohesive learning environment that promotes holistic learner development; facilitates sport and enrichment programmes in schools through collaborative programmes with various stakeholders including other government departments, international donors, non-governmental organisations, businesses and provincial education departments; and develops and monitors policies and programmes to promote gender equity, non-racism, non-sexism, democratic and constitutional values in education, and an understanding of human rights and the promotion of social cohesion in public schools and school communities. Key activities include the implementation of the school sports and enrichment programmes and the partnership protocol between the department and the South African Police Service, which links local police stations to schools, each at an approximate cost of R1 million in 2012/13. This subprogramme had a staff complement of 13 in 2012/13.
- *Care and Support in Schools* manages policies on the overall wellness of educators and learners, and develops and monitors policies and programmes promoting gender equity, non-racism, non-sexism, democratic values in education and an understanding of human rights in public schools. By the end of 2012/13, R4.9 billion will have been used to feed 8 705 270 learners in 21 011 quintile 1 to 3 primary, secondary and identified special schools through the programme. This subprogramme had a staff complement of 45 in 2012/13.
- *Grant Implementation, Monitoring and Reporting* manages and monitors the conditional grant transfers to provincial education departments. In 2012/13, R517.7 million was used for the HIV and AIDS (life skills education), Dinaledi schools and technical secondary schools recapitalisation conditional grants to provincial education departments. This subprogramme had a staff complement of 5 in 2012/13.

## Expenditure estimates

**Table 15.19 Educational Enrichment Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Programme Management: Educational Enrichment Services	2.3	3.5	3.5	3.0	8.6%	0.1%	2.6	2.8	3.0	-	-
Mobilisation and Partnerships in Education	11.3	9.3	12.4	11.2	-0.1%	0.3%	11.7	12.4	13.1	5.2%	0.2%
Care and Support in Schools	2 413.0	3 685.4	4 603.8	4 933.9	26.9%	91.4%	5 202.1	5 492.7	5 736.1	5.2%	90.3%
Grant Implementation, Monitoring and Reporting	180.9	252.5	468.3	520.9	42.3%	8.3%	542.5	568.9	590.2	4.3%	9.4%
<b>Total</b>	<b>2 607.5</b>	<b>3 950.8</b>	<b>5 088.0</b>	<b>5 468.9</b>	<b>28.0%</b>	<b>100.0%</b>	<b>5 759.0</b>	<b>6 076.9</b>	<b>6 342.4</b>	<b>5.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(1.6)			(11.9)	(22.8)	137.2		
<b>Economic classification</b>											
<b>Current payments</b>	<b>31.8</b>	<b>34.3</b>	<b>39.5</b>	<b>44.5</b>	<b>11.8%</b>	<b>0.9%</b>	<b>46.2</b>	<b>49.0</b>	<b>51.6</b>	<b>5.1%</b>	<b>0.8%</b>
Compensation of employees	18.1	24.0	27.6	29.6	17.8%	0.6%	31.7	33.7	35.6	6.4%	0.6%
Goods and services	13.7	10.3	11.9	14.9	2.7%	0.3%	14.5	15.2	16.0	2.4%	0.3%
of which:											
Inventory: Stationery and printing	2.1	1.1	1.3	3.7	21.2%	-	2.0	2.3	2.3	-13.8%	-
Travel and subsistence	5.9	4.0	6.7	6.8	4.4%	0.1%	6.1	6.3	6.8	0.2%	0.1%
Operating payments	0.3	0.5	0.1	0.1	-28.2%	-	0.0	0.0	0.0	-35.7%	-

Table 15.19 Educational Enrichment Services (continued)

Economic classification <sup>0</sup>	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Transfers and subsidies</b>	<b>2 575.5</b>	<b>3 915.9</b>	<b>5 048.2</b>	<b>5 424.2</b>	<b>28.2%</b>	<b>99.1%</b>	<b>5 712.7</b>	<b>6 027.7</b>	<b>6 290.7</b>	<b>5.1%</b>	<b>99.2%</b>
Provinces and municipalities	2 575.4	3 915.8	5 046.6	5 424.2	28.2%	99.1%	5 712.6	6 027.6	6 290.6	5.1%	99.2%
Non-profit institutions	0.1	0.1	0.1	0.1	-	-	0.1	0.1	0.1	3.2%	-
Households	-	-	1.6	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.7</b>	<b>0.3</b>	<b>0.2</b>	<b>-3.3%</b>	<b>-</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>-2.8%</b>	<b>-</b>
Machinery and equipment	0.2	0.6	0.3	0.2	-3.3%	-	0.2	0.2	0.2	-2.8%	-
Software and other intangible assets	-	0.0	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 607.5</b>	<b>3 950.8</b>	<b>5 088.0</b>	<b>5 468.9</b>	<b>28.0%</b>	<b>100.0%</b>	<b>5 759.0</b>	<b>6 076.9</b>	<b>6 342.4</b>	<b>5.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>33.2%</b>	<b>45.5%</b>	<b>39.4%</b>	<b>33.8%</b>			<b>32.7%</b>	<b>30.5%</b>	<b>27.5%</b>		

## Details of selected transfers and subsidies

Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Current											
	<b>2 575.4</b>	<b>3 851.4</b>	<b>4 836.1</b>	<b>5 214.8</b>	<b>26.5%</b>	<b>96.3%</b>	<b>5 491.8</b>	<b>5 794.2</b>	<b>6 046.4</b>	<b>5.1%</b>	<b>95.3%</b>
National school nutrition programme grant	2 394.5	3 663.3	4 578.8	4 906.5	27.0%	90.8%	5 173.1	5 461.9	5 703.7	5.1%	89.8%
HIV and AIDS (life skills education) grant	180.9	188.0	189.5	208.7	4.9%	4.5%	213.5	221.1	226.4	2.8%	3.7%
Dinaledi schools grant	-	-	67.9	99.7	-	1.0%	105.2	111.2	116.3	5.3%	1.8%
<b>Capital</b>	<b>-</b>	<b>64.5</b>	<b>210.5</b>	<b>209.4</b>	<b>-</b>	<b>2.8%</b>	<b>220.9</b>	<b>233.5</b>	<b>244.2</b>	<b>5.3%</b>	<b>3.8%</b>
Technical secondary schools recapitalisation grant	-	64.5	210.5	209.4	-	2.8%	220.9	233.5	244.2	5.3%	3.8%
Households											
Social benefits											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>1.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	-	-	1.6	-	-	-	-	-	-	-	-

## Personnel information

Table 15.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
		2011/12	2011/12	2011/12	2012/13	2012/13	2012/13	2012/13	2013/14	2013/14	2013/14	2014/15	2014/15			2014/15	2015/16	2015/16
Educational Enrichment Services		Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit
Salary level		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost
66	-	65	27.6	0.4	66	28.9	0.4	66	31.7	0.5	66	33.7	0.5	66	35.6	0.5	-	100.0%
1-6	11	11	1.8	0.2	11	2.0	0.2	11	2.2	0.2	11	2.3	0.2	11	2.4	0.2	-	16.7%
7-10	28	28	8.8	0.3	29	9.6	0.3	29	10.5	0.4	29	11.2	0.4	29	11.8	0.4	-	43.9%
11-12	17	17	8.4	0.5	16	8.7	0.5	16	9.5	0.6	16	10.2	0.6	16	10.7	0.7	-	24.2%
13-16	10	9	8.6	1.0	10	8.6	0.9	10	9.5	0.9	10	10.1	1.0	10	10.7	1.1	-	15.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The bulk of spending in this programme goes towards conditional grant transfers to provinces. The increase in programme expenditure between 2009/10 and 2012/13 was mainly due to increased allocations to expand the national school nutrition programme conditional grant to all quintile 1 to 3 primary and secondary schools, as well as the introduction of the Dinaledi schools grant in 2011/12 and the technical secondary recapitalisation grant in 2010/11. These measures explain the increase in transfers to provinces over the same period.

The national school nutrition programme is the biggest of the conditional grants, with a total of R4.9 billion spent in 2012/13 to feed 8.7 million learners on all school days. This is an increase from the 7.4 million learners

fed in 2009/10 at a cost of R2.4 billion. This grant continues to dominate programme expenditure over the medium term, with allocations increasing from R4.9 billion in 2012/13 to R5.7 billion in 2015/16 to ensure that the level and quality of feeding is sustained in line with government's overall anti-poverty strategy.

The programme also receives additional funding of R2.8 million over this period for improved conditions of service. As at 30 September 2012, the programme had 66 funded posts, all of which are filled.

As part of the Cabinet approved budget reductions, the department will reduce spending by R75.3 million over the medium term. Reductions of R40 million have been made in the administration portion of the national school nutrition programme grant and R35.3 million from the HIV and AIDS life skills grant.

## **Public entities and other agencies**

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Education Labour Relations Council** promotes and maintains good relations between employer and employee. The council's total budget for 2013/14 is R59.2 million.
- The **South African Council for Educators** is responsible for the registration, promotion and professional development of educators; and for setting, maintaining and protecting their ethical and professional standards. The council's total budget for 2013/14 is R49.2 million.
- **Umalusi Council for Quality Assurance in General and Further Education and Training** sets and maintains standards in general and further education and training through the development and management of the general and further education and training qualifications framework. The council's total budget for 2013/14 is R103.6 million.



## Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
<b>Departmental infrastructure</b>										
School infrastructure backlogs indirect grant	Replace 496 schools with inappropriate infrastructure, of which 395 are mud schools; provide water to 1 257 schools, sanitation to 868 schools and electricity to 878 schools	Various	48 030.6	–	–	76.1	2 065.0	1 956.0	3 169.5	2 912.3
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
Education infrastructure conditional grant	Build new schools and additional educational spaces like libraries, laboratories and administration blocks; provide basic services such as water, sanitation and electricity; upgrade and rehabilitate existing schools infrastructure; maintain new and existing schools	Various	92 368.7	3 884.7	3 162.8	5 311.1	5 822.4	6 630.7	7 160.7	10 059.3
Technical secondary schools recapitalisation conditional grant	31 new workshops built; 228 existing workshops refurbished, equipment delivered and installed at 267 workshops, and 1538 technology teachers trained	Various	2 973.2	–	80.0	210.5	209.4	220.9	233.5	244.2
<b>Total</b>			<b>143 372.4</b>	<b>3 884.7</b>	<b>3 242.8</b>	<b>5 597.7</b>	<b>8 096.8</b>	<b>8 807.5</b>	<b>10 563.7</b>	<b>13 215.9</b>



# Vote 16

## Health

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	411.0	404.8	0.5	5.7	424.8	450.2
National Health Insurance, Health Planning and Systems Enablement	491.9	441.0	48.5	2.4	637.5	672.4
HIV and AIDS, TB, Maternal and Child Health	11 029.1	309.6	10 717.9	1.7	12 866.7	14 546.3
Primary Health Care Services	109.4	105.7	2.3	1.5	106.1	111.3
Hospitals, Tertiary Health Services and Human Resource Development	17 911.2	165.9	16 934.3	811.0	19 072.8	19 902.8
Health Regulation and Compliance Management	754.1	211.9	538.6	3.6	816.4	1 002.2
<b>Total expenditure estimates</b>	<b>30 706.7</b>	<b>1 638.8</b>	<b>28 242.1</b>	<b>825.8</b>	<b>33 924.3</b>	<b>36 685.2</b>
Executive authority	Minister of Health					
Accounting officer	Director General of Health					
Website address	<a href="http://www.doh.gov.za">www.doh.gov.za</a>					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Provide leadership and coordination of health services to promote the health of all people in South Africa through an accessible, caring and high quality health system based on the primary health care approach.*

### Mandate

The Department of Health derives its mandate from the National Health Act (2003), which requires the department to provide a framework for a structured uniform health system within South Africa. The act sets out the functions of the three levels of government as they relate to health services. The department contributes directly to achieving the government outcome which calls for a long and healthy life for all South Africans.

### Strategic goals

The department's strategic goals over the medium term are to:

- increase average male and female life expectancy at birth to 70 years in 2030
- decrease maternal mortality ratio from estimated 310 per 100 000 to 270 (or less) per 100 000 live births by 2014
- decrease child mortality ratio from current 42 deaths per 1 000 live births to 38 deaths (or less) per 1 000 live births by 2014
- combat HIV and AIDS and decrease the burden of disease from tuberculosis
- strengthen the health system's effectiveness by focusing on reengineering primary health care and improving patient care and satisfaction, health infrastructure availability, human resources for health, and healthcare financing through the implementation of the national health insurance and strengthening health information systems.

### Programme purposes

#### Programme 1: Administration

**Purpose:** Provide overall management of the department and centralised support services.

## Programme 2: National Health Insurance, Health Planning and Systems Enablement

**Purpose:** Improve access to quality health services through the development and implementation of policies to achieve universal coverage, health financing reform, integrated health systems planning, reporting, monitoring and evaluation, and research.

## Programme 3: HIV and AIDS, TB and Maternal and Child Health

**Purpose:** Develop national policy, and coordinate and fund health programmes for HIV and AIDS and sexually transmitted infections, tuberculosis, maternal and child health, and women's health. Develop and oversee implementation of policies, strengthen systems, set norms and standards, and monitor programme implementation.

## Programme 4: Primary Health Care Services

**Purpose:** Develop and oversee the implementation of legislation, policies, systems, and norms and standards for a uniform district health system, environmental health, communicable and non-communicable diseases, health promotion, and nutrition.

## Programme 5: Hospitals, Tertiary Health Services and Human Resource Development

**Purpose:** Develop policies, delivery models and clinical protocols for hospitals and emergency medical services. Ensure alignment of academic medical centres with health workforce programmes.

## Programme 6: Health Regulation and Compliance Management

**Purpose:** Regulate the procurement of medicines and pharmaceutical supplies, including food control, and the trade in health products and health technology. Promote accountability and compliance by regulatory bodies for effective governance and quality of health care.

## Selected performance indicators

Table 16.1 Health

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of provinces with financial improvement plans per year <sup>1</sup>	Administration	Outcome 2: A long and healthy life for all South Africans	- <sup>1</sup>	7	9	9	9	9	9
Tuberculosis new pulmonary cure rate per year <sup>2,3</sup>	HIV and AIDS, TB, and Maternal and Child Health		68%	71.1%	73.1%	80%	85%	85%	85%
Tuberculosis new pulmonary defaulter rate <sup>3,4</sup>	HIV and AIDS, TB, and Maternal and Child Health		7.9%	6.8%	7.9%	5%	<5%	<5%	<5%
Total number of new patients put on antiretroviral treatment	HIV and AIDS, TB, and Maternal and Child Health		538 819	418 677	617 147	500 000	500 000	500 000	500 000
Immunisation coverage for children under the age of one year per year <sup>5</sup>	HIV and AIDS, TB, and Maternal and Child Health		97.4%	89.4%	95.2%	90%	90%	90%	90%
Measles immunisation coverage per year (second dose) <sup>6</sup>	HIV and AIDS, TB, and Maternal and Child Health		90%	95%	85.3%	90%	90%	90%	90%
Proportion of infant first polymerase chain reaction test positive within 2 months after birth out of all babies tested <sup>7</sup>	HIV and AIDS, TB, and Maternal and Child Health		10.9% (6 weeks)	3.5% (6 weeks)	4% (6 weeks)	3.5% (6 weeks)	2% (within 2 months)	2% (within 2 months)	2% (within 2 months)
Proportion of antenatal first visits before 20 weeks	HIV and AIDS, TB, and Maternal and Child Health		34.5%	37.5%	40.2%	50%	60%	65%	68%
Primary health care utilisation rate: Average number of primary health care visits per person per year	Primary Health Care Services		2.5	2.4	2.5	2.8	2.8	2.9	3

1. This indicator was introduced in 2010/11.

2. New smear positive pulmonary TB cases that were cured as a proportion of all new smear positive and culture positive TB cases.

3. Where percentage is indicated, it is not possible to provide absolute numbers as the value for the denominator is not available.

4. Proportion of new smear positive (pulmonary) TB clients who defaulted treatment.

5. Proportion of children under 1 year of age who completed their primary course of immunisation coverage. The denominator for this indicator is influenced by the estimates of the national population under the age of 1, released by Statistics South Africa.

6. Proportion of children who received their second measles dose normally at 18 months – annualised.

7. Polymerase chain reaction test is a test that identifies the antigen of the HI virus in a baby. This would give an indication of the rate of mother to child transmission during pregnancy.

## The national development plan

The national development plan endorses a health system which raises life expectancy, reduces infant mortality and the occurrence of HIV and AIDS, and significantly lowers the burden of disease. The plan highlights the following important areas of the South African health system for attention: demographics and disease burden, health systems, and the social and environmental determinants of health.

The department's 10 point plan and strategic goals are in alignment with the four outputs of the service delivery agreement for outcome 2 (a long and healthy life for all South Africans) and the nine priority areas on health which are identified in the national development plan. Where appropriate, the 2030 targets in the plan will continue to be used to develop the strategic goals of the department, and the department will give its attention to the plan's focal areas in several ways. It will strive to reduce the disease burden by expanding HIV and AIDS treatment and prevention programmes, increasing the prevention and successful treatment of tuberculosis and improving maternal and child health services. In addition, it will work towards improving health care equity, quality and access by introducing the national health insurance and building human resources in the health sector through various initiatives.

Achieving the health sector objectives will require a fundamental reform in the country's health system. To this end, the department will focus on priority areas that include: infrastructure; human resources and management capacity, and norms and standards for staffing; accountability in planning and budgeting; capacity and systems in financial management; health financing; and key strategic institutions.

## Expenditure estimates

Table 16.2 Health

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12			2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16		
R million													
Administration	273.4	263.0	328.2	403.3	403.3	13.8%	1.3%	411.0	424.8	450.2	3.7%	1.3%	
National Health Insurance, Health Planning and Systems Enablement	142.7	97.2	161.1	315.1	315.1	30.2%	0.8%	491.9	637.5	672.4	28.7%	1.6%	
HIV and AIDS, TB, Maternal and Child Health	4 923.5	6 471.3	7 914.9	9 264.6	9 189.6	23.1%	29.9%	11 029.1	12 866.7	14 546.3	16.5%	36.8%	
Primary Health Care Services	249.6	82.3	94.9	125.8	119.8	-21.7%	0.6%	109.4	106.1	111.3	-2.4%	0.3%	
Hospitals, Tertiary Health Services and Human Resource Development	13 139.2	15 065.7	16 698.4	17 351.0	17 349.0	9.7%	65.3%	17 911.2	19 072.8	19 902.8	4.7%	57.4%	
Health Regulation and Compliance Management	440.3	540.7	515.4	597.4	565.4	8.7%	2.2%	754.1	816.4	1 002.2	21.0%	2.4%	
<b>Total</b>	<b>19 168.6</b>	<b>22 520.3</b>	<b>25 712.8</b>	<b>28 057.2</b>	<b>27 942.2</b>	<b>13.4%</b>	<b>100.0%</b>	<b>30 706.7</b>	<b>33 924.3</b>	<b>36 685.2</b>	<b>9.5%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				500.2	385.2			(6.9)	65.7	1 269.1			
<b>Economic classification</b>													
<b>Current payments</b>	<b>1 089.7</b>	<b>898.0</b>	<b>1 083.4</b>	<b>1 373.9</b>	<b>1 258.9</b>	<b>4.9%</b>	<b>4.5%</b>	<b>1 638.8</b>	<b>1 837.6</b>	<b>1 933.6</b>	<b>15.4%</b>	<b>5.2%</b>	
Compensation of employees	333.0	353.7	409.7	486.6	486.6	13.5%	1.7%	538.4	567.9	596.9	7.1%	1.7%	
Goods and services	756.7	544.4	673.7	887.4	772.4	0.7%	2.9%	1 100.4	1 269.7	1 336.7	20.1%	3.5%	
of which:													
Consultants and professional services: Business and advisory services	39.1	69.2	110.9	188.8	158.8	59.5%	0.4%	150.3	146.9	138.2	-4.5%	0.5%	
Contractors	15.7	18.8	6.6	20.9	20.9	10.0%	0.1%	313.0	443.0	464.1	181.0%	1.0%	
Inventory: Medical supplies	325.5	119.5	124.2	135.6	120.6	-28.2%	0.7%	140.8	149.2	199.3	18.2%	0.5%	
Travel and subsistence	69.8	74.0	79.6	119.1	101.1	13.2%	0.3%	111.7	106.7	109.2	2.6%	0.3%	
<b>Transfers and subsidies</b>	<b>18 065.8</b>	<b>21 604.0</b>	<b>24 598.8</b>	<b>26 647.6</b>	<b>26 647.6</b>	<b>13.8%</b>	<b>95.4%</b>	<b>28 242.1</b>	<b>30 392.4</b>	<b>33 055.5</b>	<b>7.4%</b>	<b>91.6%</b>	
Provinces and municipalities	17 523.8	21 042.0	24 034.8	26 072.6	26 072.6	14.2%	93.0%	27 516.7	29 610.2	32 083.5	7.2%	89.2%	
Departmental agencies and accounts	335.9	420.7	379.4	389.6	389.6	5.1%	1.6%	528.9	580.1	769.3	25.5%	1.8%	
Higher education institutions	0.5	2.0	12.8	3.0	3.0	81.7%	0.0%	3.0	3.0	3.1	1.5%	0.0%	
Public corporations and private enterprises	0.0	-	-	0.0	0.0	2.6%	0.0%	-	-	-	-100.0%	0.0%	
Non-profit institutions	202.8	138.7	166.9	182.3	182.3	-3.5%	0.7%	193.6	199.1	199.6	3.1%	0.6%	
Households	2.9	0.6	5.0	-	-	-100.0%	0.0%	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>13.0</b>	<b>17.8</b>	<b>28.7</b>	<b>35.6</b>	<b>35.6</b>	<b>39.8%</b>	<b>0.1%</b>	<b>825.8</b>	<b>1 694.3</b>	<b>1 696.1</b>	<b>262.4%</b>	<b>3.3%</b>	
Buildings and other fixed structures	-	-	-	-	-	-	-	807.0	1 679.9	1 676.0	-	3.2%	
Machinery and equipment	11.7	17.6	28.6	35.6	35.6	44.8%	0.1%	18.7	14.5	20.1	-17.3%	0.1%	
Software and other intangible assets	1.3	0.2	0.1	-	-	-100.0%	0.0%	-	-	-	-	-	
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.6</b>	<b>1.8</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>19 168.6</b>	<b>22 520.3</b>	<b>25 712.8</b>	<b>28 057.2</b>	<b>27 942.2</b>	<b>13.4%</b>	<b>100.0%</b>	<b>30 706.7</b>	<b>33 924.3</b>	<b>36 685.2</b>	<b>9.5%</b>	<b>100.0%</b>	

## Personnel information

**Table 16.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Health Salary level	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	1 498	57	1 293	409.7	0.3	1 425	482.0	0.3	1 475	538.4	0.4	1 475	562.9	0.4	1 475	596.9	0.4	1.2%	100.0%
1 – 6	546	36	498	71.7	0.1	564	84.0	0.1	563	91.1	0.2	563	95.7	0.2	563	100.6	0.2	-0.1%	38.5%
7 – 10	571	7	473	125.5	0.3	523	160.7	0.3	541	183.8	0.3	541	193.2	0.4	541	202.7	0.4	1.1%	36.7%
11 – 12	245	7	218	124.5	0.6	225	129.4	0.6	234	134.0	0.6	234	140.9	0.6	234	147.8	0.6	1.3%	15.8%
13 – 16	136	7	104	87.9	0.8	113	107.9	1.0	137	129.4	0.9	137	133.1	1.0	137	145.8	1.1	6.6%	9.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on preparing for the implementation of the national health insurance, and providing for the prevention and treatment of HIV and AIDS and tuberculosis, in line with the department's strategic objectives of increasing life expectancy and reducing the burden of disease. In addition, expenditure over the MTEF period goes towards investments in construction, the maintenance of health infrastructure, establishing the Office of Standards Compliance and strengthening the Medical Research Council.

The bulk of spending is in the *Hospitals, Tertiary Health Services and Human Resource Development* programme. Most of this programme's allocation is transferred to provinces as conditional grants: the newly created health facility revitalisation grant, the national tertiary services grant and the health professions training and development grant. The *HIV and AIDS, TB, Maternal and Child Health* programme receives the second largest proportion of the department's budget and comprises the comprehensive HIV and AIDS conditional grant.

Expenditure in the *Primary Care Services* programme declined after 2009/10 due to a large once-off payment to counter the influenza epidemic in that year. Spending in the *HIV and AIDS, TB, Maternal and Child Health* programme increased significantly between 2009/10 and 2012/13, due to the new early treatment threshold of a CD4 count of 350, which has expanded access to antiretroviral treatment. Over the medium term, spending in the programme is projected to rise to provide for a continued increase in the numbers of people on antiretroviral treatment. Over this period, the department aims to put 500 000 new patients on antiretroviral treatment per year.

Significant increases in spending over the medium term are also in the *National Health Insurance, Health Planning and Systems Enablement* programme as a result of the piloting of new interventions in 10 pilot districts in the preparatory phase of the rollout of national health insurance. Spending in the *Health Regulation and Compliance Management* programme is also projected to increase significantly over the medium term as it receives additional allocations to strengthen the Medical Research Council's research programmes, and to establish the Office of Standards Compliance.

Two major reforms to conditional grants have been effected. First, the three health infrastructure grants – hospital revitalisation, health infrastructure and nursing colleges and schools – have been consolidated into a single direct grant, the health facility revitalisation grant. This grant has three windows, one for each of the three previous grants. It is envisaged that the new configuration will allow for more flexibility for funds to be shifted between the three windows and thus ensure the timely delivery of health infrastructure. The second is the establishment of a new indirect schedule 6A grant, the national health grant. This grant will have two components, one for national health insurance and one for health facility revitalisation. The national department will play a greater role than previously in delivering some of these services concurrently with the provinces as well as in the establishment of national health insurance. This measure has been introduced to deal with underspending and weaknesses in the performance on these grants.

The introduction of the national health grant results in large increases in payments for capital assets for infrastructure projects and goods and services for contractors, namely for general practitioners contracted to work in clinics and community health centres in pilot districts.

The department reviewed the staff establishment in 2010/11 to align its human resources needs with the functions assigned in terms of the approved budget structure. As a result, an additional 132 people were employed between 2011/12 and 2012/13. The establishment is projected to increase moderately to 1 475 people in 2013/14, as the department strengthens skills and experience within existing staff. The majority of vacant posts are from salary level 8 upwards and are technical in nature. The filling of critical posts remains a challenge, as the department is struggling to attract qualified candidates due to higher salaries being offered by the private sector and other government departments. The ratio of support staff to line function staff is 1:2. The budget allocation for consultants and professional services is mainly for service providers to conduct surveys, reviews, campaigns, infrastructure project management and legal functions.

The 2013 Budget sets out additional allocations for the following priorities:

- R800 million in 2015/16 for the scale up of the provision of antiretroviral treatment
- R100 million in 2014/15 and R384 million in 2015/16 to partly offset the decrease in funding over the medium term from the US President's Emergency Plan for AIDS Relief (PEPFAR). This programme has contributed roughly R4 billion per year towards the South African national HIV and AIDS and tuberculosis response, but the amount is likely to decrease by 50 per cent over the next five years.
- R90 million, R100 million and R250 million for the Medical Research Council to strengthen its research capabilities and infrastructure and to support partnership projects on high priority diseases, such as HIV and AIDS, tuberculosis and malaria, with development partners, such as the Gates Foundation
- R15 million, R31.5 million and R31.5 million to strengthen the National Institute of Communicable Diseases and address the decrease in PEPFAR funding support
- R30.1 million, R30 million and R30.3 million, most of which comes from internal reprioritisation and savings, for the infrastructure unit systems support programme, which provides capacity building support to the department and provinces
- R15 million in 2015/16 for the South African National AIDS Council for HIV and AIDS programmes
- R22 .1million, R28.3 million and R41 million for improved conditions of service to cover high personnel costs
- R6 million in 2013/14 for emergency medical services during the 2014 African Nations Championship.

The department expects to reprioritise R65 million, R55 million and R97.8 million over the medium term in non-core goods and services items.

To give effect to Cabinet approved reductions of R531 million over the medium term, the department will reduce spending on the three conditional grants related to health infrastructure, due to slow spending and weaknesses in performance. In addition, reductions of R26 million (R11 million, R10 million and R5.2 million) over the MTEF period have been made to the national health insurance grant, due to slow expenditure.

### Infrastructure spending

Spending on infrastructure increased from R3.3 billion in 2009/10 to R5.4 billion in 2012/13, and is expected to increase to R6.5 billion over the medium term. As discussed above, the three previous health infrastructure grants have been reformed into two new grants. After the Cabinet approved budget reductions, the health facility revitalisation grant has been allocated R14.9 billion over the MTEF period (R5.1 billion, R4.7 billion and R5 billion). The new national health grant contains a health facility revitalisation component. This is an indirect grant amounting to R4.2 billion over the MTEF period (R807 million, R1.7 billion, and R1.7 billion).

Table 16.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
<b>Departmental receipts</b>	<b>45 190</b>	<b>27 248</b>	<b>55 300</b>	<b>33 106</b>	<b>33 106</b>	<b>-9.9%</b>	<b>100.0%</b>	<b>39 408</b>	<b>32 760</b>	<b>32 772</b>	<b>-0.3%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>38 355</b>	<b>25 907</b>	<b>32 922</b>	<b>31 854</b>	<b>31 854</b>	<b>-6.0%</b>	<b>80.2%</b>	<b>38 040</b>	<b>31 512</b>	<b>31 524</b>	<b>-0.3%</b>	<b>96.3%</b>
Sales by market establishments of which:	69	89	113	108	108	16.1%	0.2%	132	132	132	6.9%	0.4%
<i>Parking</i>	69	89	113	108	108	16.1%	0.2%	132	132	132	6.9%	0.4%
Administration fees of which:	38 140	25 649	32 557	31 552	31 552	-6.1%	79.5%	37 692	31 152	31 152	-0.4%	95.3%
<i>Medical (drug control) licences</i>	4 653	2 533	1 786	3 400	3 400	-9.9%	7.7%	3 540	3 000	3 000	-4.1%	9.4%
<i>Drug control revenue</i>	33 487	23 116	30 771	28 152	28 152	-5.6%	71.8%	34 152	28 152	28 152	-	85.9%
Other sales of which:	146	169	252	194	194	9.9%	0.5%	216	228	240	7.4%	0.6%
<i>Yellow fever vaccination</i>	24	27	43	24	24	-	0.1%	36	36	36	14.5%	0.1%
<i>Replacement of security cards</i>	-	9	13	15	15	-	-	12	12	12	-7.2%	-
<i>Commission on insurance</i>	122	133	147	155	155	8.3%	0.3%	168	180	192	7.4%	0.5%
<i>Asset less than R5 000</i>	-	-	49	-	-	-	-	-	-	-	-	-
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>57</b>	<b>59</b>	<b>45</b>	<b>38</b>	<b>38</b>	<b>-12.6%</b>	<b>0.1%</b>	<b>36</b>	<b>36</b>	<b>36</b>	<b>-1.8%</b>	<b>0.1%</b>
of which:	57	59	45	38	38	-12.6%	0.1%	36	36	36	-1.8%	0.1%
<i>Paper</i>	57	59	45	38	38	-12.6%	0.1%	36	36	36	-1.8%	0.1%
<b>Interest, dividends and rent on land</b>	<b>1 012</b>	<b>355</b>	<b>425</b>	<b>300</b>	<b>300</b>	<b>-33.3%</b>	<b>1.3%</b>	<b>420</b>	<b>300</b>	<b>300</b>	<b>-</b>	<b>1.0%</b>
Interest	1 012	355	425	300	300	-33.3%	1.3%	420	300	300	-	1.0%
<b>Sales of capital assets</b>	<b>-</b>	<b>-</b>	<b>67</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transactions in financial assets and liabilities	5 766	927	21 841	914	914	-45.9%	18.3%	912	912	912	-0.1%	2.6%
<b>Total</b>	<b>45 190</b>	<b>27 248</b>	<b>55 300</b>	<b>33 106</b>	<b>33 106</b>	<b>-9.9%</b>	<b>100.0%</b>	<b>39 408</b>	<b>32 760</b>	<b>32 772</b>	<b>-0.3%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 16.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
Ministry	22.1	25.9	27.3	27.6	7.8%	8.1%	34.6	35.1	36.3	9.5%	7.9%
Management	29.5	29.8	31.4	42.0	12.5%	10.5%	42.4	43.9	45.7	2.9%	10.3%
Corporate Services	134.9	126.2	145.3	167.6	7.5%	45.3%	182.1	188.4	197.6	5.6%	43.5%
Office Accommodation	46.4	55.2	92.1	89.5	24.5%	22.3%	97.5	105.8	110.7	7.3%	23.9%
Financial Management	40.5	25.9	32.2	76.6	23.7%	13.8%	54.3	51.6	60.0	-7.8%	14.4%
<b>Total</b>	<b>273.4</b>	<b>263.0</b>	<b>328.2</b>	<b>403.3</b>	<b>13.8%</b>	<b>100.0%</b>	<b>411.0</b>	<b>424.8</b>	<b>450.2</b>	<b>3.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				45.5			28.8	27.2	34.3		

#### Economic classification

<b>Current payments</b>	<b>269.0</b>	<b>257.3</b>	<b>316.7</b>	<b>389.5</b>	<b>13.1%</b>	<b>97.2%</b>	<b>404.8</b>	<b>418.8</b>	<b>444.6</b>	<b>4.5%</b>	<b>98.1%</b>
Compensation of employees	103.1	108.1	120.4	140.4	10.9%	37.2%	166.7	177.4	187.0	10.0%	39.7%
Goods and services of which:	165.9	149.1	196.3	249.1	14.5%	60.0%	238.1	241.4	257.6	1.1%	58.4%
<i>Consultants and professional services:</i>	2.7	3.3	2.6	40.1	146.4%	3.8%	5.7	5.9	6.2	-46.4%	3.4%
<i>Business and advisory services</i>											
<i>Contractors</i>	13.0	16.0	3.6	12.2	-2.0%	3.5%	12.8	13.3	13.9	4.6%	3.1%
<i>Inventory: Medical supplies</i>	0.0	0.0	-	0.0	-41.5%	-	0.0	0.0	0.0	-	-
<i>Travel and subsistence</i>	16.4	20.2	20.0	26.2	17.0%	6.5%	28.0	27.0	27.7	1.8%	6.5%
<b>Transfers and subsidies</b>	<b>0.4</b>	<b>0.6</b>	<b>4.6</b>	<b>0.5</b>	<b>9.8%</b>	<b>0.5%</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>7.6%</b>	<b>0.1%</b>
Departmental agencies and accounts	0.3	0.4	0.4	0.5	16.9%	0.1%	0.5	0.6	0.6	7.6%	0.1%
Households	0.0	0.2	4.2	-	-100.0%	0.3%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>4.1</b>	<b>5.2</b>	<b>6.6</b>	<b>13.3</b>	<b>48.6%</b>	<b>2.3%</b>	<b>5.7</b>	<b>5.4</b>	<b>5.0</b>	<b>-27.8%</b>	<b>1.7%</b>
Machinery and equipment	3.9	5.1	6.5	13.3	50.3%	2.3%	5.7	5.4	5.0	-27.8%	1.7%
Software and other intangible assets	0.1	0.1	0.1	-	-100.0%	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>273.4</b>	<b>263.0</b>	<b>328.2</b>	<b>403.3</b>	<b>13.8%</b>	<b>100.0%</b>	<b>411.0</b>	<b>424.8</b>	<b>450.2</b>	<b>3.7%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	1.4%	1.2%	1.3%	1.4%			1.3%	1.3%	1.2%		



Table 16.5 Administration (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Details of selected transfers and subsidies											
Households											
Social benefits											
Current	0.0	0.2	4.2	-	-100.0%	0.3%	-	-	-	-	-
Employee social benefits	0.0	0.2	4.2	-	-100.0%	0.3%	-	-	-	-	-

## Personnel information

Table 16.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
Administration		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	505	13	418	119.7	0.3	499	153.7	0.3	533	177.1	0.3	533	184.2	0.3	533	199.6	0.4	2.2%	100.0%
1 - 6	246	10	219	32.8	0.1	260	37.4	0.1	269	41.8	0.2	269	43.9	0.2	269	46.3	0.2	1.1%	50.9%
7 - 10	160	1	126	32.0	0.3	153	45.3	0.3	161	51.9	0.3	161	54.5	0.3	161	57.2	0.4	1.7%	30.3%
11 - 12	49	1	36	20.3	0.6	46	26.8	0.6	51	28.9	0.6	51	30.4	0.6	51	31.9	0.6	3.5%	9.5%
13 - 16	50	1	37	34.5	0.9	40	44.3	1.1	52	54.4	1.0	52	55.3	1.1	52	64.2	1.2	9.1%	9.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on seeing to the department's accommodation and corporate service needs to ensure it has the necessary support to deliver on its mandate.

Expenditure in the *Office Accommodation* subprogramme increased significantly between 2009/10 and 2012/13 following the department's relocation to the upgraded and vastly improved Civitas building in 2010/11. Spending in the *Financial Management* subprogramme also increased significantly over this period as a result of R35 million being allocated to the provincial management support unit in the 2012/13 adjustments budget. This was a once-off allocation from goods and services, where consultants and professional services were hired to assist the provincial health departments in Limpopo, Gauteng, and Eastern Cape address their personnel related budget pressures.

Over the medium term, spending in the *Financial Management* subprogramme aims to support effective management and accountability in the department and assist all 9 provincial health departments gain unqualified audit opinions by the end of the MTEF period.

Spending on compensation of employees is expected to increase over the MTEF period as vacant posts are filled following the review of the department's organisational structure in 2011/12, which increased the number of posts, particularly in 2011/12 and 2012/13. The number of posts is expected to increase further to 533 people in 2013/14 and then remain constant for the rest of the medium term. There were 505 funded and 19 vacant posts at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.

## Programme 2: National Health Insurance, Health Planning and Systems Enablement

### Objectives

- Align the work of the department with outcomes contained in the negotiated service delivery agreement by developing and implementing an integrated monitoring and evaluation system by the end of 2013/14.
- Monitor the prevalence of HIV and AIDS and syphilis by conducting the 2013 national HIV survey in October and November 2013 and publish the reports of the 2012 national HIV survey by August 2013.
- Improve access to essential medicines by maintaining a less than 3 per cent stock out level for drugs on the essential drugs list, tuberculosis drugs and antiretroviral medicines over the medium term.
- Contribute to the establishment of the national health insurance by:
  - developing policy proposals over the MTEF period for the implementation of the national health insurance over a 14-year phased period
  - piloting components of the national health insurance policy in 10 health districts during 2013/14.
- Provide stewardship and leadership for improving health outcomes through working with international development partners such as the Southern African Development Community (SADC), African Union (AU), United Nation (UN) agencies, the India-Brazil-South Africa and the Brazil-Russia-India-China-South Africa (BRICS) groups of countries, and improving bilateral and multilateral relations, over the medium term.
- Establish a pricing commission that will create a form for funders and providers of health services to negotiate prices of service providers in the private health sector.

### Subprogrammes

- *Technical Policy and Planning* provides advisory and strategic technical assistance on policy and planning, and supports policy implementation. This subprogramme had a staff complement of 2 in 2012/13.
- *Health Information Management, Monitoring and Evaluation* develops and maintains a national health information system, commissions and coordinates research, develops and implements disease surveillance programmes, and monitors and evaluates strategic health programmes. In keeping with the target for 2012/13, the eHealth strategy for the public health sector for 2012/13-2016/17 was finalised and approved by the minister in July 2012. The strategy provides the roadmap for achieving a well functioning national health information system that prioritises the patient. The strategy also seeks to ensure that the integrated national patient based information system will be based on agreed scientific standards for interoperability, which improves the efficiency of clinical care, produces the indicators required by management, and facilitates patient mobility. The architecture of this system will also enable an interface with other transversal systems used in the health sector. Such a system is also a critically enabling factor for the implementation of the national health insurance. Looking ahead, the department has commissioned the Centre for Scientific and Industrial Research to produce a normative standards framework for health information systems in South Africa. This will ensure that the health sector invests in information systems that comply with an approved set of norms and standards, are interoperable with other systems, and can generate real time, good quality and comprehensive data. This subprogramme had a staff complement of 48 in 2012/13.
- *Sector-wide Procurement* is responsible for the selection of essential medicines and equipment, the development of standard treatment guidelines, the administration of health tenders, and the licensing of people and premises that deliver pharmaceutical services. This subprogramme had a staff complement of 41 in 2012/13.
- *Health Financing and National Health Insurance* undertakes health economics research; develops policy for medical schemes and public private partnerships; provides technical oversight over the Council for Medical Schemes; develops and implements policies, legislation and frameworks for national health insurance; oversees the coordination of research into alternative health care financing mechanisms for achieving universal health coverage; and oversees the national health insurance conditional grant as well as district pilot activities. It is expected that the National Health Insurance Bill will be tabled in Parliament in 2013/14 and that relevant regulations will be developed and implemented in the coming years. Over the medium

term, the initiatives implemented through the pilot districts will be expanded to improve the access to and quality of health care. This subprogramme had a staff complement of 23 in 2012/13.

- *International Health and Development* develops and implements bilateral and multilateral agreements with strategic partners such as the SADC, AU, UN agencies as well as other developing countries and economic groupings of countries such as India-Brazil-South Africa and the BRICS groups of countries to strengthen the health system; manages processes of technical capacity and financial assistance to South Africa; strengthens cooperation in areas of mutual interest globally; coordinates international development support; and profiles and lobbies for South Africa's policy position internationally. In 2013/14, the focus will be on facilitating 5 cross border initiatives. This subprogramme had a staff complement of 34 in 2012/13.

## Expenditure estimates

**Table 16.7 National Health Insurance, Health Planning and Systems Enablement**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Technical Policy and Planning	–	–	2.6	14.9	–	2.4%	4.0	4.2	4.4	-33.4%	1.3%
Health Information Management, Monitoring and Evaluation	39.1	21.6	51.9	43.2	3.3%	21.8%	40.9	37.2	38.9	-3.4%	7.6%
Sector-wide Procurement	15.2	13.1	15.6	21.2	11.8%	9.1%	24.0	25.0	26.1	7.2%	4.6%
Health Financing and National Health Insurance	53.4	26.6	39.8	182.1	50.5%	42.2%	370.6	517.1	546.3	44.2%	76.4%
International Health and Development	35.0	35.9	51.2	53.6	15.3%	24.5%	52.4	54.0	56.6	1.8%	10.2%
<b>Total</b>	<b>142.7</b>	<b>97.2</b>	<b>161.1</b>	<b>315.1</b>	<b>30.2%</b>	<b>100.0%</b>	<b>491.9</b>	<b>637.5</b>	<b>672.4</b>	<b>28.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(0.5)			(34.4)	(32.6)	(28.6)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>109.8</b>	<b>93.0</b>	<b>152.6</b>	<b>162.9</b>	<b>14.0%</b>	<b>72.4%</b>	<b>441.0</b>	<b>565.2</b>	<b>595.9</b>	<b>54.1%</b>	<b>83.4%</b>
Compensation of employees	49.8	50.8	55.4	75.9	15.1%	32.4%	69.1	72.7	76.7	0.4%	13.9%
Goods and services	60.1	42.2	97.2	87.0	13.1%	40.0%	372.0	492.5	519.2	81.4%	69.5%
<i>of which:</i>											
<i>Consultants and professional services:</i>											
<i>Business and advisory services</i>	6.3	3.0	1.4	16.4	37.4%	3.8%	16.9	12.3	12.9	-7.7%	2.8%
<i>Contractors</i>	0.1	0.2	0.4	0.8	134.8%	0.2%	291.8	420.8	444.7	716.8%	54.7%
<i>Travel and subsistence</i>	12.6	12.1	17.1	22.1	20.6%	8.9%	19.1	17.9	18.3	-6.1%	3.7%
<b>Transfers and subsidies</b>	<b>30.1</b>	<b>0.0</b>	<b>7.8</b>	<b>150.0</b>	<b>70.9%</b>	<b>26.2%</b>	<b>48.5</b>	<b>70.0</b>	<b>74.0</b>	<b>-21.0%</b>	<b>16.2%</b>
Provinces and municipalities	30.0	–	–	150.0	71.0%	25.1%	48.5	70.0	74.0	-21.0%	16.2%
Departmental agencies and accounts	–	–	5.4	–	–	0.8%	–	–	–	–	–
Non-profit institutions	–	–	2.4	–	–	0.3%	–	–	–	–	–
Households	0.1	0.0	0.0	–	-100.0%	–	–	–	–	–	–
<b>Payments for capital assets</b>	<b>2.8</b>	<b>4.2</b>	<b>0.7</b>	<b>2.2</b>	<b>-7.8%</b>	<b>1.4%</b>	<b>2.4</b>	<b>2.4</b>	<b>2.5</b>	<b>3.9%</b>	<b>0.4%</b>
Machinery and equipment	1.9	4.1	0.6	2.2	5.0%	1.2%	2.4	2.4	2.5	3.9%	0.4%
Software and other intangible assets	0.9	0.0	0.1	–	-100.0%	0.1%	–	–	–	–	–
<b>Payments for financial assets</b>	<b>–</b>	<b>0.1</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>142.7</b>	<b>97.2</b>	<b>161.1</b>	<b>315.1</b>	<b>30.2%</b>	<b>100.0%</b>	<b>491.9</b>	<b>637.5</b>	<b>672.4</b>	<b>28.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.7%</b>	<b>0.4%</b>	<b>0.6%</b>	<b>1.1%</b>			<b>1.6%</b>	<b>1.9%</b>	<b>1.8%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	–	–	5.4	–	–	0.8%	–	–	–	–	–
Human Sciences Research Council	–	–	5.4	–	–	0.8%	–	–	–	–	–
<b>Non-profit institutions</b>											
<b>Current</b>	–	–	2.4	–	–	0.3%	–	–	–	–	–
Health, Information, Evaluation and Research Non Profit Institutions	–	–	2.4	–	–	0.3%	–	–	–	–	–
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>30.0</b>	<b>–</b>	<b>–</b>	<b>150.0</b>	<b>71.0%</b>	<b>25.1%</b>	<b>48.5</b>	<b>70.0</b>	<b>74.0</b>	<b>-21.0%</b>	<b>16.2%</b>
National health insurance grant	–	–	–	150.0	–	20.9%	48.5	70.0	74.0	-21.0%	16.2%
2010 FIFA World Cup health preparation strategy grant	30.0	–	–	–	-100.0%	4.2%	–	–	–	–	–

## Personnel information

**Table 16.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate <sup>3</sup> 2012/13			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14			2014/15			2015/16					
Salary level		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
National Health Insurance, Health Planning and Systems Enablement	157	3	151	56.6	0.4	148	59.3	0.4	160	68.3	0.4	160	71.8	0.4	160	75.3	0.5	2.6%	100.0%
1 – 6	39	–	41	6.8	0.2	39	6.1	0.2	39	6.9	0.2	39	7.2	0.2	39	7.6	0.2	–	24.8%
7 – 10	63	–	63	19.7	0.3	60	17.6	0.3	66	21.7	0.3	66	22.9	0.3	66	24.0	0.4	3.2%	41.1%
11 – 12	35	1	30	16.2	0.5	30	17.1	0.6	33	19.6	0.6	33	20.6	0.6	33	21.6	0.7	3.2%	20.5%
13 – 16	20	2	17	13.9	0.8	19	18.5	1.0	22	20.1	0.9	22	21.1	1.0	22	22.1	1.0	5.0%	13.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on overseeing the 10 national health insurance pilot projects and conducting health economics research, particularly regarding the rollout of national health insurance and alternative health care financing mechanisms to ensure universal health coverage. These activities will be carried out within the *Health Financing and National Health Insurance* subprogramme.

Between 2009/10 and 2012/13 expenditure in the *International Health and Development* subprogramme increased significantly, due to international conferences that were hosted in this period. Two new health attaché positions in Cuba and Brussels, Belgium, were created with a subsequent increase in compensation of employees and goods and services. Provision was also made in this subprogramme to pay the annual membership fees to the World Health Organisation. The significant increase in spending in the *Technical Policy and Planning* subprogramme in 2012/13 was as a result of a once-off increase to appoint technical specialists on contract and to recruit interns to gain work experience and exposure to the health sector. The intention was to absorb these interns to address the backlogs experienced in the forensic chemistry laboratories and to address audit findings on financial management. In addition, spending on compensation of employees and travel and subsistence increased due to the change in the budget structure.

The most significant increases in expenditure over the medium term are in the *Health Financing and National Health Insurance* subprogramme, which will support the piloting of innovations and initiatives for strengthening health systems for implementing the national health insurance in the 10 pilots. The pilots began in 2012/13, with funds allocated through the national health insurance conditional grant. In 2013/14 the new schedule 6A conditional grant, with a component for national health insurance, is being introduced. The new grant comprises the following allocations over the medium term: R291 million, R420 million, and R443.8 million. The grant will be used for improving general practitioner contracts, and strengthening revenue collection and management in central hospitals. This accounts for the large increase in contractor payments in goods and services from 2013/14.

The number of posts in this programme is expected to increase from the current 148 to 160 in 2013/14 and then remain stable over the medium term. There were 157 funded posts with 12 vacant posts at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.

Due to slow spending on the national health insurance conditional grant, Cabinet approved reductions of R10.5 million, R10 million and R5.2 million were made to the grant over the medium term. After the creation of the new national health grant, the allocation to the provinces for the existing national health insurance grant is R48.5 million, R70 million and R74 million.

## Programme 3: HIV and AIDS, TB, and Maternal and Child Health

### Objectives

- Advance a combination of HIV and AIDS prevention interventions to reduce new infections by:
  - increasing the distribution of condoms
  - expanding medical male circumcision services to reach a minimum of 600 000 eligible males per year
  - offering provider initiated HIV and AIDS counselling and testing to reach 10 million people per year.
- Improve the quality of life of people living with HIV and AIDS by providing an appropriate package of care, treatment and support services to at least 80 per cent of people living with HIV and AIDS and their families by 2014.
- Reduce infant, child and youth morbidity and mortality by:
  - maintaining national immunisation coverage for children under 1 year of age at 90 per cent and above
  - improving the national measles immunisation second dose coverage from 85 per cent in 2010/11 to 90 per cent in 2013
  - increasing the percentage of quintile 1 and 2 schools visited by school health teams to provide integrated school health services, to 100 per cent in 2015/16
  - increasing the percentage of grade 1 learners in quintile 1 and 2 schools assessed using the integrated school health programme learner assessment tool, to 98 per cent in 2015/16
  - increasing the percentage of Grade 8 learners in quintile 1 and 2 schools assessed using the integrated school health programme learner assessment tool, to 80 per cent in 2015/16.
- Reduce maternal mortality in public health facilities from 176/100 000 live births in 2012/13 to 159/100 000 live births in 2013/14 and the neonatal mortality rate from 14/1 000 live births in 2012/13 to 12/1 000 live births in 2013/14 by:
  - strengthening the training of doctors and midwives in essential steps in the management of obstetric emergencies in 25 priority districts in 2013
  - increasing the percentage of mothers and babies that receive post-natal care within 6 days of delivery to 84 per cent in 2015/16
  - decreasing the rate of early transmission of HIV to infants to less than 2 per cent by 2015/16.
- Increase the tuberculosis cure rate from 73 per cent in 2011/12 to 85 per cent in 2015/16 by:
  - reducing the defaulter rate of all susceptible tuberculosis patients from 7.9 per cent in 2011/12 to less than 5 per cent in 2015/16
  - increasing the percentage of tuberculosis patients tested for HIV from 82.9 per cent in 2011/12 to 94 per cent in 2013/14.

### Subprogrammes

- *HIV and AIDS* is discussed in more detail in the section below.
- *Tuberculosis* develops national policies and guidelines, and sets norms and standards for tuberculosis. In line with the 20-year vision outlined in the new 2012-2016 national strategic plan for HIV and AIDS, sexually transmitted infections and tuberculosis, core interventions will be scaled up, including intensified case finding and the rollout of rapid diagnostics using Gene Xpert technology. This subprogramme had a staff complement of 24 in 2012/13.
- *Women's Maternal and Reproductive Health* develops and monitors policies and guidelines, and sets norms and standards for maternal health and women's health. Over the medium term, key initiatives will continue to be implemented to reduce maternal mortality, using the recommendations from the ministerial committees on maternal mortality and the South African branch of the campaign to accelerate the reduction of maternal mortality in Africa. Interventions will include: deploying obstetric ambulances, strengthening family planning services, establishing maternity waiting homes, establishing Kangaroo Mother Care facilities, taking essential steps in managing obstetric emergency training for doctors and midwives, intensifying

midwifery education and training, and strengthening infant feeding practices. This subprogramme had a staff complement of 24 in 2012/13.

- *Child, Youth and School Health* develops and monitors policies and guidelines, and sets norms and standards for child health. Over the medium term, key initiatives will be implemented as indicated in the maternal and child health strategic plan. These include the rolling out of the comprehensive integrated school health programme to cover all learning phases, prioritising under served and under resourced schools, and strengthening the immunisation programme. This subprogramme had a staff complement of 21 in 2012/13.

## Expenditure estimates

**Table 16.9 HIV and AIDS, TB, Maternal and Child Health**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
HIV and AIDS	4 851.6	6 404.3	7 852.9	9 205.9	23.8%	99.1%	10 969.0	12 804.6	14 481.1	16.3%	99.5%
Tuberculosis	16.4	15.8	16.6	25.7	16.2%	0.3%	26.0	26.7	28.1	3.0%	0.2%
Women's Maternal and Reproductive Health	10.3	11.8	15.5	17.6	19.6%	0.2%	17.2	17.6	18.5	1.7%	0.1%
Child, Youth and School Health	45.2	39.4	29.9	15.4	-30.2%	0.5%	17.0	17.8	18.6	6.6%	0.1%
<b>Total</b>	<b>4 923.5</b>	<b>6 471.3</b>	<b>7 914.9</b>	<b>9 264.6</b>	<b>23.5%</b>	<b>100.0%</b>	<b>11 029.1</b>	<b>12 866.7</b>	<b>14 546.3</b>	<b>16.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(28.0)			(52.1)	50.4	1 140.4		
<b>Economic classification</b>											
<b>Current payments</b>	<b>345.7</b>	<b>284.1</b>	<b>257.2</b>	<b>327.1</b>	<b>-1.8%</b>	<b>4.2%</b>	<b>309.6</b>	<b>364.9</b>	<b>383.7</b>	<b>5.5%</b>	<b>2.9%</b>
Compensation of employees	43.5	48.8	52.2	58.8	10.6%	0.7%	62.9	65.3	69.2	5.6%	0.5%
Goods and services	302.2	235.3	204.9	268.3	-3.9%	3.5%	246.6	299.6	314.5	5.4%	2.4%
of which:											
Consultants and professional services:	4.9	6.1	2.8	18.8	56.7%	0.1%	25.1	33.5	20.1	2.1%	0.2%
Business and advisory services											
Contractors	0.6	0.5	0.0	2.6	64.8%	-	2.7	2.9	3.0	5.0%	-
Inventory: Medical supplies	181.2	116.8	124.1	135.0	-9.3%	1.9%	140.0	148.4	198.4	13.7%	1.3%
Travel and subsistence	17.7	17.3	16.0	18.9	2.3%	0.2%	17.8	17.3	17.5	-2.5%	0.1%
<b>Transfers and subsidies</b>	<b>4 576.8</b>	<b>6 186.1</b>	<b>7 655.4</b>	<b>8 936.0</b>	<b>25.0%</b>	<b>95.7%</b>	<b>10 717.9</b>	<b>12 500.1</b>	<b>14 160.8</b>	<b>16.6%</b>	<b>97.1%</b>
Provinces and municipalities	4 376.1	6 051.8	7 493.0	8 762.8	26.0%	93.4%	10 533.9	12 311.3	13 957.0	16.8%	95.5%
Departmental agencies and accounts	-	-	-	-	-	-	-	-	15.0	-	-
Higher education institutions	0.5	2.0	5.6	3.0	81.7%	-	3.0	3.0	3.1	1.5%	-
Public corporations and private enterprises	-	-	-	0.0	-	-	-	-	-	-100.0%	-
Non-profit institutions	198.1	132.1	156.9	170.1	-5.0%	2.3%	181.0	185.8	185.6	3.0%	1.5%
Households	2.0	0.3	0.0	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1.0</b>	<b>0.9</b>	<b>0.8</b>	<b>1.5</b>	<b>14.3%</b>	<b>-</b>	<b>1.7</b>	<b>1.7</b>	<b>1.7</b>	<b>6.4%</b>	<b>-</b>
Machinery and equipment	1.0	0.9	0.8	1.5	14.3%	-	1.7	1.7	1.7	6.4%	-
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.2</b>	<b>1.5</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4 923.5</b>	<b>6 471.3</b>	<b>7 914.9</b>	<b>9 264.6</b>	<b>23.5%</b>	<b>100.0%</b>	<b>11 029.1</b>	<b>12 866.7</b>	<b>14 546.3</b>	<b>16.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>25.7%</b>	<b>28.7%</b>	<b>30.8%</b>	<b>33.0%</b>			<b>35.9%</b>	<b>37.9%</b>	<b>39.7%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	-	-	-	-	-	-	-	-	15.0	-	-
South African National AIDS Council	-	-	-	-	-	-	-	-	15.0	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>198.1</b>	<b>132.1</b>	<b>156.9</b>	<b>170.1</b>	<b>-5.0%</b>	<b>2.3%</b>	<b>181.0</b>	<b>185.8</b>	<b>185.6</b>	<b>3.0%</b>	<b>1.5%</b>
Lifeline	-	16.2	16.5	17.6	-	0.2%	18.3	19.0	19.9	4.1%	0.2%
loveLife	-	38.7	62.0	66.1	-	0.6%	70.4	69.8	64.4	-0.9%	0.6%
Soul City	-	17.0	13.0	13.9	-	0.2%	14.8	15.6	16.3	5.5%	0.1%
HIV and AIDS	193.8	57.8	65.0	72.5	-28.0%	1.4%	76.1	79.9	83.6	4.9%	0.7%
Maternal, child and women's health	0.6	-	0.4	-	-100.0%	-	1.3	1.4	1.5	-	-
TB non-governmental organisations	3.7	2.4	-	-	-100.0%	-	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>4 376.1</b>	<b>6 051.8</b>	<b>7 493.0</b>	<b>8 762.8</b>	<b>26.0%</b>	<b>93.4%</b>	<b>10 533.9</b>	<b>12 311.3</b>	<b>13 957.0</b>	<b>16.8%</b>	<b>95.5%</b>
Comprehensive HIV and AIDS grant	4 376.1	6 051.8	7 493.0	8 762.8	26.0%	93.4%	10 533.9	12 311.3	13 957.0	16.8%	95.5%
<b>Higher education institutions</b>											
<b>Current</b>	<b>0.5</b>	<b>2.0</b>	<b>5.6</b>	<b>3.0</b>	<b>81.7%</b>	<b>-</b>	<b>3.0</b>	<b>3.0</b>	<b>3.1</b>	<b>1.5%</b>	<b>-</b>
University of Limpopo	0.5	2.0	0.6	2.0	58.7%	-	2.0	2.0	2.1	1.5%	-
University of Cape Town	-	-	-	1.0	-	-	1.0	1.0	1.0	1.5%	-
University of the Witwatersrand	-	-	5.0	-	-	-	-	-	-	-	-

## Personnel information

**Table 16.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number					
Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate <sup>3</sup> 2012/13			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14			2014/15			2015/16								
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
HIV and AIDS, TB, Maternal and Child Health		148		20	135	51.9	0.4	159	59.7	0.4	144	61.8	0.4	144	63.9	0.4	144	67.1	0.5	-3.2%	100.0%	
Salary level																						
1 – 6	18	13	20	3.1	0.2	30	3.3	0.1	18	3.0	0.2	18	3.2	0.2	18	3.3	0.2	18	3.3	0.2	-15.7%	14.2%
7 – 10	87	1	65	19.0	0.3	84	26.3	0.3	80	27.2	0.3	80	28.5	0.4	80	29.9	0.4	80	29.9	0.4	-1.6%	54.8%
11 – 12	26	3	34	17.2	0.5	27	15.3	0.6	29	16.2	0.6	29	17.0	0.6	29	17.9	0.6	29	17.9	0.6	2.4%	19.3%
13 – 16	17	3	16	12.6	0.8	18	14.9	0.8	17	15.4	0.9	17	15.2	0.9	17	15.9	0.9	17	15.9	0.9	-1.9%	11.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term is in the *HIV and AIDS* subprogramme, which is discussed in more detail in the section that follows. Growth in spending in maternal health over the medium term aims to increase deliveries attended by appropriately skilled personnel to 97 per cent in 2015/16 from the current level of 90 per cent. Spending on tuberculosis remains a priority, with plans to improve the cure rate from the current level of 73 per cent to 85 per cent in 2015/16.

The *Tuberculosis* subprogramme, which was located within the *HIV and AIDS* subprogramme until 2011/12, was strengthened between 2009/10 and 2012/13, due to the introduction of GeneXpert technology and surveillance. The decline in expenditure in the *Child, Youth and School Health* subprogramme over the same period was a result of once-off allocations for the start up of new pneumococcal and rotavirus vaccine programmes, which are now funded from provincial health budgets. The growth in spending in the *Women's, Maternal and Reproductive Health* subprogramme over this period was due to the expansion of women's health activities to ensure that the relevant millennium development goals were being met.

There were 148 funded posts and 9 vacancies as at 30 September 2012. The vacant posts were due to delays in finalising the new organogram based on the change to the budget structure. The number of employees is expected to decrease slightly from the current 159 to 144 in 2013/14 and is partly due to the department's efforts to abolish vacant posts through the PERSAL clean up exercise. The decrease is mainly seen in the lowest salary level category.

Over the medium term, an additional R15 million in 2015/16 is allocated for the transfer to the South African National AIDS Council to support the implementation of the 2012-2016 national strategic plan on HIV, sexually transmitted infections and tuberculosis.

## Subprogramme: HIV and AIDS

This subprogramme develops national policy and administers national programmes on HIV and AIDS and sexually transmitted infections. This entails coordinating the implementation of the 2012-2016 national strategic plan on HIV, sexually transmitted infections and tuberculosis. In 2012/13, significant progress was made in: lowering the rate of child mortality through the reduction of the mother to child HIV transmission programme, which resulted in lower child mortality rates; increasing antiretroviral treatment coverage; lowering adult mortality rates; increasing the number of medical male circumcisions; and maintaining HIV testing at high levels. It is estimated that 500 000 new patients would have been initiated on antiretroviral treatment by the end of 2012/13, and mother to child HIV transmission is projected to reduce further from current levels of 3.5 per cent to 2 per cent in 2013/14.

## Expenditure estimates

Table 16.11 HIV and AIDS

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
<b>Current payments</b>	<b>280.5</b>	<b>220.0</b>	<b>195.9</b>	<b>269.2</b>	<b>-1.4%</b>	<b>3.4%</b>	<b>251.4</b>	<b>304.9</b>	<b>320.7</b>	<b>6.0%</b>	<b>2.4%</b>	
Compensation of employees	24.8	27.2	29.6	30.8	7.5%	0.4%	33.4	34.2	36.3	5.6%	0.3%	
Goods and services	255.8	192.8	166.3	238.4	-2.3%	3.0%	218.1	270.7	284.4	6.1%	2.1%	
of which:												
Consultants and professional services:	4.0	6.0	0.0	8.5	28.4%	0.1%	14.8	23.1	9.2	2.7%	0.1%	
Business and advisory services												
Contractors	0.6	0.3	0.0	0.8	10.9%	-	0.8	0.9	0.9	5.0%	-	
Inventory: Medical supplies	145.7	116.8	124.1	135.0	-2.5%	1.8%	140.0	148.4	198.4	13.7%	1.3%	
Travel and subsistence	13.4	11.5	12.4	12.2	-3.1%	0.2%	11.6	11.5	11.8	-0.9%	0.1%	
<b>Transfers and subsidies</b>	<b>4 570.5</b>	<b>6 183.4</b>	<b>7 655.0</b>	<b>8 936.0</b>	<b>25.0%</b>	<b>96.6%</b>	<b>10 716.6</b>	<b>12 498.7</b>	<b>14 159.3</b>	<b>16.6%</b>	<b>97.6%</b>	
Provinces and municipalities	4 376.1	6 051.8	7 493.0	8 762.8	26.0%	94.2%	10 533.9	12 311.3	13 957.0	16.8%	96.0%	
Departmental agencies and accounts	-	-	-	-	-	-	-	-	15.0	-	-	
Higher education institutions	0.5	2.0	5.6	3.0	81.7%	-	3.0	3.0	3.1	1.5%	-	
Non-profit institutions	193.8	129.7	156.5	170.1	-4.3%	2.3%	179.7	184.3	184.2	2.7%	1.5%	
Households	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>0.6</b>	<b>0.7</b>	<b>0.5</b>	<b>0.8</b>	<b>6.5%</b>	<b>-</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>9.1%</b>	<b>-</b>	
Machinery and equipment	0.6	0.7	0.5	0.8	6.5%	-	1.0	1.0	1.0	9.1%	-	
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.2</b>	<b>1.5</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>4 851.6</b>	<b>6 404.3</b>	<b>7 852.9</b>	<b>9 205.9</b>	<b>23.8%</b>	<b>100.0%</b>	<b>10 969.0</b>	<b>12 804.6</b>	<b>14 481.1</b>	<b>16.3%</b>	<b>100.0%</b>	
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>98.5%</b>	<b>99.0%</b>	<b>99.2%</b>	<b>99.4%</b>			<b>99.5%</b>	<b>99.5%</b>	<b>99.6%</b>			

## Personnel information

Table 16.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

HIV and AIDS	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	Unit Cost		2012/13	Unit Cost		2013/14	Unit Cost		2014/15	Unit Cost				2015/16	Unit Cost	
Salary level	78	15	80	30.5	0.4	90	31.6	0.4	82	32.6	0.4	82	33.3	0.4	82	35.0	0.4	-3.1%	100.0%
1 - 6	11	9	14	2.1	0.2	20	2.1	0.1	12	2.0	0.2	12	2.1	0.2	12	2.2	0.2	-15.7%	16.7%
7 - 10	46	1	36	11.3	0.3	45	13.9	0.3	45	15.0	0.3	45	15.8	0.4	45	16.6	0.4	-	53.6%
11 - 12	15	3	23	11.7	0.5	18	10.2	0.6	18	8.9	0.5	18	9.4	0.5	18	9.8	0.5	-	21.4%
13 - 16	6	2	7	5.4	0.8	7	5.4	0.8	7	6.7	1.0	7	6.1	0.9	7	6.4	0.9	-	8.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on continuing to strengthen the HIV and AIDS testing and prevention programmes, which will result in a further decrease in the number of babies testing positive six weeks after birth, and an increase in the number of people on antiretroviral treatment.

The rise in transfers and subsidies between 2009/10 and 2012/13 was due to an increase in the HIV and AIDS conditional grant to provinces. The increases were due to higher numbers of new patients being placed on antiretroviral treatment and the escalation of a range of prevention, care, support and other interventions, such as testing, circumcision and the prevention of mother to child transmission.

Spending increases will be sustained over the medium term following the lowering of the HIV and AIDS treatment threshold from a CD4 count of 200 to 350 in 2011/12 and are intended to provide for an additional 500 000 people receiving antiretroviral treatment each year.

The staff complement in 2012/13 was 90, which declines to 82 in 2013/14 and is expected to remain at this level over the medium term. There were 3 vacant posts at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.



## Programme 4: Primary Health Care Services

### Objectives

- Improve the quality and integration of primary health care services over the medium term by:
  - developing an inter-sectoral framework for addressing the health impact of social determinants of health
  - increasing the monthly supervisory rate in fixed primary health care facilities in line with the primary health care supervision manual
  - supporting the reengineering of primary health care through increasing the current number of functional ward based outreach teams from 500 in 2012/13 to 1500 in 2013/14.
- Eliminate malaria by 2018 by reducing the local transmission of malaria cases to 0/1 000 population at risk, through the continued implementation of the malaria elimination strategy.
- Promote the health of the population by:
  - finalising and implementing regulations on reduced salt content in processed foods over the MTEF period
  - introducing legislation restricting alcohol advertising over the medium term.
- Strengthen epidemic preparedness and response through an intensive capacity building programme and the establishment of outbreak response teams in all districts by 2015/16.
- Strengthen prevention and promotion efforts through the establishment of a National Health Commission over the medium term.

### Subprogrammes

- *District Services and Environmental Health* promotes, coordinates and institutionalises the district health system; integrates programme implementation using the primary health care approach; coordinates the delivery of environmental health for all levels of the health care system, including the monitoring and delivery of municipal health services; and implements the third stream of primary health care reengineering, that is ward based outreach teams inclusive of community based services. The subprogramme will ensure full coverage of 10 national health insurance pilot sites with ward based outreach teams by establishing additional functional teams to reach the target of 1 500. The programme continues to develop norms and standards for all aspects of the district health system, primary health care and environmental health services. This subprogramme has a staff complement of 21 employees.
- *Communicable Diseases* develops policies and supports provinces to ensure the control of infectious diseases, and supports the National Institute of Communicable Diseases, a division of the National Health Laboratory Service. Over the MTEF period, the malaria incidence per 1 000 local population at risk has decreased from 0.6 in 2010/11 to 0.48 in 2011/12. The key achievements of the subprogramme in 2012/13 included the strengthening of malaria information systems to accommodate elimination indicators, and improved collaboration on malaria control with neighbouring Zimbabwe, Botswana and Mozambique. The key priorities over the MTEF period are to further reduce the local malaria incidence to 0.34 in 2014/15 and to improve epidemic preparedness and response in all the health districts. This subprogramme had a staff complement of 18 in 2012/13.
- *Non-Communicable Diseases* establishes policy, legislation and guidelines; and assists provinces in implementing and monitoring services for chronic diseases, disability, elderly people, eye care, oral health, mental health and substance abuse and injury prevention. Over the medium term, legislation on regulating alcohol advertising and reducing salt content in food will be introduced to Parliament. Other activities over the medium term include: implementing the programme of action to realise the 10 targets for better health agreed on at the national summit for non-communicable diseases; exploring the establishment of a commission for non-communicable diseases; developing intersectoral strategies for reducing the four main risk factors for non-communicable diseases; increasing the screening for non-communicable diseases; implementing a plan of action for mental health; and further implementing the long term care model. This subprogramme had a staff complement of 32 in 2012/13 and a total personnel budget of R13 million.
- *Health Promotion and Nutrition* formulates and monitors policies, guidelines, and norms and standards for health promotion and nutrition. Over the medium term, the focus will be on finalising an integrated health promotion policy and strategy and the roadmap for nutrition in South Africa. This work will include

implementing the exclusive breastfeeding policy and other wellness strategies. This subprogramme had a staff complement of 20 in 2012/13.

- *Violence, Trauma and EMS* formulates and monitors policies, guidelines, and norms and standards for the management of violence and trauma and emergency medical services. This is a new subprogramme, which will take effect in 2013/14. The subprogramme has a staff complement of 8 employees.

## Expenditure estimates

**Table 16.13 Primary Health Care Services**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
District Services and Environmental Health	11.6	28.9	45.0	22.4	24.6%	19.5%	24.5	24.2	25.4	4.2%	21.3%
Communicable Diseases	204.2	14.0	9.7	47.1	-38.7%	49.8%	18.2	19.0	19.9	-25.0%	23.0%
Non-Communicable Diseases	18.3	25.7	24.2	27.2	14.1%	17.3%	28.9	29.8	31.1	4.6%	25.9%
Health Promotion and Nutrition	11.3	10.2	12.3	22.2	25.3%	10.1%	21.5	22.3	23.5	1.9%	19.8%
Violence, Trauma and EMS	4.2	3.5	3.7	6.9	17.6%	3.3%	16.3	10.8	11.4	18.3%	10.0%
<b>Total</b>	<b>249.6</b>	<b>82.3</b>	<b>94.9</b>	<b>125.8</b>	<b>-20.4%</b>	<b>100.0%</b>	<b>109.4</b>	<b>106.1</b>	<b>111.3</b>	<b>-4.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				38.4			16.5	9.0	9.7		
<b>Economic classification</b>											
<b>Current payments</b>	<b>196.1</b>	<b>75.5</b>	<b>92.2</b>	<b>121.7</b>	<b>-14.7%</b>	<b>87.9%</b>	<b>105.7</b>	<b>102.2</b>	<b>107.2</b>	<b>-4.1%</b>	<b>96.5%</b>
Compensation of employees	33.5	34.8	39.1	45.5	10.7%	27.7%	53.5	56.4	59.6	9.4%	47.5%
Goods and services	162.6	40.8	53.1	76.2	-22.3%	60.2%	52.2	45.8	47.6	-14.5%	49.0%
of which:											
Consultants and professional services:	3.1	21.4	35.0	10.2	49.4%	12.6%	16.7	10.9	11.4	3.8%	10.9%
Business and advisory services											
Contractors	0.1	0.0	0.0	0.1	33.5%	-	0.1	0.1	0.1	2.0%	0.1%
Inventory: Medical supplies	144.3	2.1	0.1	-	-100.0%	26.5%	-	-	-	-	-
Travel and subsistence	6.9	6.6	7.0	16.4	33.2%	6.7%	14.9	14.2	14.5	-3.8%	13.2%
<b>Transfers and subsidies</b>	<b>51.9</b>	<b>6.3</b>	<b>2.0</b>	<b>2.8</b>	<b>-62.4%</b>	<b>11.4%</b>	<b>2.3</b>	<b>2.4</b>	<b>2.6</b>	<b>-2.7%</b>	<b>2.2%</b>
Provinces and municipalities	50.0	-	-	-	-100.0%	9.0%	-	-	-	-	-
Departmental agencies and accounts	-	4.6	-	-	-	0.8%	-	-	-	-	-
Non-profit institutions	1.9	1.7	1.5	2.8	13.7%	1.4%	2.3	2.4	2.6	-2.7%	2.2%
Households	0.0	0.0	0.5	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1.6</b>	<b>0.4</b>	<b>0.7</b>	<b>1.4</b>	<b>-4.3%</b>	<b>0.7%</b>	<b>1.5</b>	<b>1.5</b>	<b>1.5</b>	<b>3.2%</b>	<b>1.3%</b>
Machinery and equipment	1.6	0.4	0.7	1.4	-4.3%	0.7%	1.5	1.5	1.5	3.2%	1.3%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>249.6</b>	<b>82.3</b>	<b>94.9</b>	<b>125.8</b>	<b>-20.4%</b>	<b>100.0%</b>	<b>109.4</b>	<b>106.1</b>	<b>111.3</b>	<b>-4.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.3%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>			<b>0.4%</b>	<b>0.3%</b>	<b>0.3%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	-	4.6	-	-	-	0.8%	-	-	-	-	-
Humans Sciences Research Council	-	4.6	-	-	-	0.8%	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>1.9</b>	<b>1.7</b>	<b>1.5</b>	<b>2.8</b>	<b>13.7%</b>	<b>1.4%</b>	<b>2.3</b>	<b>2.4</b>	<b>2.6</b>	<b>-2.7%</b>	<b>2.2%</b>
South African Federation for Mental Health	-	0.3	0.3	0.3	-	0.1%	0.3	0.3	0.3	4.9%	0.3%
South African National Council for the Blind	0.6	0.6	0.6	0.7	5.7%	0.4%	0.7	0.7	0.8	4.9%	0.6%
Mental health non-governmental organisations	0.2	0.1	0.0	0.2	-12.5%	0.1%	0.2	0.2	0.2	4.8%	0.2%
Health promotion non-governmental organisations	0.6	0.4	0.3	0.7	4.2%	0.3%	0.7	0.8	0.8	7.3%	0.6%
Psychology Society of South Africa	-	-	-	0.1	-	-	-	-	-	-100.0%	-
South African Community Epidemiology Network on Drug Use	0.5	0.4	0.3	0.4	-7.0%	0.3%	0.4	0.5	0.5	4.9%	0.4%
World Congress on Paediatric Cardiology	-	-	-	0.5	-	0.1%	-	-	-	-100.0%	0.1%
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>50.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>9.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cholera conditional grant	50.0	-	-	-	-100.0%	9.0%	-	-	-	-	-

## Personnel information

**Table 16.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Primary Health Care Services		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	113	1	100	42.7	0.4	99	43.6	0.4	102	46.8	0.5	102	49.2	0.5	102	51.6	0.5	1.0%	100.0%
1 – 6	29	–	24	4.5	0.2	24	4.3	0.2	25	4.5	0.2	25	4.8	0.2	25	5.0	0.2	1.4%	24.4%
7 – 10	39	–	37	12.4	0.3	36	12.2	0.3	38	14.2	0.4	38	14.9	0.4	38	15.6	0.4	1.8%	37.0%
11 – 12	28	–	23	13.2	0.6	24	15.0	0.6	23	14.1	0.6	23	14.8	0.6	23	15.5	0.7	-1.4%	23.0%
13 – 16	17	1	16	12.7	0.8	15	12.0	0.8	16	14.1	0.9	16	14.7	0.9	16	15.5	1.0	2.2%	15.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on health promotion and the prevention of non-communicable diseases such as hypertension and diabetes. The *Non-Communicable Diseases* subprogramme will continue to be prioritised and will be the largest spending item over the MTEF period. In addition, malaria and vector borne diseases remain a priority area in South Africa and the larger SADC region.

In 2012/13, spending increased significantly in the *Health Promotion and Nutrition* subprogramme due to the rollover of R1.5 million from 2011/12 to fund the advertising of the roundabout water initiative, a project aimed at providing water pumps in rural areas to promote safe health practices. The increase in spending in the *District Services and Environmental Health* subprogramme in 2011/12 was on the health facilities audit under goods and services: consultants and professional services. The Health Systems Trust was commissioned to conduct an audit of public health facilities, including clinics, community health centres, district, regional, specialised and tertiary hospitals in all nine provinces.

Expenditure in the *Communicable Diseases* subprogramme decreased significantly between 2009/10 and 2012/13 due to a once-off allocation of R148 million for influenza vaccines in 2009/10. A R30 million rollover was used to purchase influenza vaccines for provincial distribution and R50 million was used towards the cholera conditional grant in 2009/10. As these additional allocations and rollovers were once-offs, this subprogramme is expected to decrease significantly in 2013/14.

The increase in spending in 2012/13 in the *Violence, Trauma and EMS* subprogramme was due to a budget structure change. Between 2009/10 and 2011/12, the subprogramme only reflected spending on emergency medical services, but from 2012/13, the violence and trauma components were transferred from the *Hospital Services* subprogramme and incorporated into the *Violence, Trauma and EMS* subprogramme.

Over the medium term, there is a once-off increase in spending in this subprogramme in 2013/14, due to the provision of emergency services for the 2014 African Nations Championship. In addition, R9.5 million was reprioritised from goods and services to compensation of employees to provide for capacity in the *Violence, Trauma and EMS* subprogramme.

The programme has a staff complement of 99 and this is expected to increase to 102 in 2013/14. There were 113 funded posts and 15 vacant positions at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.

## Programme 5: Hospital, Tertiary Health Services and Human Resource Development

### Objectives

- Accelerate the delivery of health infrastructure by:
  - developing and applying health infrastructure norms and standards for all levels of health services at all stages of the development cycle over the MTEF period
  - conducting cost modelling for all components and levels of health facilities, including capital and maintenance over the MTEF period
  - maintaining a project management information system for projects and programme monitoring and oversight over the medium term.
- Strengthen the health sector human resource capacity to deliver on key health programmes by continually developing and implementing programmes for the production of new health professional categories for mid-level workers, including clinical associates, emergency care practitioners and community health workers.

### Subprogrammes

- *Health Facilities Infrastructure Management* focuses on coordinating and funding health infrastructure to enable provinces to plan, manage, modernise, rationalise and transform infrastructure, health technology, and hospital management; and improve the quality of care in line with national policy objectives; and is responsible for conditional grants for health infrastructure. In this budget, the three health infrastructure-related conditional grants – hospital revitalisation, health infrastructure, and nursing colleges – will be merged to create the new schedule 5A grant: health facility revitalisation conditional grant. Savings of R531 million (R124.5 million, R174 million and R232.1 million) over the MTEF period have been effected in the new health facility revitalisation grant. In addition, a new indirect schedule 6A (in-kind) national health grant will be created in the 2013 Budget, with a health facility revitalisation component. These infrastructure grants fund the planning and implementing of large numbers of infrastructure projects. This subprogramme had a staff complement of 10 in 2012/13.
- *Tertiary Health Care Planning and Policy* focuses on developing the long term provision of high quality, specialised services in a modernised and reconfigured manner; identifies tertiary and regional hospitals that should serve as centres of excellence for disseminating quality improvements; and is responsible for the management of the national tertiary services grant. The purpose of the grant is to provide strategic funding to enable provinces to plan, modernise, rationalise and transform the tertiary hospital services platform in line with national policy objectives. This subprogramme had a staff complement of 10 in 2012/13.
- *Hospital Management* deals with national policy on hospital services by focusing on developing an effective referral system to ensure the clear delineation of responsibilities by level of care, providing clear guidelines for referral and improved communication, developing specific and detailed hospital plans, and facilitating quality improvement plans for hospitals. Priority areas for hospital improvements include cleanliness, infection prevention and control, patient safety, drug management and availability of medicines, waiting times, and staff attitudes. This subprogramme had a staff complement of 8 in 2012/13.
- *Human Resources for Health* is responsible for medium to long term human resources planning in the national health system. This entails implementing the national human resources for health plan, facilitating capacity development for sustainable health workforce planning, and developing and implementing human resources information systems for planning and monitoring purposes. In 2012/13, workload indicators for staffing needs were drafted with technical support from the World Health Organisation. In 2011/12, the national human resources strategy was developed and in 2012/13, work on developing human resources norms and standards began. A roadmap for implementation will be developed over the medium term. The bulk of this subprogramme's budget is transferred to provinces through the health professions training and development conditional grant, partly based on the historical distribution of medical student numbers. This subprogramme had a staff complement of 35 in 2012/13.
- *Nursing Services* is a new subprogramme, which is responsible for developing and overseeing the implementation of a policy framework to oversee the development of required nursing skills and capacity in

the system, developing nursing norms and standards, and facilitating the development of the nursing training curriculum to ensure that nurses are appropriately skilled and utilised appropriately and effectively. In 2012/13, the nurse education, training and practice strategy was developed and approved. Over the MTEF period, the focus will be on the rollout and implementation of this strategy. The subprogramme had a staff complement of 1 employee in 2012/13.

- *Forensic Chemistry Laboratories* contains the three forensic chemistry laboratories managed by the department located in Johannesburg, Pretoria and Cape Town. The subprogramme had a staff complement of 125 employees in 2012/13.

## Expenditure estimates

**Table 16.15 Hospitals, Tertiary Health Services and Human Resource Development**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)		Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16		
R million													
Health Facilities Infrastructure Management	4 198.8	5 191.5	5 985.9	6 274.4	14.3%	34.8%	5 990.3	6 474.3	6 721.7	2.3%	34.3%		
Tertiary Health Care Planning and Policy	6 616.4	7 400.7	8 051.8	8 883.5	10.3%	49.7%	9 624.0	10 172.0	10 639.9	6.2%	53.0%		
Hospital Management	3.8	3.0	9.4	20.7	76.7%	0.1%	5.8	6.0	6.3	-32.9%	0.1%		
Human Resources for Health	1 790.5	1 880.5	2 001.0	2 103.9	5.5%	12.5%	2 217.7	2 348.2	2 455.9	5.3%	12.3%		
Nursing Services	-	-	-	1.6	-	-	3.8	4.1	4.3	40.4%	-		
Forensic Chemistry Laboratories	529.8	589.9	650.3	67.0	-49.8%	3.0%	69.6	68.2	74.7	3.7%	0.4%		
<b>Total</b>	<b>13 139.2</b>	<b>15 065.7</b>	<b>16 698.4</b>	<b>17 351.0</b>	<b>9.7%</b>	<b>100.0%</b>	<b>17 911.2</b>	<b>19 072.8</b>	<b>19 902.8</b>	<b>4.7%</b>	<b>100.0%</b>		
Change to 2012 Budget estimate				423.1			(105.3)	(159.4)	(214.0)				
<b>Economic classification</b>													
<b>Current payments</b>	<b>69.0</b>	<b>70.4</b>	<b>130.6</b>	<b>176.2</b>	<b>36.7%</b>	<b>0.7%</b>	<b>165.9</b>	<b>164.1</b>	<b>168.8</b>	<b>-1.4%</b>	<b>0.9%</b>		
Compensation of employees	39.2	40.1	52.4	63.6	17.6%	0.3%	76.7	80.7	82.7	9.1%	0.4%		
Goods and services	29.8	30.3	78.3	112.6	55.7%	0.4%	89.2	83.4	86.1	-8.5%	0.5%		
of which:													
Consultants and professional services:	10.6	14.5	52.9	72.8	90.2%	0.2%	52.7	46.9	48.3	-12.8%	0.3%		
Business and advisory services													
Contractors	1.7	1.6	2.1	4.1	32.8%	-	4.1	4.3	0.8	-41.8%	-		
Inventory: Medical supplies	-	0.0	0.0	0.1	-	-	0.1	0.1	0.1	21.6%	-		
Travel and subsistence	4.4	4.2	6.6	7.5	19.6%	-	6.2	5.8	6.0	-7.1%	-		
<b>Transfers and subsidies</b>	<b>13 067.7</b>	<b>14 990.2</b>	<b>16 549.0</b>	<b>17 161.0</b>	<b>9.5%</b>	<b>99.2%</b>	<b>16 934.3</b>	<b>17 228.9</b>	<b>18 052.5</b>	<b>1.7%</b>	<b>93.5%</b>		
Provinces and municipalities	13 067.6	14 990.2	16 541.8	17 159.8	9.5%	99.2%	16 934.3	17 228.9	18 052.5	1.7%	93.5%		
Higher education institutions	-	-	7.2	-	-	-	-	-	-	-	-		
Non-profit institutions	-	-	-	1.2	-	-	-	-	-	-100.0%	-		
Households	0.1	0.0	0.0	-	-100.0%	-	-	-	-	-	-		
<b>Payments for capital assets</b>	<b>2.5</b>	<b>4.9</b>	<b>18.7</b>	<b>13.8</b>	<b>77.9%</b>	<b>0.1%</b>	<b>811.0</b>	<b>1 679.8</b>	<b>1 681.6</b>	<b>395.4%</b>	<b>5.6%</b>		
Buildings and other fixed structures	-	-	-	-	-	-	807.0	1 679.9	1 676.0	-	5.6%		
Machinery and equipment	2.2	4.9	18.7	13.8	85.3%	0.1%	4.0	(0.1)	5.6	-26.0%	-		
Software and other intangible assets	0.3	0.1	-	-	-100.0%	-	-	-	-	-	-		
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>13 139.2</b>	<b>15 065.7</b>	<b>16 698.4</b>	<b>17 351.0</b>	<b>9.7%</b>	<b>100.0%</b>	<b>17 911.2</b>	<b>19 072.8</b>	<b>19 902.8</b>	<b>4.7%</b>	<b>100.0%</b>		
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>68.5%</b>	<b>66.9%</b>	<b>64.9%</b>	<b>61.8%</b>			<b>58.3%</b>	<b>56.2%</b>	<b>54.3%</b>				
<b>Details of selected transfers and subsidies</b>													
<b>Non-profit institutions</b>													
<b>Current</b>	-	-	-	1.2	-	-	-	-	-	-100.0%	-		
International Academy for Design	-	-	-	1.2	-	-	-	-	-	-100.0%	-		
<b>Provinces and municipalities</b>													
<b>Provinces</b>													
<b>Provincial Revenue Funds</b>													
<b>Current</b>	<b>8 876.1</b>	<b>9 820.3</b>	<b>10 616.6</b>	<b>10 969.2</b>	<b>7.3%</b>	<b>64.7%</b>	<b>11 810.7</b>	<b>12 490.0</b>	<b>13 064.6</b>	<b>6.0%</b>	<b>65.1%</b>		
Health professions training and development grant	1 759.8	1 865.4	1 977.3	2 076.2	5.7%	12.3%	2 190.4	2 321.8	2 428.6	5.4%	12.1%		
National tertiary services grant	6 614.4	7 398.0	8 048.9	8 878.0	10.3%	49.7%	9 620.4	10 168.2	10 636.0	6.2%	52.9%		
Forensic pathology services grant	501.9	557.0	590.4	-	-100.0%	2.6%	-	-	-	-	-		
2013 African Cup of Nations medical services grant	-	-	-	15.0	-	-	-	-	-	-100.0%	-		
<b>Capital</b>	<b>4 191.5</b>	<b>5 169.9</b>	<b>5 925.3</b>	<b>6 190.6</b>	<b>13.9%</b>	<b>34.5%</b>	<b>5 123.5</b>	<b>4 738.8</b>	<b>4 987.9</b>	<b>-6.9%</b>	<b>28.3%</b>		
Health facility revitalisation grant	4 191.5	5 169.9	5 925.3	6 190.6	13.9%	34.5%	5 123.5	4 738.8	4 987.9	-6.9%	28.3%		
<b>Higher education institutions</b>													
<b>Current</b>	-	-	7.2	-	-	-	-	-	-	-	-		
University of the Witwatersrand	-	-	7.2	-	-	-	-	-	-	-	-		

## Personnel information

**Table 16.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)			
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14			2014/15			2015/16					2012/13 - 2015/16		
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Hospitals, Tertiary Health Services and Human Resource Development																					
Salary level	222	4	178	50.8	0.3	189	61.7	0.3	210	75.8	0.4	210	79.6	0.4	210	83.6	0.4			3.6%	100.0%
1 – 6	64	4	55	6.5	0.1	58	9.6	0.2	60	10.7	0.2	60	11.3	0.2	60	11.8	0.2			1.1%	29.1%
7 – 10	114	–	98	21.6	0.2	103	32.3	0.3	117	41.3	0.4	117	43.4	0.4	117	45.6	0.4			4.3%	55.4%
11 – 12	27	–	17	16.6	1.0	18	11.5	0.6	18	11.1	0.6	18	11.7	0.6	18	12.3	0.7			–	8.8%
13 – 16	17	–	8	6.0	0.8	10	8.3	0.8	15	12.6	0.8	15	13.2	0.9	15	13.9	0.9			14.5%	6.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the MTEF period will be on health infrastructure planning across the provinces, as well as strengthening tertiary services. As the bulk of this work will be done at the provincial level, 93.5 per cent of the programme's allocation is transferred to provinces, with part of it being provided from 2013/14 as in-kind support.

Between 2009/10 and 2012/13, the significant decrease in spending in the *Forensic Chemistry Laboratories* subprogramme was mainly due to the shifting of the forensic pathology conditional grant back into the provincial equitable share. In 2012/13, R15 million was allocated to the *Hospital Management* subprogramme for the 2013 Africa Cup of Nations conditional grant.

Expenditure on transfers and subsidies grew significantly between 2009/10 and 2012/13 due to increased spending on infrastructure grants to the provinces, in order to upgrade health infrastructure. In 2012/13, R49 million was rolled over in the *Health Facilities Infrastructure Management* subprogramme, R40 million of which was for the infrastructure unit support systems programme and R9 million for the master plan and feasibility study of the revitalisation of nursing colleges.

Spending on the health infrastructure related conditional grants increased from R4.2 billion in 2009/10 to R5.9 billion in 2012/13, and is expected to increase to R6.7 billion over the medium term. The two infrastructure grants are allocated R19 billion over the MTEF period (R5.9 billion, R6.4 billion, and R6.7 billion). Of this R5.1 billion, R4.7 billion and R5 billion will be transferred as direct conditional grant funding to provinces under health facility revitalisation, while R807 million, R1.7 billion and R1.7 billion will be allocated to the national department as an indirect grant component within the national health grant. The introduction of the new indirect conditional grant, whereby the department will undertake certain infrastructure projects for provinces, explains the large increase in buildings under capital assets from 2013/14.

In addition, over the medium term R90 million will be reprioritised from non-core goods and services items to fund the infrastructure unit systems support programme. This is intended to provide support to provinces for the development of norms and standards for all levels of facilities in the country. It will also support the monitoring and evaluation of the three main areas of infrastructure: nursing colleges, the revitalisation of hospitals and the upgrading of health infrastructure.

Cabinet approved reductions were made to the new health facility revitalisation conditional grant amounting to R531 million, (R124.5 million, R174 million and R232.1 million) over the MTEF period. These reductions should not have adverse effects on health infrastructure delivery as they were made due to slow infrastructure grant spending and poor performance.

The number of employees will increase from 189 in 2012/13 to 210 in 2013/14 and is expected to remain stable in the following years as the department builds capacity in this programme. The increase will mainly be seen in salary levels 7-10 and 13-16. There were 222 funded and 37 vacant posts at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.

## Programme 6: Health Regulation and Compliance Management

### Objectives

- Improve the registration of medicines and reduce the time taken to reach the market by:
  - limiting the backlog on medicine registrations by continually building in-house capacity, training and aggressively recruiting evaluators
  - managing clinical trials and performing inspections over the MTEF period.
- Improve oversight over the registration of pharmaceutical and related products by establishing the South African Health Products Regulatory Authority over the medium term.
- Improve the quality of health services through the establishment of an independent Office of Health Standards Compliance Bill as a national quality certification body over the medium term.
- Initiate a process to reform and strengthen the National Institute for Communicable Diseases' capacity by establishing a National Public Health Institute focusing on:
  - Surveillance of communicable diseases, non-communicable diseases and violence and injury over the medium term period.

### Subprogrammes

- *Food Control* regulates foodstuffs and non-medical health products to ensure food safety. This entails developing and implementing food control policies, regulations, and norms and standards. Over the medium term, the focus will be on developing, finalising and publishing regulations in line with the relevant provisions of the Foodstuffs, Cosmetics and Disinfectants Act (1972). This subprogramme had a staff complement of 13 in 2012/13.
- *Pharmaceutical Trade and Product Regulation* regulates the sale of medicines, through an assessment of the efficacy safety and quality of medicines. Over the medium term, the intention is to establish the South African Health Products Regulatory Authority. In 2012/13, the changes to organisational design and changes to the registration processes and fee structures in relation to the transition towards the establishment of the authority as a public entity were in the process of completion. This subprogramme had a staff complement of 140 in 2012/13.
- *Public Entities Management* provides policy frameworks for health public entities and statutory health professions councils with regard to planning, budgeting procedures, ownership, governance, remuneration, accountability, and financial reporting and oversight. The bulk of this subprogramme's budget is transferred to the Medical Research Council, the National Health Laboratory Service and the Council for Medical Schemes. The subprogramme supports the executive authority's oversight responsibility for the following statutory health professional councils: the Allied Health Professions Council of South Africa, the Health Professions Council of South Africa, the South African Pharmacy Council, the South African Dental Technicians Council of South Africa, the South African Nursing Council and the Interim Traditional Health Practitioners Council. In 2012/13, the subprogramme supported the governance of statutory structures and monitored the compliance and implementation of legislation as it relates to public entities and statutory health professional councils. The Forum of Statutory Health Professional Councils, on which all the statutory health professional councils are represented, was established in terms of section 50 of the National Health Act (2003). The Interim Traditional Health Practitioners Council will contribute towards the management and governance of traditional health practitioners. This subprogramme had a staff complement of 3 in 2012/13.
- *Office of Standards Compliance* is discussed in more detail below.
- *Compensation Commissioner for Occupational Diseases and Occupational Health* is responsible for the payment of compensation to active and former workers in controlled mines and works, who have been certified to be suffering from cardio-pulmonary-related diseases as a result of workplace exposure in the controlled mines or works. Over the medium term, the focus will be on reengineering business processes to ensure sustainability, reducing the turnaround period in settling claims, amending the Occupational Diseases in Mines and Works Act (1973), and improving governance, internal controls and relationships with key

stakeholders. The subprogramme oversees and manages the Compensation Commissioner for Occupational Diseases trading entity. This subprogramme had a staff establishment of 107 in 2012/13 with 6 vacant posts.

## Expenditure estimates

**Table 16.17 Health Regulation and Compliance Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Food Control	5.4	5.8	5.8	7.1	9.4%	1.2%	8.3	8.7	9.1	8.4%	1.0%
Pharmaceutical Trade and Product Regulation	55.2	67.7	71.3	85.1	15.5%	13.3%	98.3	103.2	108.0	8.3%	12.4%
Public Entities Management	334.6	418.0	378.1	397.8	5.9%	73.0%	539.3	591.1	765.9	24.4%	72.4%
Office of Standards Compliance	16.3	18.7	26.2	62.3	56.3%	5.9%	54.9	57.5	60.5	-1.0%	7.4%
Compensation Commissioner for Occupational Diseases and Occupational Health	28.7	30.6	33.9	45.1	16.2%	6.6%	53.3	55.8	58.8	9.3%	6.7%
<b>Total</b>	<b>440.3</b>	<b>540.7</b>	<b>515.4</b>	<b>597.4</b>	<b>10.7%</b>	<b>100.0%</b>	<b>754.1</b>	<b>816.4</b>	<b>1 002.2</b>	<b>18.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				21.6			139.7	171.2	327.3		
<b>Economic classification</b>											
<b>Current payments</b>	<b>100.1</b>	<b>117.7</b>	<b>134.2</b>	<b>196.6</b>	<b>25.2%</b>	<b>26.2%</b>	<b>211.9</b>	<b>222.4</b>	<b>233.3</b>	<b>5.9%</b>	<b>27.3%</b>
Compensation of employees	64.0	71.1	90.1	102.4	16.9%	15.6%	109.6	115.4	121.7	5.9%	14.2%
Goods and services	36.0	46.7	44.0	94.2	37.8%	10.5%	102.3	107.0	111.6	5.8%	13.1%
<i>of which:</i>											
<i>Consultants and professional services:</i>	11.6	20.9	16.2	30.6	38.0%	3.8%	33.2	37.4	39.4	8.8%	4.4%
<i>Business and advisory services</i>											
<i>Contractors</i>	0.3	0.5	0.4	1.1	53.0%	0.1%	1.4	1.5	1.5	10.2%	0.2%
<i>Inventory: Medical supplies</i>	0.0	0.5	0.0	0.5	238.5%	0.1%	0.7	0.8	0.8	16.5%	0.1%
<i>Travel and subsistence</i>	11.8	13.4	13.0	28.0	33.2%	3.2%	25.8	24.5	25.1	-3.5%	3.3%
<b>Transfers and subsidies</b>	<b>339.0</b>	<b>420.7</b>	<b>379.9</b>	<b>397.4</b>	<b>5.4%</b>	<b>73.4%</b>	<b>538.6</b>	<b>590.4</b>	<b>765.1</b>	<b>24.4%</b>	<b>72.3%</b>
Departmental agencies and accounts	335.6	415.7	373.6	389.2	5.1%	72.3%	528.4	579.6	753.7	24.7%	71.0%
Non-profit institutions	2.8	4.9	6.1	8.3	44.1%	1.1%	10.3	10.9	11.4	11.3%	1.3%
Households	0.7	0.1	0.3	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1.2</b>	<b>2.1</b>	<b>1.3</b>	<b>3.4</b>	<b>42.7%</b>	<b>0.4%</b>	<b>3.6</b>	<b>3.6</b>	<b>3.8</b>	<b>3.2%</b>	<b>0.5%</b>
Machinery and equipment	1.2	2.1	1.3	3.4	42.7%	0.4%	3.6	3.6	3.8	3.2%	0.5%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>440.3</b>	<b>540.7</b>	<b>515.4</b>	<b>597.4</b>	<b>10.7%</b>	<b>100.0%</b>	<b>754.1</b>	<b>816.4</b>	<b>1 002.2</b>	<b>18.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>2.3%</b>	<b>2.4%</b>	<b>2.0%</b>	<b>2.1%</b>			<b>2.5%</b>	<b>2.4%</b>	<b>2.7%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>331.9</b>	<b>413.1</b>	<b>370.8</b>	<b>386.3</b>	<b>5.2%</b>	<b>71.7%</b>	<b>525.3</b>	<b>576.4</b>	<b>750.4</b>	<b>24.8%</b>	<b>70.6%</b>
National Health Laboratory Services	76.5	120.3	83.0	85.1	3.6%	17.4%	104.3	125.3	129.6	15.0%	14.0%
South African Medical Research Council	251.5	292.8	283.6	296.8	5.7%	53.7%	416.5	446.3	615.8	27.5%	56.0%
Council for Medical Schemes	3.9	-	4.2	4.3	3.7%	0.6%	4.5	4.8	5.0	4.9%	0.6%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>2.8</b>	<b>4.9</b>	<b>6.1</b>	<b>8.3</b>	<b>44.1%</b>	<b>1.1%</b>	<b>10.3</b>	<b>10.9</b>	<b>11.4</b>	<b>11.3%</b>	<b>1.3%</b>
Health Systems Trust	2.8	4.9	6.1	8.3	44.1%	1.1%	10.3	10.9	11.4	11.3%	1.3%
<b>Departmental agencies and accounts</b>											
<b>Social security funds</b>											
<b>Current</b>	<b>3.7</b>	<b>2.6</b>	<b>2.8</b>	<b>2.9</b>	<b>-7.5%</b>	<b>0.6%</b>	<b>3.1</b>	<b>3.2</b>	<b>3.4</b>	<b>4.9%</b>	<b>0.4%</b>
Compensation Fund	3.7	2.6	2.8	2.9	-7.5%	0.6%	3.1	3.2	3.4	4.9%	0.4%



## Personnel information

**Table 16.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Health Regulation and Compliance Management																			
Salary level	353	16	311	88.0	0.3	331	103.9	0.3	326	108.6	0.3	326	114.1	0.4	326	119.7	0.4	-0.5%	100.0%
1 – 6	150	9	139	18.1	0.1	153	23.4	0.2	152	24.1	0.2	152	25.3	0.2	152	26.6	0.2	-0.2%	46.5%
7 – 10	108	5	84	20.8	0.2	87	27.0	0.3	79	27.6	0.3	79	29.0	0.4	79	30.4	0.4	-3.2%	24.8%
11 – 12	80	2	78	41.0	0.5	80	43.7	0.5	80	44.1	0.6	80	46.3	0.6	80	48.6	0.6	–	24.4%
13 – 16	15	–	10	8.2	0.8	11	9.8	0.9	15	12.8	0.9	15	13.5	0.9	15	14.1	0.9	10.9%	4.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on improving the quality of health services and health products through the establishment of the Office of Standards Compliance and the South African Health Products Regulatory Agency. The majority of the programme's budget is on transfers to the Medical Research Council and the National Health Laboratory Service. Transfers to the National Health Laboratory Service are expected to increase over the medium term to strengthen surveillance activities on communicable diseases.

Between 2009/10 and 2012/13, spending in the *Pharmaceutical Trade and Product Regulation* subprogramme increased significantly to reduce the large backlogs in medicine registration and to prepare for the establishment of the South African Health Products Regulatory Authority, an independent public entity that will replace the Medicines Control Council.

The largest spending increase in this period has been in the *Office of Standards Compliance* subprogramme, which is discussed in further detail in the section that follows.

Over the medium term, spending in the *Public Entities Management* subprogramme is expected to grow significantly to strengthen the capacity and outputs of the Medical Research Council. Additional allocations of R100 million, R113 million and R268 million are used to improve research programmes at the council and its university linked units, and for research infrastructure.

Additional funding of R15 million, R31.5 million and R31.5 million over the MTEF period is allocated to the National Institute for Communicable Diseases, a division of the National Health Laboratory Service, to accommodate the withdrawal of the President's Emergency Plan for AIDS Relief funding for surveillance of the enteric, respiratory and meningeal group of diseases in South Africa.

The programme's overall staff complement will remain relatively stable over the medium term, although some fluctuation is projected for the lowest salary levels. There were 353 funded and 38 vacant posts at the end of September 2012. Vacant posts are due to a reprioritisation process to ensure that the organisational structure is aligned to the strategic direction and the Department expects to fill them in 2013/14.

### Subprogramme: Office of Standards Compliance

This subprogramme deals with quality assurance, development and inspections for compliance with national standards, patient complaints and radiation control. It has a staff complement of 75 and a total budget of R62.3 million, of which 46.7 per cent is used for compensation of employees. The major activities are logging and tracking complaints, developing and disseminating standards and audit tools, inspecting health establishments and radiation installations for compliance, and issuing importation licences for ionising radiation irradiating apparatus and for radioactive equipment and sources.

## Expenditure estimates

Table 16.19 Office of Standards Compliance

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
	2012/13	2012/13	2012/13				2012/13	2012/13	2012/13			2012/13
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16	
<b>Current payments</b>	<b>15.9</b>	<b>18.4</b>	<b>25.5</b>	<b>61.5</b>	<b>57.1%</b>	<b>98.3%</b>	<b>54.2</b>	<b>56.8</b>	<b>59.7</b>	<b>-1.0%</b>	<b>98.7%</b>	
Compensation of employees	11.5	12.2	19.1	29.1	36.2%	58.3%	20.0	21.1	22.4	-8.3%	39.4%	
Goods and services	4.4	6.1	6.4	32.5	95.4%	40.0%	34.2	35.7	37.3	4.7%	59.3%	
of which:												
Administration fees	–	0.0	0.0	–	–	–	–	–	–	–	–	
Advertising	0.1	0.2	0.4	0.2	17.7%	0.7%	0.2	0.2	0.2	1.5%	0.4%	
Assets less than the capitalisation threshold	0.0	0.3	0.2	1.0	181.0%	1.2%	–	0.2	0.2	-41.4%	0.6%	
Catering: Departmental activities	0.0	0.0	0.0	0.1	84.2%	0.2%	0.1	0.1	0.1	1.6%	0.2%	
Communication	0.5	0.5	0.5	0.4	-4.9%	1.5%	0.4	0.4	0.4	1.5%	0.7%	
Computer services	0.2	0.0	0.0	1.2	98.6%	1.2%	1.2	1.2	1.3	1.5%	2.1%	
Consultants and professional services:	–	0.3	0.3	14.6	–	12.3%	18.8	20.8	21.9	14.5%	32.4%	
Business and advisory services												
Contractors	0.1	0.1	0.0	0.1	-14.1%	0.2%	0.1	0.1	0.1	1.3%	0.1%	
Agency and support / outsourced services	0.3	0.3	0.2	1.6	69.6%	2.0%	1.6	1.6	1.7	1.5%	2.8%	
Entertainment	0.0	0.0	0.0	0.1	162.1%	0.1%	0.1	0.1	0.1	1.5%	0.2%	
Inventory: Fuel, oil and gas	–	–	0.0	0.1	–	–	0.1	0.1	0.1	1.3%	0.1%	
Inventory: Materials and supplies	0.0	0.0	0.0	–	-100.0%	–	–	–	–	–	–	
Inventory: Medical supplies	–	–	–	0.1	–	0.1%	0.1	0.1	0.1	1.3%	0.1%	
Inventory: Other consumables	0.0	0.0	0.0	0.2	97.7%	0.2%	0.2	0.2	0.2	1.5%	0.3%	
Inventory: Stationery and printing	0.4	0.8	0.3	1.0	34.0%	2.0%	1.0	1.0	1.0	1.5%	1.7%	
Operating leases	0.1	0.1	0.1	0.2	35.7%	0.3%	0.2	0.2	0.2	1.5%	0.3%	
Travel and subsistence	1.9	2.7	3.1	10.0	75.6%	14.3%	8.5	7.8	8.0	-7.2%	14.7%	
Training and development	0.0	0.1	0.2	–	-100.0%	0.2%	–	–	–	–	–	
Operating payments	0.6	0.3	0.8	1.2	22.8%	2.4%	1.2	1.2	1.2	1.5%	2.0%	
Venues and facilities	0.1	0.5	0.3	0.5	56.3%	1.2%	0.5	0.5	0.5	1.5%	0.9%	
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
Households	0.0	0.0	–	–	-100.0%	–	–	–	–	–	–	
<b>Payments for capital assets</b>	<b>0.4</b>	<b>0.3</b>	<b>0.7</b>	<b>0.7</b>	<b>19.2%</b>	<b>1.7%</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>3.2%</b>	<b>1.3%</b>	
Machinery and equipment	0.4	0.3	0.7	0.7	19.2%	1.7%	0.8	0.8	0.8	3.2%	1.3%	
<b>Total</b>	<b>16.3</b>	<b>18.7</b>	<b>26.2</b>	<b>62.3</b>	<b>56.3%</b>	<b>100.0%</b>	<b>54.9</b>	<b>57.5</b>	<b>60.5</b>	<b>-1.0%</b>	<b>100.0%</b>	
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>3.7%</b>	<b>3.5%</b>	<b>5.1%</b>	<b>10.4%</b>			<b>7.3%</b>	<b>7.0%</b>	<b>6.0%</b>			

## Personnel information

Table 16.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Office of Standards Compliance	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	75	–	64	19	0.3	68	25	0.4	46	20	0.4	46	21	0.4	46	22	0.5	-12.2%	100.0%
1 – 6	14	–	12	1	0.1	13	2	0.2	12	2	0.2	12	2	0.2	12	2	0.2	-2.6%	23.8%
7 – 10	43	–	34	7.8	0.2	36	11.6	0.3	21	8.5	0.4	21	9.0	0.4	21	9.4	0.4	-16.4%	48.1%
11 – 12	14	–	15	7.3	0.5	16	8.8	0.6	10	6.1	0.6	10	6.4	0.6	10	6.7	0.7	-14.5%	22.3%
13 – 16	4	–	3	2.5	0.8	3	2.5	0.8	3	2.7	0.9	3	2.9	1.0	3	3.0	1.0	–	5.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on conducting inspections on health facilities and preparing for the establishment of the Office of Standards Compliance as a public entity, following the approval and promulgation of the National Health Amendment Bill by the National Assembly and the National Council of Provinces. The entity will ensure that South Africa's hospitals and clinics comply with minimum health standards.

Spending on compensation of employees increased due to an expansion in staff numbers from 2011/12. This has led to major improvements in the resolution rate for complaints, which increased from 40 per cent (139) resolved in 2011/12 to 82 per cent (255) resolved in the first semester of 2012, of which 57 per cent were resolved within 25 working days of being reported. 146 inspections have been conducted to date from a zero base, with a major investment in the refinement of audit tools and training of new inspectors. Activities have included advocacy through provincial visits, meetings and communication material targeting managers and staff with respect to the standards, inspections and future compliance requirements has reached approximately 2 000 people in all provinces. Site inspections will rise to 650 in 2014/15 and 800 in 2015/16.

Expenditure on goods and services increased significantly in 2012/13, especially on travel for inspections, advertising in printing and publications, catering, entertainment and venues for dissemination workshops in preparation for the future regulator. Expenditure also went on consultants for the establishment of the Office of Health Standards Compliance.

Spending on compensation of employees also increased considerably in 2012/13, due to the appointment of new inspectors. However, the projected decline in spending on this item over the medium term is due to a budget structure change, with the radiation control function being shifted out of this subprogramme. As a result, personnel numbers are expected to decrease from 68 in 2012/13 to 46 in 2013/14.

## Public entities and other agencies

### National Health Laboratory Service

#### Mandate and goals

In terms of the National Health Laboratory Service Act (2000) the National Health Laboratory Service is required to: provide cost effective and efficient health laboratory services to all public sector health care providers, other government institutions and any private health care provider in need of its service; support health research; and provide training for health science education.

The strategic goals of the National Health Laboratory Service over the medium term are to restructure and transform laboratory services to make them part of a single national public entity, and develop policies that will enable it to provide health laboratory services as the preferred provider for the public health sector. The service aims to provide cost effective and professional laboratory medicine through competent, qualified professionals and state-of-the-art technology supported by academic and internationally recognised research, training and product development in order to uphold optimal health care delivery for the country. To ensure efficient delivery of services, legislative reform of the National Health Laboratory Service will be introduced over the medium term.

#### Selected performance indicators

Table 16.21 National Health Laboratory Service

Indicator	Programme/ Activity/Objective/ Project	Past			Current	Projected		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Turnaround times: CD4 conducted within 72 hours (volume of CD4 tests)	Laboratory tests	86% (2 537 860)	86% (2 614 032)	85% (3 933 642)	87% (4 130 324)	88% (4 336 840)	90% (4 553 682)	90% (4 781 366)
Turnaround times: Viral load within 4 days (volume of viral loads tests)	Laboratory tests	41% (437 060)	52% (605 002)	87% (1 394 743)	85% (1 464 480)	90% (1 537 704)	90% (1 614 587)	90% (1 695 319)
Turnaround times: Tuberculosis microscopy within 48 hours (volume of TB microscopy tests)	Laboratory tests	60% (4 909 075)	95% (4 911 621)	94% (5 228 438)	90% (5 489 859)	90% (5 764 352)	90% (6 052 569)	90% (6 355 198)
Turnaround times: HIV polymerase chain reaction test within 5 days (volume of HIV polymerase chain reaction test tests)	Laboratory tests	55% (124 630)	67% (160 133)	85% (317 347)	85% (333 214)	90% (349 875)	90% (367 369)	90% (385 737)



## Expenditure trends

The National Health Laboratory Service generates approximately 96 per cent of its revenue from laboratory testing. Over the medium term, revenue will be generated from conducting blood tests on specimens received from clinicians who are mainly based in public health institutions in the provinces. Unit costs of the laboratory services are approved by the Minister of Health, and generally increase below inflation, underlining the service's commitment to provide affordable health care. The volumes of tests performed do not increase materially from year to year. In 2011/12, overall tests volumes increased by only 4 per cent, which has been a consistent rate of increase since 2009/10.

Only 2 per cent of the service's test revenue is derived from private health institutions and private customers outside of the national Department of Health.

The spending focus over the medium term will be on improving the organisation's turnaround time for test results delivered to institutions. To achieve this objective, a review of the logistics solution is currently under way. The solution is designed to track all samples from the customer until the test result is given to the clinician. Spending on compensation of employees to capacitate this is therefore the largest driver of spending over the MTEF period, comprising 52.2 per cent of total spending.

Since 2011/12, the increase in overall spending has been predominantly due to the increase in test volumes on HIV viral load tests, which are increasing at an average annual rate of 30 per cent. Expenditure has also increased due to the introduction of the GeneXpert test, which is 300 per cent more expensive than the traditional TB test. The service provides this test to its customers at cost price.

R338 million over the medium term has been allocated to provinces to address the increased expenditure due to the rollout of GeneXpert and its associated test costs. Spending on laboratory tests accounts on average for 71.6 per cent of total spending on goods and services in the MTEF period.

The National Health Laboratory Service has held back on capital projects due to the suboptimal cash flow received from the provinces.

The service has experienced payment delays from some provincial departments of health, which have required it to seek cost efficiencies. As a cost containment mechanism, the service has decided to consolidate the low volume tests at designated laboratories. The economies of scale for these tests have helped to reduce material prices and cap headcount increases. The expenditure estimates for 2013/14 show evidence of the success of this strategy, which predicts a saving of 8 per cent from the previous year on goods and services.

The recovery from the department's cash flow difficulties in 2011/12 resulted in moratorium on filling vacant posts being lifted, and the hiring of contract positions, which explains the growth in personnel numbers in 2012/13. Personnel numbers are expected to decrease from 8 086 in 2012/13 to 7 454 in 2013/14, due to the non-renewal of these contract positions. Unnecessary testing will be reduced through the consolidation of low volume tests. Personnel numbers will rise in 2015/16 to 7 756, however, due to an increase in test volumes and the need to improve the quality of services over time.

Spending on consultants in 2012/13 is equivalent to 1.4 per cent of spending on compensation of employees.

## South African Medical Research Council

### Mandate and goals

The South African Medical Research Council was established in 1969 in terms of the South African Medical Research Council Acts (1969 and 1991). The Intellectual Property Rights from Publicly Financed Research and Development Act (2008) also informs the council's mandate. The council is required to promote the improvement of health and quality of life through research development and technology transfer. Research and innovation are primarily conducted through council funded research units located within the council and in higher education institutions. The council's strategic focus is determined in the context of the priorities of the Department of Health and government. The council's research therefore plays a key role in responding to government's key health outcome: a long and healthy life for all South Africans (outcome 2).

The council's strategic goals over the medium term are to:

- promote health and quality of life through research

- promote health and quality of life through public health innovation, technology development and transfer
- collaborate with sub-national, national, supra-national and global partners to improve health outcomes for South Africa and the citizens of its collaborative partners
- improve its organisational performance as a health research organisation.

## Selected performance indicators

**Table 16.25 South African Medical Research Council**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of peer reviewed journal articles, book chapters, books and technical reports produced per year	Health research	864	943	840	430	614	645	677
Number of initiatives aimed at effectively managing the council's research facilities per year <sup>1</sup>	Management of national health research facilities	-1	-1	-1	4	5	6	6
Number of research grants awarded per year	Health research grants to post graduates at universities	57	84	87	138	207	217	228
Number of study bursaries awarded per year	Health research study bursaries to post graduates at universities	84	84	84	88	87	91	95
Number of researchers (MSc and PhD) who completed training per year	Training of health researchers and related personnel	160	244	126	73	93	98	102
Number of research support projects or programmes undertaken per year	Health research support	21	30	25	30	49	52	55

1. New indicator, hence historical information not available.

## Programmes/activities/objectives

**Table 16.26 South African Medical Research Council**

R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
Health research	136.5	135.1	127.1	180.9	9.8%	25.0%	198.0	206.0	274.7	14.9%	26.3%
Management of national health research facilities	17.2	33.6	41.5	37.5	29.6%	5.5%	47.8	50.2	62.1	18.3%	6.0%
Health research grants	20.1	27.3	32.5	30.4	14.7%	4.7%	44.0	46.8	69.7	31.9%	5.7%
Health research study bursaries	0.4	0.3	0.5	0.4	-3.1%	0.1%	0.3	0.4	20.4	285.0%	0.6%
Health research programmes	0.0	0.2	0.3	0.2	106.3%	0.0%	14.1	14.1	17.1	339.0%	1.3%
Training of health researchers and related personnel	25.8	34.2	37.2	39.3	15.0%	5.9%	41.5	44.1	50.1	8.4%	5.4%
Health research support	7.5	7.8	7.2	8.8	5.3%	1.4%	15.3	26.8	60.2	89.8%	3.2%
Translation of health research results	30.3	37.6	37.8	41.9	11.4%	6.4%	44.4	47.1	49.3	5.5%	5.7%
Development of innovations in healthcare	46.7	42.5	40.1	48.1	1.0%	7.7%	50.7	53.8	56.2	5.3%	6.5%
Other objectives	215.6	234.5	255.0	297.2	11.3%	43.2%	311.3	321.2	329.4	3.5%	39.2%
<b>Total expense</b>	<b>500.2</b>	<b>553.1</b>	<b>579.2</b>	<b>684.7</b>	<b>11.0%</b>	<b>100.0%</b>	<b>767.4</b>	<b>810.6</b>	<b>989.3</b>	<b>13.0%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 16.27 South African Medical Research Council**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>318.3</b>	<b>317.1</b>	<b>325.8</b>	<b>348.4</b>	3.1%	57.0%	<b>349.1</b>	<b>360.8</b>	<b>373.5</b>	2.3%	45.5%
Sale of goods and services other than capital assets	284.9	290.4	300.6	311.0	3.0%	51.6%	321.9	333.2	344.8	3.5%	41.6%
of which:											
Sales by market establishment	284.9	290.4	300.6	311.0	3.0%	51.6%	321.9	333.2	344.8	3.5%	41.6%
Other non-tax revenue	33.3	26.7	25.2	37.4	3.9%	5.3%	27.3	27.7	28.7	-8.5%	3.9%
<b>Transfers received</b>	<b>222.7</b>	<b>237.3</b>	<b>237.9</b>	<b>296.8</b>	<b>10.1%</b>	<b>43.0%</b>	<b>416.5</b>	<b>446.3</b>	<b>615.8</b>	<b>27.5%</b>	<b>54.5%</b>
<b>Total revenue</b>	<b>540.9</b>	<b>554.4</b>	<b>563.7</b>	<b>645.2</b>	<b>6.1%</b>	<b>100.0%</b>	<b>765.6</b>	<b>807.1</b>	<b>989.3</b>	<b>15.3%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>500.2</b>	<b>553.1</b>	<b>579.2</b>	<b>684.7</b>	<b>11.0%</b>	<b>100.0%</b>	<b>767.4</b>	<b>810.6</b>	<b>989.3</b>	<b>13.0%</b>	<b>100.0%</b>
Compensation of employees	243.3	287.8	310.9	341.4	12.0%	51.1%	330.7	353.7	364.7	2.2%	43.4%
Goods and services	245.9	252.7	253.2	327.6	10.0%	46.6%	417.5	436.2	602.0	22.5%	54.2%
Depreciation	10.8	12.6	15.0	15.6	13.0%	2.3%	19.1	20.5	22.5	13.0%	2.4%
Interest, dividends and rent on land	0.3	0.1	0.1	0.1	-26.1%	0.0%	0.1	0.1	0.1	-	0.0%
<b>Total expenses</b>	<b>500.2</b>	<b>553.1</b>	<b>579.2</b>	<b>684.7</b>	<b>11.0%</b>	<b>100.0%</b>	<b>767.4</b>	<b>810.6</b>	<b>989.3</b>	<b>13.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>41.0</b>	<b>1.0</b>	<b>(15.0)</b>	<b>(40.0)</b>	<b>-199.2%</b>		<b>(2.0)</b>	<b>(3.0)</b>	<b>-</b>	<b>-100.0%</b>	

**Table 16.28 South African Medical Research Council (continued)**

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Carrying value of assets	112.4	123.7	139.2	132.4	5.6%	23.7%	137.0	142.0	148.0	3.8%	28.3%
of which:											
Acquisition of assets	21.4	25.5	30.7	16.5	-8.3%	4.3%	26.5	27.2	38.5	32.6%	5.5%
Investments	57.6	33.8	36.9	39.5	-11.8%	7.7%	42.2	44.3	46.5	5.6%	8.7%
Inventory	0.3	0.1	0.2	0.2	-21.2%	0.0%	0.1	0.1	0.1	-2.3%	0.0%
Receivables and prepayments	45.5	28.5	31.5	35.0	-8.3%	6.5%	37.0	37.5	38.0	2.8%	7.5%
Cash and cash equivalents	370.4	410.3	314.3	261.9	-10.9%	62.0%	282.8	273.1	276.3	1.8%	55.4%
<b>Total assets</b>	<b>586.2</b>	<b>596.5</b>	<b>522.2</b>	<b>469.0</b>	<b>-7.2%</b>	<b>100.0%</b>	<b>499.1</b>	<b>497.0</b>	<b>508.9</b>	<b>2.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	300.6	302.0	286.8	247.3	-6.3%	52.4%	245.5	242.1	242.1	-0.7%	49.5%
Capital and reserves	1.6	1.9	2.2	2.5	17.4%	0.4%	2.9	3.3	3.6	13.0%	0.6%
Capital reserve fund	236.4	229.0	166.9	150.0	-14.1%	35.7%	180.0	180.0	190.0	8.2%	35.4%
Finance lease	0.3	0.2	0.1	-	-100.0%	0.0%	-	-	-	-	-
Deferred income	1.0	1.0	1.0	1.1	2.0%	0.2%	1.1	1.1	1.2	2.8%	0.2%
Trade and other payables	41.2	53.5	52.2	57.3	11.6%	9.6%	58.0	58.5	59.0	1.0%	11.8%
Taxation	-	1.1	1.5	1.2	-	0.2%	1.3	1.3	1.4	4.0%	0.3%
Provisions	5.1	7.8	11.5	9.6	23.8%	1.6%	10.4	10.7	11.7	6.8%	2.1%
<b>Total equity and liabilities</b>	<b>586.2</b>	<b>596.5</b>	<b>522.2</b>	<b>469.0</b>	<b>-7.2%</b>	<b>100.0%</b>	<b>499.1</b>	<b>497.0</b>	<b>508.9</b>	<b>2.8%</b>	<b>100.0%</b>

## Personnel information

**Table 16.29 South African Medical Research Council**

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Salary level	865	3	848	310.9	0.4	865	341.4	0.4	865	330.7	0.4	865	353.7	0.4	865	310.6	0.4	-	100.0%
1 – 6	200	1	216	94.8	0.4	202	99.7	0.5	202	73.8	0.4	202	81.6	0.4	202	25.9	0.1	-36.2%	20.7%
7 – 10	410	2	420	95.0	0.2	408	92.0	0.2	408	97.8	0.2	408	103.5	0.3	408	108.3	0.3	5.6%	30.2%
11 – 12	157	-	152	70.1	0.5	157	68.4	0.4	157	72.7	0.5	157	77.0	0.5	157	80.6	0.5	5.6%	22.4%
13 – 16	96	-	60	51.1	0.9	96	77.4	0.8	96	82.3	0.9	96	87.2	0.9	96	91.2	0.9	5.6%	25.4%
17 – 22	2	-	-	-	-	2	3.9	1.9	2	4.1	2.1	2	4.4	2.2	2	4.6	2.3	-	1.3%

1. Rand million.

## Expenditure trends

The South African Medical Research Council generates the bulk of its revenue from the annual transfer provided by the department, which comprises an average of 54.5 per cent of total revenue over the medium term, and from project specific contract research.

Over the MTEF period, the baseline grant increases significantly due to additional allocations from the economic competitiveness and support package. These allocations are reflected in the substantial medium term growth in the health research study bursaries, health research programmes, and health research support subprogrammes. The increased revenue will be used to strengthen the council's intramural and extramural research, and to carry out infrastructure improvements.

The spending focus over the medium term will be on increasing spending on research and development. Expenditure increases on goods and services, which takes up 54.2 per cent of total spending over the medium term. Extramural research will be expanded through the funding of flagship and innovation programmes at various universities, using the new allocation from the economic competitiveness and support package over the MTEF period. Requests for proposals will be put out to ensure that the best programmes are funded. The increased funding will focus on the publishing of scientific research in high impact factor journals such as

*Lancet, Nature and Science*. The funding will also expand the size of grants given to postgraduates at institutions of higher learning, thus increasing the research capacity in health within the country, in line with the council's objectives of providing research development.

Operating costs will be controlled through the introduction of process improvement projects that will ensure that the projected deficit reduces from R40 million in 2012/13 to zero over the MTEF period. The council is currently busy with a revitalisation process to identify research units that are not aligned with the council and the department's research priorities. Once this process is complete, the savings from this process will be channelled to intra- and extramural research areas, to ensure that research units are adequately funded to achieve the council's objectives. At the same time the administrative section of the council will be reviewed for efficiency. This will be achieved through specific projects in 2013/14.

The council's staff complement was 865 in 2012/13 and is expected to remain unchanged over the MTEF period. Consultants are used to address the lack of expertise and short term needs within the organisation. Consultants are employed under the condition that in addition to delivering on the project, they capacitate existing staff as well. This has helped the council to lessen its reliance on consultants for similar projects. As a result, spending on consultants is expected to decrease from R12.2 million in 2012/13 to R6.7 million by 2015/16.

### **Other public entities and agencies**

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Compensation Commissioner for Occupational Diseases in Mines and Works** The Compensation Commissioner for Occupational Diseases was established in terms of the Occupational Diseases in Mines and Works Act (1973). Its main statutory functions include: administering the Mines and Works Compensation Fund to compensate ex-miners disabled by occupational lung disease; determining and recovering levies from controlled mines and works; awarding benefits to miners and ex-miners suffering from occupational lung related diseases; and investing levies collected and interest earned from investments. The commissioner's total budget for 2013/14 is R353.7 million.
- The **Council for Medical Schemes** is the national medical schemes regulatory authority established in terms of the Medical Schemes Act (1998). The council's vision for the medical scheme industry is that it is effectively regulated to protect the interests of members and promote fair and equitable access to private health financing. The council's total budget for 2013/14 is R114.7 million.



Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11		2011/12	2013/14	2014/15
R million									
<b>Infrastructure transfers to other spheres, agencies and departments</b>									
Eastern Cape: Cecilia Makiwane Hospital	Construction of the main hospital (phase 4)	Construction	1 113.3	4.1	32.1	293.7	220.5	318.7	75.0
Gauteng: Natalspruit Hospital	Construction of the main hospital	Construction	2 317.8	170.3	296.6	456.2	233.7	291.3	–
KwaZulu-Natal: King George V	Upgrading and additions to existing hospital	Construction	1 245.4	115.5	133.2	182.0	100.6	113.1	12.1
KwaZulu-Natal: Ngwelezane Hospital and Lower Umfolozi War Memorial Hospital complex	Construction	Construction	1 228.7	46.4	43.0	219.5	161.5	145.8	177.3
Eastern Cape: Frontier Hospital	Upgrading of the existing facility	Construction	476.9	20.3	20.4	48.0	58.9	63.0	71.0
Eastern Cape: St Elizabeth's Hospital	Upgrading of the existing facility	Construction	724.2	29.4	53.1	79.3	78.7	46.5	62.5
Eastern Cape: Dr Malizo Mpehle Memorial Hospital	Upgrade the emergency medical services centre, Frere Gateway Clinic and helipad for the hospital	Construction	378.1	16.9	14.0	28.8	6.0	8.0	–
Eastern Cape: St Patrick's Hospital	Construction of remaining components of hospital on a new site	Construction	447.6	22.9	37.8	28.8	82.5	46.8	27.6
Free State: Boitumelo Hospital	Revitalisation of an existing hospital	Construction	840.2	92.9	57.0	95.4	165.8	116.4	62.6
Free State: Pelonomi Regional Hospital	Revitalisation of an existing hospital	Construction	604.2	43.8	64.9	66.5	29.1	135.4	111.5
Free State: Free State Psychiatric Complex	Upgrading of existing hospital	Design	518.0	6.1	32.5	24.0	–	–	171.0
Free State: Mantsopa Hospital in Ladybrand	Construction of hospital	Construction	439.4	12.2	45.6	119.9	242.2	38.1	–
Free State: Trosburg Hospital	Construction of new hospital	Construction	392.7	6.9	27.0	65.8	120.5	139.1	16.2
Free State: National Hospital (Mangaung)	Construction of new hospital	Feasibility	307.3	–	1.4	19.1	–	43.6	112.4
Gauteng: Mamelodi Hospital	Maintenance and repairs of hospital	Hand over	388.2	44.6	29.7	29.2	–	–	–
Gauteng: Zola Hospital	Construction of new hospital	Construction	716.5	79.2	189.3	251.0	23.8	10.0	–
Gauteng: Chris Hani Baragwanath	The construction of the main hospital completed	Construction	753.3	136.8	141.5	142.5	–	–	–
Gauteng: Kalafong Hospital	Review of the business cases and development of the project brief	Feasibility	434.8	–	–	–	7.5	98.0	120.0
Gauteng: Germiston Hospital	Renovation of existing facilities	Construction	627.0	93.6	159.0	101.3	74.9	–	–
Gauteng: Sebokeng Hospital	Replacement of existing hospital	Feasibility	338.5	–	–	–	56.9	129.0	61.7
Gauteng: Khayalami Hospital	Upgrading of existing hospital	Feasibility	384.5	–	–	–	7.3	80.0	171.3
Gauteng: Jubilee Hospital	Replacement of existing hospital	Feasibility	372.5	–	–	–	7.3	80.0	110.0
Gauteng: Construction of clinics and community health centres	Construction of 4 clinics and 3 community health centres	Construction	290.5	–	–	–	–	80.0	100.7
KwaZulu-Natal: Hlabisa Hospital	Upgrading of existing hospital	Various	315.6	23.8	3.1	19.5	14.0	9.4	31.5
KwaZulu-Natal: Rietvlei Hospital	Upgrading and additions to existing hospital	Construction	446.5	17.3	19.2	46.9	47.2	103.9	84.5

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
KwaZulu-Natal: Dr Pixley ka Seme Memorial Hospital	Construction of new hospital	Tender	794.1	12.7	31.6	28.9	43.2	24.9	271.0	341.8
KwaZulu-Natal: Edendale Hospital	Upgrading of existing hospital	Various	285.0	2.1	17.6	26.9	105.0	81.6	48.7	3.1
Limpopo: Siloam Hospital	Replacement of existing hospital	Feasibility	437.9	-	-	-	6.0	65.0	176.9	190.0
Limpopo: Thabazimbi Hospital	Replacement of existing hospital	Construction	338.7	14.6	13.7	77.0	85.9	82.6	13.0	2.1
Limpopo: Enabling works programme for hospitals	Upgrading of 9 hospitals	Construction	250.9	31.9	71.9	100.8	204.2	46.8	-	-
Limpopo: Letaba Hospital	Upgrading of existing hospital	Construction	381.5	35.3	35.8	30.4	54.5	23.0	33.5	19.6
Limpopo: Maphutha L Malatji hospital	Upgrading of existing hospital	Construction	251.5	38.1	25.2	21.6	10.3	30.9	29.0	10.6
Mpumalanga: Rob Ferreira Hospital	Upgrading of existing hospital	Construction	887.7	36.9	121.8	142.4	139.5	80.1	41.5	-
Mpumalanga: Themba Hospital	Upgrading of existing hospital	Construction	645.2	80.4	59.7	70.8	86.0	91.7	109.0	40.0
Mpumalanga: Ermelo Hospital	Upgrading of existing hospital	Construction	473.0	76.3	35.5	27.1	68.0	95.2	99.0	72.0
Mpumalanga: Hospitals projects in the planning stages	Various hospital constructions and upgrades	Feasibility	332.6	-	-	12.0	-	25.0	45.0	250.5
Northern Cape: Mental Health Hospital in Kimberly	Construction of the hospital	Construction	503.1	83.9	12.5	12.7	40.1	13.0	211.0	130.0
Northern Cape: Upington Hospital	Construction of new hospital	Construction	852.4	151.1	231.6	228.0	122.0	101.5	13.3	5.0
Northern Cape: De Aar Hospital	Construction of new hospital	Construction	629.7	8.7	10.0	126.8	174.1	220.8	39.3	50.0
Northern Cape: Kuruman Hospital	Construction of new hospital	Feasibility	262.0	-	0.0	-	-	6.0	81.0	175.0
North West: Vryburg Hospital	Construction of new hospital	Construction	503.6	70.9	58.8	18.6	9.0	-	-	-
North West: Moses Kotane Hospital	Construction of new hospital	Construction	664.5	26.6	94.7	14.2	46.5	53.3	45.0	13.7
North West: Brits Hospital	Construction of new hospital	Construction	779.9	61.6	96.0	254.9	127.2	142.0	19.0	5.0
North West: Bophelong Hospital	Construction of new hospital	Construction	931.8	37.0	54.3	69.1	153.3	210.0	215.0	160.0
Western Cape: Worcester Hospital	Upgrading of existing hospital	Construction	472.8	20.4	30.9	9.8	17.6	78.2	6.8	-
Western Cape: Paarl Hospital	Upgrading of existing hospital	Construction	631.4	119.1	88.3	34.5	19.4	34.2	3.3	-
Western Cape: Khayelitsha Hospital	Construction of new hospital	Construction	607.4	115.8	243.0	125.4	13.0	-	-	-
Western Cape: Mitchell's Plain Hospital	Construction of new hospital	Construction	583.8	15.6	111.7	141.2	269.5	20.7	-	-
Western Cape: Vredenburg Hospital	Rehabilitation of hospital	Feasibility	327.3	20.9	14.2	12.3	69.0	77.8	48.2	3.0
Western Cape: Vaikenberg Hospital	Rehabilitation of hospital	Construction	838.8	6.3	6.8	5.1	84.0	221.9	261.2	246.6
Western Cape: GF Jooste Hospital	Rehabilitation of hospital	Feasibility	331.5	-	-	-	1.0	25.0	114.0	191.5
Eastern Cape: Madwaleni Hospital	Upgrading of existing hospital	Feasibility	220.3	4.1	0.8	5.6	20.6	19.0	-	170.2

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11		2011/12	2013/14	2014/15
R million									
Gauteng: Tambo Memorial Hospital	Replacement and renovations of existing hospital	Various	153.3	-	-	7.3	40.0	16.0	90.0
Gauteng: Dr. Yusuf Dadoo Hospital	Replacement and renovations of existing hospital	Pre-feasibility	223.3	-	-	7.3	40.0	16.0	160.0
Limpopo: Thabamopo Hospital	Upgrading of existing hospital	Construction	244.6	37.5	17.8	14.4	5.8	1.5	-
Limpopo: Musina Hospital	Development of project brief and design	Feasibility	191.4	0.3	-	-	15.0	80.0	88.0
Northern Cape: Prof ZK Mathews Hospital	Rebuilding of the pharmacy	Hand over	91.1	3.7	0.4	-	-	-	-
North West: Lichtenburg Hospital	Replacement of hospital	Feasibility	226.2	9.3	-	-	28.0	65.0	107.0
North West: Rustenburg Hospital	Review of business case and development of project brief	Feasibility	142.2	-	-	-	-	50.0	90.0
North West: Klerksdorp Hospital	Review of business case and development of project brief	Feasibility	145.0	-	-	-	5.0	50.0	90.0
Western Cape: George Hospital	Rehabilitation and upgrading of hospital	Construction	237.4	24.7	29.2	9.6	5.6	-	-
Western Cape: Brooklyn Chest Hospital	Rehabilitation and construction of new wards	Feasibility	137.8	-	-	-	6.5	61.0	70.3
KwaZulu-Natal: King Edward 8th Hospital	Upgrading and renovation of existing facilities	Construction	248.9	42.7	34.9	52.0	19.8	52.7	49.3
KwaZulu-Natal: Madadeni Hospital	Construction of new psychiatric hospital	Various	59.9	0.1	8.1	22.4	23.0	-	-
Limpopo: Dlokong Hospital	Additions and upgrade of existing hospital	Hand over	134.6	-	0.2	0.8	-	-	-
Limpopo: New hospitals in planning	Developments of business cases, project brief and design	Various	90.6	-	10.6	-	30.0	50.0	-
Other hospital revitalisation grant projects	Construction and upgrading of hospitals and other health facilities	Various	106.7	7.6	14.3	12.8	26.6	19.8	13.2
Eastern Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	2 023.1	278.7	328.9	258.9	268.8	287.2	308.6
Free State: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	806.0	58.3	75.1	139.1	139.3	140.3	154.9
Gauteng: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	744.8	60.3	137.0	110.4	108.8	109.9	123.0
KwaZulu-Natal: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	2 690.6	359.7	364.8	393.4	417.0	427.8	447.5
Limpopo: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	1 758.5	192.4	253.1	267.9	284.0	294.8	308.4
Mpumalanga: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	817.6	90.3	129.2	109.0	115.5	126.4	132.2
Northern Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	666.3	47.5	104.9	98.3	104.2	115.0	120.3

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
North West: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	747.0	49.9	60.2	136.7	112.8	119.9	130.7	136.8
Western Cape: Various health infrastructure grant projects	Construction of new and upgrading of existing health facilities	Various	972.4	73.7	195.9	124.8	131.4	139.3	150.2	157.1
KwaZulu-Natal: Nursing Colleges	Upgrade and maintenance	Various	84.2	-	-	-	-	28.4	33.5	32.9
Limpopo: Nursing College	Upgrade and maintenance	Various	73.3	-	-	-	-	19.0	26.6	27.8
Northern Cape: Nursing schools	Upgrade and maintenance	Various	41.8	-	-	-	-	10.8	15.1	15.8
Gauteng: Nursing colleges and schools	Upgrade and maintenance	Various	69.7	-	-	-	-	19.1	24.7	25.9
Western Cape: Nursing colleges	Upgrade and maintenance	Various	57.8	-	-	-	-	15.0	21.0	21.9
Free State: Nursing colleges	Upgrade and maintenance	Various	55.2	-	-	-	-	14.2	20.0	20.9
Eastern Cape: Nursing colleges	Maintenance and upgrade	Various	74.0	-	-	-	-	21.3	25.8	26.9
Mpumalanga: Nursing colleges	Maintenance and upgrade	Various	54.6	-	-	-	-	14.1	19.8	20.7
North West: Nursing colleges	Maintenance and upgrade	Various	48.6	-	-	-	-	12.6	17.6	18.4
Hospital Revitalisation Projects	Construction and upgrading of hospitals and other health facilities (reduction on the grant)	Various	(420.0)	-	-	-	-	(100.0)	(120.0)	(200.0)
<b>Total</b>			<b>44 118.1</b>	<b>3 347.0</b>	<b>4 257.1</b>	<b>5 683.4</b>	<b>5 384.5</b>	<b>5 847.0</b>	<b>6 337.2</b>	<b>6 526.6</b>

# Vote 17

## Higher Education and Training

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	200.6	199.1	0.2	1.4	211.3	221.3
Human Resource Development, Planning and Monitoring Coordination	48.1	44.9	2.9	0.3	52.8	55.8
University Education	28 303.7	47.0	28 256.5	0.2	30 426.0	32 803.5
Vocational and Continuing Education and Training	5 664.5	207.7	5 455.9	0.9	6 012.5	6 342.4
Skills Development	105.6	82.6	21.7	1.2	112.7	118.9
<b>Subtotal</b>	<b>34 322.4</b>	<b>581.2</b>	<b>33 737.1</b>	<b>4.0</b>	<b>36 815.3</b>	<b>39 541.8</b>
<b>Direct charge against the National Revenue Fund</b>						
Sector education and training authorities	9 922.4	–	9 922.4	–	10 835.2	11 853.6
National Skills Fund	2 480.6	–	2 480.6	–	2 708.8	2 963.4
<b>Total expenditure estimates</b>	<b>46 725.4</b>	<b>581.2</b>	<b>46 140.1</b>	<b>4.0</b>	<b>50 359.3</b>	<b>54 358.8</b>

Executive authority Minister of Higher Education and Training  
 Accounting officer Director General of Higher Education and Training  
 Website address [www.dhet.gov.za](http://www.dhet.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Develop and support a quality higher and vocational education sector. Promote access to higher and vocational education and skills development training opportunities.*

### Mandate

The Department of Higher Education and Training derives its mandate from the following pieces of legislation:

- the Higher Education Act (1997), which provides for a unified and nationally planned system of higher education
- the Adult Basic Education and Training Act (2000), which provides for the establishment of public and private adult learning centres and for the governance of public centres
- the Further Education and Training Colleges Act (2006), which provides for the governance and funding of further education and training colleges
- the Skills Development Levies Act (1999), which provides for the imposition of skills development levies
- the Skills Development Act (2008), which enables the creation of the National Skills Agency, the establishment of the Quality Council for Trades and Occupations, and the regulation of apprenticeships, learnerships and other matters relating to skills development
- the National Education Policy Act (1996), which provides for the formulation of national policies in general and further education and training, curriculum assessment, and language policy and quality assurance

- the Employment of Educators Act (1998), which regulates the conditions of service, discipline, retirement and discharge of educators, and everything relating to educators employed by the state in further education and training institutions and public adult centres.

## Strategic goals

The department's strategic goals over the medium term are to:

- increase the number of skilled youth by expanding access to education and training for the youth
- ensure that capacity is built for post-school education and training institutions for the effective provision or facilitation of learning
- increase the number of students successfully entering the labour market once their training is complete
- increase the capacity for research, development and innovation to enhance economic growth and social development
- develop a college curriculum that is responsive to the demands of the marketplace and that is able to transform and adapt quickly and effectively to changing skills needs, with an emphasis on artisan training
- institute a credible institutional mechanism for skills planning to support an inclusive economic growth path
- ensure a highly effective, professional and efficient administration based on good corporate governance practices.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide overall management and administration of the department.

### Programme 2: Human Resource Development, Planning and Monitoring Coordination

**Purpose:** Provide strategic direction in the development, implementation and monitoring of departmental policies and the human resource development strategy for South Africa.

### Programme 3: University Education

**Purpose:** Develop and coordinate policy and regulatory frameworks for an effective and efficient university education system. Provide financial support to universities, the National Student Financial Aid Scheme and the national institutes for higher education.

### Programme 4: Vocational and Continuing Education and Training

**Purpose:** Plan, develop, evaluate, monitor and maintain national policy, programmes, assessment practices and systems for vocational and continuing education and training, including further education and training colleges and post-literacy adult education and training.

### Programme 5: Skills Development

**Purpose:** Promote and monitor the national skills development strategy. Develop a skills development policy and a regulatory framework for an effective skills development system.

## Selected performance indicators

**Table 17.1 Higher Education and Training**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of students enrolled in higher education institutions per year <sup>1</sup>	University Education	Outcome 5: A Skilled And Capable Workforce To Support An Inclusive Growth Path	837 779	816 400	938 201	909 716	935 710	961 932	988 888
Proportion of higher education enrolments in science, engineering and technology: business: humanities	University Education		28:29:43	28:31:40	28:31:41	29:30:41	29:30:41	30:30:40	30:30:40
Number of higher education graduates per year	University Education		144 852	141 900	160 626	167 807	179 780	189 770	200 315
Number of headcount enrolments in further education and training colleges per year <sup>2</sup>	Vocational and Continuing Education and Training		- <sup>2</sup>	345 566	427 423	550 000	650 000	800 000	1 000 000
Number of full time equivalents enrolled in further education and training institutions per year	Vocational and Continuing Education and Training		102 667	212 215	210 972	263 721	303 280	348 772	401 088
Number of new artisans registered for training each year	Skills Development		26 301	23 517	24 378	25 000	26 000	27 000	28 000
Number of artisan learners competent each year	Skills Development		8 238	11 778	13 168	12 000	12 000	13 000	14 000

1. There was a higher than expected increase in university enrolment in 2011/12 due to more Grade 12 students qualifying for university studies at the end of the 2010 academic year, hence the actual enrolment for 2011/12 exceeds the projected enrolment for 2012/13.

2. Data for this indicator only collected from 2010/11 onwards.

## The national development plan

The national development plan aims to have 10 million university graduates in the country with a minimum of a bachelor's degree by 2030. In line with this vision, the 2012 Green Paper on Post-School Education and Training seeks to promote higher education and training as an expanded, effective, coherent and integrated system and to increase the targets set for enrolments by the department in higher education institutions. The national development plan also calls for the expansion in enrolments in further education and training colleges to ensure that South Africa produces the required mid-level skills to support a growing economy. The department has set a target to nearly double headcount enrolment in colleges over the MTEF period to 1 million. In line with the plan's objective to produce 30 000 artisans per year by 2030, the department intends to increase the number of competent artisans by 1 000 per year.

## Expenditure estimates

**Table 17.2 Higher Education and Training**

Programme	Audited outcome				Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12	2012/13					2009/10 - 2012/13	2013/14	2014/15			2015/16
R million														
Administration	103.3	114.4	152.4	164.2	164.2	16.7%	0.4%	200.6	211.3	221.3	10.5%	0.4%		
Human Resource Development, Planning and Monitoring Coordination	29.4	25.8	38.1	44.3	44.3	14.7%	0.1%	48.1	52.8	55.8	7.9%	0.1%		
University Education	17 152.8	19 537.9	23 428.4	26 232.7	26 227.7	15.2%	60.8%	28 303.7	30 426.0	32 803.5	7.7%	60.6%		
Vocational and Continuing Education and Training	3 261.4	3 942.9	4 540.8	5 044.3	5 036.3	15.6%	11.8%	5 664.5	6 012.5	6 342.4	8.0%	11.9%		
Skills Development	137.5	131.4	122.0	100.7	98.7	-10.5%	0.3%	105.6	112.7	118.9	6.4%	0.2%		
<b>Subtotal</b>	<b>20 684.4</b>	<b>23 752.4</b>	<b>28 281.7</b>	<b>31 586.2</b>	<b>31 571.2</b>	<b>15.1%</b>	<b>73.5%</b>	<b>34 322.4</b>	<b>36 815.3</b>	<b>39 541.8</b>	<b>7.8%</b>	<b>73.2%</b>		
<b>Direct charge against the National Revenue Fund</b>	<b>7 815.6</b>	<b>8 379.3</b>	<b>10 025.3</b>	<b>11 400.0</b>	<b>11 400.0</b>	<b>13.4%</b>	<b>26.5%</b>	<b>12 403.0</b>	<b>13 544.0</b>	<b>14 817.0</b>	<b>9.1%</b>	<b>26.8%</b>		
Sector education and training authorities	6 252.4	6 704.1	8 021.4	9 120.0	9 120.0	13.4%	21.2%	9 922.4	10 835.2	11 853.6	9.1%	21.5%		
National Skills Fund	1 563.1	1 675.2	2 003.8	2 280.0	2 280.0	13.4%	5.3%	2 480.6	2 708.8	2 963.4	9.1%	5.4%		
<b>Total</b>	<b>28 500.0</b>	<b>32 131.6</b>	<b>38 306.9</b>	<b>42 986.2</b>	<b>42 971.2</b>	<b>14.7%</b>	<b>100.0%</b>	<b>46 725.4</b>	<b>50 359.3</b>	<b>54 358.8</b>	<b>8.2%</b>	<b>100.0%</b>		
Change to 2012 Budget estimate				1 879.6	1 864.6			2 560.9	3 482.5	5 325.7				

Table 17.2 Higher Education and Training (continued)

Economic classification	Audited outcome			Adjusted appropriation		Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2012/13 - 2015/16				
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16				
R million	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16				
<b>Current payments</b>	<b>332.7</b>	<b>385.2</b>	<b>460.8</b>	<b>523.4</b>	<b>508.4</b>	<b>15.2%</b>	<b>1.2%</b>	<b>581.2</b>	<b>613.0</b>	<b>639.9</b>	<b>8.0%</b>	<b>1.2%</b>
Compensation of employees	201.8	258.2	305.6	374.1	364.1	21.8%	0.8%	402.7	426.5	448.4	7.2%	0.8%
Goods and services	130.9	127.0	155.2	149.3	144.3	3.3%	0.4%	178.5	186.5	191.5	9.9%	0.4%
of which:												
Computer services	16.7	20.3	31.4	30.8	29.8	21.2%	0.1%	25.6	26.6	28.2	-1.9%	0.1%
Inventory: Stationery and printing	9.1	12.4	14.7	8.1	8.1	-3.7%	0.0%	13.3	13.3	16.1	25.5%	0.0%
Property payments	10.9	26.9	20.2	12.0	12.0	3.2%	0.0%	48.6	50.6	51.7	62.6%	0.1%
Travel and subsistence	28.3	29.9	38.4	41.9	39.7	12.0%	0.1%	43.5	45.1	46.4	5.3%	0.1%
<b>Transfers and subsidies</b>	<b>28 146.5</b>	<b>31 741.0</b>	<b>37 842.4</b>	<b>42 457.8</b>	<b>42 457.8</b>	<b>14.7%</b>	<b>98.8%</b>	<b>46 140.1</b>	<b>49 741.9</b>	<b>53 714.5</b>	<b>8.2%</b>	<b>98.8%</b>
Provinces and municipalities	3 155.3	3 804.0	4 375.3	4 844.6	4 844.6	15.4%	11.4%	2 442.7	2 600.3	2 758.8	-17.1%	6.5%
Departmental agencies and accounts	9 690.0	10 417.9	14 107.3	16 701.9	16 701.9	19.9%	35.9%	18 285.6	19 780.4	21 340.5	8.5%	39.1%
Higher education institutions	15 297.2	17 516.7	19 354.2	20 902.9	20 902.9	11.0%	51.5%	22 388.8	24 155.1	26 243.2	7.9%	48.2%
Foreign governments and international organisations	2.2	2.1	2.4	2.5	2.5	5.2%	0.0%	2.9	2.9	3.2	7.5%	0.0%
Non-profit institutions	–	–	3.0	5.0	5.0	–	0.0%	3 020.2	3 203.2	3 368.8	776.7%	4.9%
Households	1.8	0.4	0.2	0.9	0.9	-20.6%	0.0%	–	–	–	-100.0%	0.0%
<b>Payments for capital assets</b>	<b>20.7</b>	<b>5.4</b>	<b>3.7</b>	<b>4.9</b>	<b>4.9</b>	<b>-38.1%</b>	<b>0.0%</b>	<b>4.0</b>	<b>4.4</b>	<b>4.4</b>	<b>-3.4%</b>	<b>0.0%</b>
Buildings and other fixed structures	1.9	–	–	–	–	-100.0%	0.0%	–	–	–	–	–
Machinery and equipment	14.9	5.3	3.6	4.8	4.8	-31.6%	0.0%	4.0	4.4	4.4	-2.2%	0.0%
Software and other intangible assets	4.0	0.1	0.1	0.2	0.2	-64.8%	0.0%	–	–	–	-100.0%	0.0%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>28 500.0</b>	<b>32 131.6</b>	<b>38 306.9</b>	<b>42 986.2</b>	<b>42 971.2</b>	<b>14.7%</b>	<b>100.0%</b>	<b>46 725.4</b>	<b>50 359.3</b>	<b>54 358.8</b>	<b>8.2%</b>	<b>100.0%</b>

## Personnel information

Table 17.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16												
		Unit			Unit			Unit			Unit								
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
<b>Higher Education and Training</b>																			
Salary level	903	125	843	245.2	0.3	1 023	292.3	0.3	1 028	319.4	0.3	1 031	342.8	0.3	1 030	364.4	0.4	0.2%	100.0%
1 – 6	376	123	398	48.8	0.1	496	57.8	0.1	494	60.9	0.1	494	65.4	0.1	494	69.5	0.1	-0.1%	48.1%
7 – 10	328	2	282	74.7	0.3	328	95.7	0.3	329	106.4	0.3	329	114.4	0.3	329	121.8	0.4	0.1%	32.0%
11 – 12	122	–	95	57.9	0.6	122	66.8	0.5	122	77.8	0.6	125	83.7	0.7	125	89.1	0.7	0.8%	12.0%
13 – 16	77	–	68	63.7	0.9	77	72.0	0.9	83	74.3	0.9	83	79.2	1.0	82	84.1	1.0	2.1%	7.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be in the *University Education* programme, which consists mainly of transfers to higher education institutions and the National Student Financial Aid Scheme. This is intended to increase the number of university graduates, particularly in scarce skills areas, and provide access to universities and colleges for poor students by providing loans and bursaries. Growth in the department's spending over the medium term is mainly due to the *University Education* programme and related transfers and subsidies.



The increased spending is expected to expand enrolments in higher education institutions from 909 716 students in 2012/13 to 988 888 in 2015/16, and in further education and training colleges from 550 000 students in 2012/13 to 1 million by 2015/16.

The department employed an additional 180 people between 2010/11 and 2012/13, the majority of which were at salary levels 7, 9 and 11. This was mainly due to the filling of critical vacant positions after the former Department of Education was divided into two departments in 2010. Over the medium term, spending on compensation of employees is expected to grow moderately as the majority of the funded posts within the department should have been filled. The ratio of support to line function staff is 1:4.2.

The department had a budget of R36.5 million for consultants in 2012/13, which is equivalent to 9.7 per cent of the total budget for compensation of employees. Consultants are used to support critical skills and provide technical expertise, including internal audit investigations, organisational development, ministerial commissions and committees, legal and legislative services, and financial and business advice.

The 2013 Budget sets out additional allocations over the medium term of R300.5 million, R693.4 million and R1.8 billion to be used as follows:

- R8.6 million, R10.5 million and R15.1 million for improved conditions of service in the department
- R628 000, R843 000 and R1.1 million for improved conditions of service in the Council for Higher Education
- R997 000, R1.3 million and R1.7 million for improved conditions of service in the National Student Financial Aid Scheme
- R335 000, R450 000 and R586 000 for improved conditions of service in the Quality Council for Trades and Occupations
- R1.8 million, R2.4 million and R3.1 million for improved conditions of service in the South African Qualifications Authority
- R90.9 million, R110 million and R130 million for the further education and training colleges conditional grant for improved conditions of service
- R150 million, R500 million and R1 billion for capital expenditure on the new universities in Mpumalanga and Northern Cape
- R500 million in 2015/16 for university subsidies
- R47.3 million, R67.9 million and R113.1 million for the further education and training colleges subsidies for improved conditions of service.

The department expects to realise savings of R8.1 million, R12.3 million and R19.4 million over the medium term as follows:

- R6.3 million, R10.4 million and R16.4 million throughout all programmes in the department
- R876 000 in 2013/14 in the administration of the National Student Financial Aid Scheme
- R481 000, R1 million and R1.6 million within the South African Qualifications Authority
- R417 000, R885 000 and R1.4 million within the Council on Higher Education.

#### Infrastructure spending

The earmarked grant for infrastructure to higher education institutions is the largest item of spending on infrastructure. R6.5 billion has been allocated under this grant for university infrastructure over the medium term, R1.7 billion of which is to be used for the start of construction of two new universities in Mpumalanga and Northern Cape. These funds are earmarked for the improvement of infrastructure for architecture and the built environment, engineering, health sciences, life and physical sciences, teacher training disciplines, and for student accommodation. In addition, funds have been set aside to enable universities to improve their existing infrastructure to ensure easy access for students with disabilities. Most of the infrastructure allocations are earmarked for historically disadvantaged universities. In light of the increased role of ICT in higher education, funds have also been set aside to improve broadband connectivity and general ICT infrastructure at universities. This allocation for university infrastructure is supplemented by commitments of more than R2 billion from the universities out of their own funds.

## Departmental receipts

Table 17.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10	2012/13			2013/14
R thousand													
<b>Departmental receipts</b>	<b>6 720</b>	<b>8 902</b>	<b>10 130</b>	<b>10 585</b>	<b>10 585</b>	<b>16.4%</b>	<b>100.0%</b>	<b>9 317</b>	<b>9 425</b>	<b>9 574</b>	<b>-3.3%</b>	<b>100.0%</b>	
<b>Sales of goods and services produced by department</b>	<b>728</b>	<b>3 468</b>	<b>3 913</b>	<b>4 530</b>	<b>4 530</b>	<b>83.9%</b>	<b>34.8%</b>	<b>4 172</b>	<b>4 382</b>	<b>4 580</b>	<b>0.4%</b>	<b>45.4%</b>	
Sales by market establishments	-	240	355	246	246	-	2.3%	279	293	301	7.0%	2.9%	
<i>of which:</i>													
Academic services: Temporary accommodation	-	32	219	10	10	-	0.7%	169	183	191	167.3%	1.4%	
Sale of assets less than R5 000	-	2	7	-	-	-	-	10	10	10	-	0.1%	
Academic term	-	100	10	236	236	-	1.0%	-	-	-	-100.0%	0.6%	
Commission	-	106	119	-	-	-	0.6%	100	100	100	-	0.8%	
Administration fees	665	2 544	2 756	3 382	3 382	72.0%	25.7%	2 833	2 975	3 114	-2.7%	31.6%	
<i>of which:</i>													
Exams	505	597	725	802	802	16.7%	7.2%	818	859	899	3.9%	8.7%	
Trade fee	-	1 752	1 838	2 478	2 478	-	16.7%	1 796	1 885	1 972	-7.3%	20.9%	
Higher education institutions	60	55	44	32	32	-18.9%	0.5%	53	56	59	22.6%	0.5%	
Further education and training	100	130	149	70	70	-11.2%	1.2%	166	175	184	38.0%	1.5%	
Sports and club facilities	-	10	-	-	-	-	-	-	-	-	-	-	
Other sales	63	684	802	902	902	142.8%	6.7%	1 060	1 114	1 165	8.9%	10.9%	
<i>of which:</i>													
Boarding fees	44	344	210	84	84	24.1%	1.9%	292	307	321	56.3%	2.6%	
Parking	18	22	24	24	24	10.1%	0.2%	26	28	29	6.5%	0.3%	
Sale of meals and refreshments	1	91	202	204	204	488.7%	1.4%	202	212	222	2.9%	2.2%	
Commission	-	10	-	136	136	-	0.4%	127	133	139	0.7%	1.4%	
Rental	-	217	366	454	454	-	2.9%	413	434	454	-	4.5%	
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>60</b>	<b>44</b>	<b>39</b>	<b>24</b>	<b>24</b>	<b>-26.3%</b>	<b>0.5%</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>-10.9%</b>	<b>0.2%</b>	
<i>of which:</i>													
Waste paper	60	44	39	24	24	-26.3%	0.5%	17	17	17	-10.9%	0.2%	
<b>Transfers received</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>20</b>	<b>20</b>	<b>-</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	
<b>Interest, dividends and rent on land</b>	<b>4 162</b>	<b>3 565</b>	<b>3 382</b>	<b>3 514</b>	<b>3 514</b>	<b>-5.5%</b>	<b>40.2%</b>	<b>3 463</b>	<b>3 394</b>	<b>3 360</b>	<b>-1.5%</b>	<b>35.3%</b>	
Interest	4 162	3 565	3 382	3 514	3 514	-5.5%	40.2%	3 463	3 394	3 360	-1.5%	35.3%	
<b>Transactions in financial assets and liabilities</b>	<b>1 770</b>	<b>1 792</b>	<b>2 796</b>	<b>2 497</b>	<b>2 497</b>	<b>12.2%</b>	<b>24.4%</b>	<b>1 665</b>	<b>1 632</b>	<b>1 617</b>	<b>-13.5%</b>	<b>19.1%</b>	
<b>Total</b>	<b>6 720</b>	<b>8 902</b>	<b>10 130</b>	<b>10 585</b>	<b>10 585</b>	<b>16.4%</b>	<b>100.0%</b>	<b>9 317</b>	<b>9 425</b>	<b>9 574</b>	<b>-3.3%</b>	<b>100.0%</b>	

## Programme 1: Administration

### Expenditure estimates

Table 17.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Ministry	14.9	21.0	29.9	30.1	26.6%	17.9%	28.7	30.1	31.5	1.4%	15.1%
Department Management	12.8	15.7	23.4	27.2	28.5%	14.8%	28.3	30.2	31.9	5.5%	14.7%
Corporate Services	64.2	52.3	79.8	95.8	14.3%	54.7%	95.7	101.0	106.7	3.7%	50.1%
Office Accommodation	11.4	25.5	19.3	11.0	-1.1%	12.6%	48.0	50.1	51.2	66.9%	20.1%
<b>Total</b>	<b>103.3</b>	<b>114.4</b>	<b>152.4</b>	<b>164.2</b>	<b>16.7%</b>	<b>100.0%</b>	<b>200.6</b>	<b>211.3</b>	<b>221.3</b>	<b>10.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(11.3)			7.9	5.3	5.8		

#### Economic classification

<b>Current payments</b>	<b>94.4</b>	<b>109.6</b>	<b>149.6</b>	<b>160.6</b>	<b>19.4%</b>	<b>96.3%</b>	<b>199.1</b>	<b>209.4</b>	<b>219.3</b>	<b>10.9%</b>	<b>98.9%</b>
Compensation of employees	36.5	48.5	70.0	90.9	35.6%	46.0%	100.4	106.3	112.6	7.4%	51.4%
Goods and services	58.0	61.1	79.6	69.7	6.4%	50.2%	98.6	103.1	106.7	15.2%	47.4%
<i>of which:</i>											
Computer services	7.8	10.8	16.7	19.3	35.6%	10.2%	14.0	14.8	16.3	-5.5%	8.1%
Inventory: Stationery and printing	1.6	2.1	2.5	2.6	18.3%	1.6%	1.8	1.9	2.4	-1.7%	1.1%
Property payments	9.6	26.0	20.0	11.3	5.5%	12.5%	48.3	50.3	51.4	65.8%	20.2%
Travel and subsistence	8.2	8.9	15.2	14.2	20.0%	8.7%	13.0	13.8	14.3	0.3%	6.9%
<b>Transfers and subsidies</b>	<b>1.2</b>	<b>0.4</b>	<b>0.3</b>	<b>1.0</b>	<b>-5.8%</b>	<b>0.5%</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>-43.9%</b>	<b>0.2%</b>
Departmental agencies and accounts	0.1	0.1	0.2	0.2	32.1%	0.1%	0.2	0.2	0.2	0.8%	0.1%
Households	1.1	0.3	0.1	0.8	-9.7%	0.4%	-	-	-	-100.0%	0.1%
<b>Payments for capital assets</b>	<b>7.7</b>	<b>4.4</b>	<b>2.4</b>	<b>2.5</b>	<b>-30.9%</b>	<b>3.2%</b>	<b>1.4</b>	<b>1.8</b>	<b>1.8</b>	<b>-10.2%</b>	<b>0.9%</b>
Machinery and equipment	7.4	4.4	2.3	2.4	-31.8%	3.1%	1.4	1.8	1.8	-8.0%	0.9%
Software and other intangible assets	0.2	0.1	0.1	0.2	-9.5%	0.1%	-	-	-	-100.0%	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>103.3</b>	<b>114.4</b>	<b>152.4</b>	<b>164.2</b>	<b>16.7%</b>	<b>100.0%</b>	<b>200.6</b>	<b>211.3</b>	<b>221.3</b>	<b>10.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.5%</b>			<b>0.6%</b>	<b>0.6%</b>	<b>0.6%</b>		

#### Details of selected transfers and subsidies

<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>1.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.8</b>	<b>-9.7%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>
Employee social benefits	1.1	0.3	0.1	0.8	-9.7%	0.4%	-	-	-	-100.0%	0.1%

## Personnel information

Table 17.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
<b>Administration</b>																			
Salary level	297	56	229	70.0	0.3	351	93.3	0.3	349	98.9	0.3	349	106.0	0.3	349	112.6	0.3	-0.2%	100.0%
1 – 6	132	56	107	13.9	0.1	188	21.1	0.1	187	21.7	0.1	187	23.2	0.1	187	24.5	0.1	-0.2%	53.6%
7 – 10	106	–	73	17.9	0.2	104	28.3	0.3	102	31.2	0.3	102	33.6	0.3	102	35.8	0.4	-0.6%	29.3%
11 – 12	31	–	25	16.3	0.7	31	16.8	0.5	31	18.2	0.6	31	19.6	0.6	31	20.8	0.7	–	8.9%
13 – 16	28	–	24	21.9	0.9	28	27.1	1.0	29	27.8	1.0	29	29.6	1.0	29	31.5	1.1	1.2%	8.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing corporate services to the department and seeing to its accommodation needs to ensure that it has the support to deliver on its mandate and provide a highly effective, professional and efficient administration. Thus, the bulk of expenditure over the medium term is on compensation of employees and property payments. As part of Cabinet approved reductions, the department will reduce spending by R4.6 million over the medium term. The reductions will be effected through efficiency measures.

Expenditure increased significantly between 2009/10 and 2012/13, mainly due to the appointment of additional personnel and the related goods and services expenditure and capital costs required to establish the department when it was new in 2010. Over the medium term, the department expects the number of personnel to remain broadly constant, so a significant increase in spending on compensation of employees over this period is not expected. The increase in expenditure on this item between 2012/13 and 2015/16 is mainly driven by additional funding for improved conditions of service. The R37 million increase in property payments expected in 2013/14 is because the department is expecting to move to new office accommodation as the current building is no longer suitable. The latter also explains the significant increase in projected spending in the *Office Accommodation* subprogramme over the medium term.

Spending on consultants was equivalent to 2.8 per cent of total expenditure on compensation of employees in 2012/13, and is expected to decrease from R2.6 million in 2012/13 to R2.1 million in 2015/16, due to the conclusion of certain tasks and the filling of some of the critical vacant positions relating to the establishment of the department. Consultants will be used mainly for specific technical tasks such as internal auditing, risk assessments and organisational development. Consultants may be used where independent assessments are required, such as for the work of ministerial commissions and committees.

## Programme 2: Human Resource Development, Planning and Monitoring Coordination

### Objectives

- Provide accurate data on skills supply and demand in the country by establishing and maintaining an integrated higher education and training management information system, linking all providers of education and training, and integrating all institutional data into a single system by 2013/14.
- Manage and maintain credible planning and budgeting processes for the department by developing an annual performance plan and performance indicators, and producing quarterly performance progress reports on the implementation of the department's strategic and performance plans.

- Monitor and support actions needed to implement the statutory functions assigned to the minister, director general and quality councils by the National Qualifications Framework Act (2008) by producing a monitoring and evaluation report, developing the annual ministerial policy guideline and answering all requests for advice from the South African Qualifications Authority.
- Establish and maintain a coherent career management and information system by developing and implementing 5 modules for web based career guidance systems by March 2015 together with reaching 3 million young people by means of radio broadcasts, more than 25 000 young people through exhibitions and more than 12 000 through a helpline each year over the medium term.
- Pursue bilateral relations with priority countries to foster productive international cooperation on educational themes across all levels of education by ensuring that all engagement reports on relations are completed annually.
- Establish a well functioning social inclusion, equity and transformation service within the department and its entities by focusing on policy research, monitoring and evaluation in matters relating to race, class, gender, age, disability, HIV and AIDS, and career information services and counselling; and developing and overseeing policy implementation on these matters by March 2015.

## Subprogrammes

- *Programme Management: Human Resource Development, Planning and Monitoring Coordination* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 4 in 2012/13.
- *Human Resource Development, Strategic Planning and Coordination* provides strategic direction in the development, implementation and monitoring of departmental policies; and coordinates activities in relation to the national human resources development strategy. In 2012/13, key outputs included the development of ministerial guidelines to the national qualifications framework; the establishment of structures and strategic performance plans for the Human Resource Development Council; and the development of the department's annual performance and strategic plans, and associated reporting. This subprogramme had a staff complement of 25 in 2012/13.
- *Planning, Information, Monitoring and Evaluation Coordination* monitors and evaluates policy outputs of the department; coordinates research in the fields of higher education and training; and ensures that education policies, plans and legislation are developed into well functioning systems through monitoring their implementation on an ongoing basis. In 2012/13, focus was placed on revising policy related to education and training information, developing frameworks for career guidance services, and providing coordinated information on skills supply and demand in the country. This subprogramme had a staff complement of 17 in 2012/13.
- *International Relations* develops and promotes international relations; supports the United Nations (UN) Educational, Scientific and Cultural Organisation in the higher education subsystem; and manages, monitors and reports on international donor grant funding. An area of ongoing work is the pursuit of African advancement and enhanced international cooperation in education and training, in line with departmental and foreign policy priorities. In this regard, in 2012/13 R2.1 million was transferred to the Commonwealth of Learning and the India-Brazil-South Africa trilateral commission for membership fees. This subprogramme had a staff complement of 17 in 2012/13.
- *Legal and Legislative Services* manages the legal and legislative services of the department and supports provincial education departments, sector education and training authorities, and the National Skills Fund with regard to legal and legislative matters. Key outputs in 2012/13 included managing amendments to skills legislation related to the governance and oversight of the sector education and training authorities, as well as the constitutional amendment to make further education and training colleges and adult education and training an exclusive national competence. This subprogramme had a staff complement of 20 in 2012/13.

- *Social Inclusion in Education* promotes access to higher education and participation by all learners in training programmes; manages the development, evaluation and maintenance of policy, programmes and systems for learners with special needs; and monitors the implementation of those policies. Key outputs in 2012/13 included the development of a policy document on social inclusion and a report on the implementation of the social inclusion policy framework by March 2014. This subprogramme had a staff complement of 8 in 2012/13.

## Expenditure estimates

**Table 17.7 Human Resource Development, Planning and Monitoring Coordination**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Programme Management: Human Resource Development, Planning and Monitoring Coordination	0.8	2.1	3.0	3.0	53.0%	6.5%	3.5	3.7	2.8	-1.9%	6.4%
Human Resource Development, Strategic Planning and Coordination	4.4	6.5	10.0	10.9	35.0%	23.1%	10.7	11.4	12.1	3.7%	22.4%
Planning, Information, Monitoring and Evaluation Coordination	7.4	2.7	4.9	7.3	-0.3%	16.2%	9.2	9.8	11.3	15.7%	18.7%
International Relations	7.6	7.4	9.9	11.8	15.9%	26.6%	11.3	11.9	12.7	2.6%	23.8%
Legal and Legislative Services	4.0	4.9	6.8	7.2	21.6%	16.6%	8.8	10.9	11.4	16.9%	19.1%
Social Inclusion in Education	5.2	2.2	3.5	4.3	-6.7%	11.0%	4.7	5.0	5.3	7.8%	9.6%
<b>Total</b>	<b>29.4</b>	<b>25.8</b>	<b>38.1</b>	<b>44.3</b>	<b>14.7%</b>	<b>100.0%</b>	<b>48.1</b>	<b>52.8</b>	<b>55.8</b>	<b>7.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				3.7			2.1	3.8	4.5		
<b>Economic classification</b>											
<b>Current payments</b>	<b>26.5</b>	<b>23.6</b>	<b>35.4</b>	<b>41.6</b>	<b>16.2%</b>	<b>92.4%</b>	<b>44.9</b>	<b>49.6</b>	<b>52.4</b>	<b>8.0%</b>	<b>93.8%</b>
Compensation of employees	19.1	20.2	27.5	36.0	23.6%	74.7%	39.4	42.3	44.8	7.6%	80.8%
Goods and services	7.5	3.4	7.9	5.6	-9.0%	17.7%	5.5	7.4	7.5	10.3%	13.0%
of which:											
Computer services	1.2	0.0	0.0	0.1	-51.3%	1.0%	0.2	0.2	0.2	20.2%	0.4%
Inventory: Stationery and printing	0.3	0.3	0.3	0.4	4.8%	0.9%	0.4	0.4	0.4	2.9%	0.8%
Property payments	0.0	0.0	0.0	0.0	122.4%	0.1%	0.0	0.0	0.0	-60.7%	-
Travel and subsistence	2.3	1.6	3.0	2.1	-2.0%	6.6%	2.0	2.1	2.2	1.4%	4.2%
<b>Transfers and subsidies</b>	<b>2.7</b>	<b>2.1</b>	<b>2.4</b>	<b>2.5</b>	<b>-2.4%</b>	<b>7.1%</b>	<b>2.9</b>	<b>2.9</b>	<b>3.2</b>	<b>7.5%</b>	<b>5.7%</b>
Foreign governments and international organisations	2.2	2.1	2.4	2.5	5.2%	6.7%	2.9	2.9	3.2	7.5%	5.7%
Households	0.6	-	-	-	-100.0%	0.4%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>0.2</b>	<b>17.2%</b>	<b>0.5%</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>5.3%</b>	<b>0.5%</b>
Machinery and equipment	0.1	0.1	0.3	0.2	23.4%	0.5%	0.3	0.3	0.3	5.3%	0.5%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>29.4</b>	<b>25.8</b>	<b>38.1</b>	<b>44.3</b>	<b>14.7%</b>	<b>100.0%</b>	<b>48.1</b>	<b>52.8</b>	<b>55.8</b>	<b>7.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>			<b>0.1%</b>	<b>0.1%</b>	<b>0.1%</b>		
<b>Details selected of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>0.6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	0.6	-	-	-	-100.0%	0.4%	-	-	-	-	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>2.2</b>	<b>2.1</b>	<b>2.4</b>	<b>2.5</b>	<b>5.2%</b>	<b>6.7%</b>	<b>2.9</b>	<b>2.9</b>	<b>3.2</b>	<b>7.5%</b>	<b>5.7%</b>
Indian-Brazil-South Africa trilateral commission	0.4	0.4	0.4	0.4	5.5%	1.1%	0.5	0.5	0.5	5.3%	1.0%
Commonwealth of Learning	1.8	1.7	2.0	2.1	5.2%	5.6%	2.4	2.4	2.7	7.9%	4.8%

## Personnel information

Table 17.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
Number of funded posts	Number of posts additional to the establishment	Salary level	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost		
			62	27.5	0.4	91	37.5	0.4	90	39.6	0.4	90	42.5	0.5	89	45.1	0.5	-0.7%	100.0%
Human Resource Development, Planning and Monitoring Coordination																			
1-6	8	12	11	1.2	0.1	19	1.8	0.1	21	2.4	0.1	21	2.6	0.1	21	2.8	0.1	3.4%	22.8%
7-10	33	2	27	5.8	0.2	35	11.0	0.3	33	11.0	0.3	33	11.9	0.4	33	12.6	0.4	-1.9%	37.2%
11-12	21	-	11	7.4	0.7	21	12.0	0.6	19	12.0	0.6	19	12.9	0.7	19	13.8	0.7	-3.3%	21.7%
13-16	16	-	13	13.1	1.0	16	12.6	0.8	17	14.1	0.8	17	15.1	0.9	16	15.9	1.0	-	18.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the development, implementation and monitoring of departmental policies; and promoting international relations, including supporting the UN Educational, Scientific and Cultural Organisation in the higher education subsystem. Compensation of employees is therefore the largest item of expenditure in this programme over the seven-year period. The significant increase in spending on this item between 2009/10 and 2012/13 was the result of filling critical vacant positions across all subprogrammes, as the department was established in 2010. This saw the number of filled posts increase from 58 in 2009/10 to 91 in 2012/13, including 10 interns, and is the reason for the growth in expenditure across subprogrammes in this period. For the same reason, spending on some goods and services items increased over this period. These included legal costs related to proposed amendments to skills and further education and training legislation, consultants and computer costs for the development of a coherent career management and information system for the post-school sector, and travel and subsistence.

The significant increases in expenditure in the *Planning, Information, Monitoring and Evaluation Coordination* subprogramme over the medium term are mainly driven by the continuing development of an integrated system for the reporting of data on skills provisioning, skills demand and skills movement in the country. This will include implementing five modules for web based career guidance systems by 2015, continuing policy development and evaluation relating to social inclusion, equity and transformation, and pursuing productive international relations through the completion of engagement reports. The increases in spending on compensation of employees over the medium term will mainly be for the improved conditions of service.

As part of the Cabinet approved reductions, the department will reduce spending by R926 000 over the medium term. The reductions will be effected in spending on items such as travel and subsistence, communications and computer services, where efficiency measures will be implemented. Spending on consultants was equivalent to 8 per cent of expenditure on compensation of employees in 2011/12, and is expected to increase from R2.7 million in 2011/12 to R2.9 million in 2015/16. Consultants in this programme are mainly used for legal and legislative services.

## Programme 3: University Education

### Objectives

- Support universities to increase their graduate output, especially in scarce skills, by providing foundation and teaching development grants to increase the number of:
  - engineering graduates from 8 792 in 2010/11 to 12 274 in 2015/16
  - life and physical science graduates from 5 216 in 2010/11 to 8 931 in 2015/16

- human and animal health sciences graduates from 7 294 in 2010/11 to 9 874 in 2015/16.
- Expand equitable access to and success in higher education by supporting institutions with the annual allocation of grants earmarked for foundation programmes, teaching development and infrastructure development.
- Monitor the performance of all 23 universities annually by providing reliable planning and monitoring data through a quality higher education management information system and updating the student data biannually.
- Enhance and support university research capacity and productivity through the provision of research and development grants to increase the number of graduates of masters programmes from 4 633 graduates in 2010/11 to 6 263 in 2015/16, and of doctoral programmes from 1 420 graduates in 2010/11 to 2 192 in 2015/16.
- Improve access to university education opportunities in Mpumalanga and Northern Cape by overseeing the establishment of the universities for these provinces over the medium to long term.
- Expand the provision of initial teacher education and increase the number of newly qualified teachers by increasing the number of institutions providing foundation phase teacher education from 14 in 2010/11 to 20 institutions by 2014/15, and the number of graduates from initial teacher education programmes from 7 754 in 2010/11 to 12 000 in 2014/15.

### Subprogrammes

- *Programme Management: University Education* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions for the programme. This subprogramme had a staff complement of 4 in 2012/13.
- *University - Academic Planning and Management* plans and monitors the university system. This entails analysing institutional and national plans, and maintaining programmes and qualification combinations. The bulk of this subprogramme's budget is transferred to the National Student Financial Aid Scheme for university and further education and training college student loans and bursaries. Transfers are also made to the Council on Higher Education and Training as well as to the South African Qualifications Authority as contributions to their operations. This subprogramme had a staff complement of 19 in 2012/13.
- *University - Financial Planning and Information Systems* coordinates and manages the development and maintenance of universities' information systems and the appropriate funding framework for a diverse university system. Ongoing responsibilities include monitoring and assessing progress reports on the use of earmarked grants, including conducting site visits to all 23 universities twice a year, and ensuring that the higher education information management system is properly maintained with updated data. This subprogramme had a staff complement of 12 in 2012/13.
- *University - Policy and Development* regulates private university institutions and provides support for the development of universities. Ongoing responsibilities include monitoring and providing advice to higher education institutions on developing and enhancing research capacity, including strategies to increase the number of postgraduate students by analysing research outputs of all institutions and advising where changes and improvements in terms of funding allocations and funding could be made. The specific focus over the medium will be on establishing 2 new universities in Mpumalanga and Northern Cape. This subprogramme had a staff complement of 28 in 2012/13.
- *Teacher Education* develops a responsive and comprehensive national teacher education and development system as a subsystem of the higher education and training system, develops and maintains academic policy for teacher education qualifications in line with the higher education qualifications framework, mentors institutions for adherence to policy, and supports policy implementation to ensure relevant curricula and a sufficient supply of well qualified teachers for all education subsystems. A key output over the medium term will be the finalisation and implementation of policies on teacher education qualifications for the different education subsectors (early childhood development, schooling, vocational education and training, adult education and university education). This subprogramme had a staff complement of 17 in 2012/13.



- *University Subsidies* transfers payments to universities. The bulk of this subprogramme's budget is used for unconditional block grant transfers to the 23 universities. Funding is allocated to universities based on research outputs, teaching inputs and outputs, and contextual factors such as the number of disadvantaged students enrolled at an institution. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

**Table 17.9 University Education**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Programme Management: University Education	2.8	1.9	1.8	3.6	8.8%	–	3.9	4.1	4.4	6.8%	–
University - Academic Planning and Management	1 837.1	1 997.3	4 044.2	5 291.0	42.3%	15.3%	5 872.6	6 225.9	6 512.7	7.2%	20.3%
University - Financial Planning and Information Systems	2.6	5.6	7.9	8.8	50.4%	–	8.5	9.1	9.7	3.0%	–
University - Policy and Development	12.0	11.1	13.7	18.6	15.7%	0.1%	22.4	23.7	25.0	10.5%	0.1%
Teacher Education	1.1	5.2	6.6	7.8	93.6%	–	7.5	8.0	8.5	3.0%	–
University Subsidies	15 297.2	17 516.7	19 354.2	20 902.9	11.0%	84.6%	22 388.8	24 155.1	26 243.2	7.9%	79.6%
<b>Total</b>	<b>17 152.8</b>	<b>19 537.9</b>	<b>23 428.4</b>	<b>26 232.7</b>	<b>15.2%</b>	<b>100.0%</b>	<b>28 303.7</b>	<b>30 426.0</b>	<b>32 803.5</b>	<b>7.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(1.3)			148.2	499.1	1 499.9		
<b>Economic classification</b>											
<b>Current payments</b>	<b>29.8</b>	<b>34.4</b>	<b>36.0</b>	<b>43.1</b>	<b>13.1%</b>	<b>0.2%</b>	<b>47.0</b>	<b>50.2</b>	<b>53.2</b>	<b>7.2%</b>	<b>0.2%</b>
Compensation of employees	21.9	28.0	28.8	36.1	18.1%	0.1%	40.9	43.9	46.7	9.0%	0.1%
Goods and services	7.9	6.4	7.2	7.1	-3.7%	–	6.1	6.3	6.5	-2.9%	–
of which:											
Computer services	–	0.0	0.3	0.6	–	–	0.8	0.7	0.8	11.4%	–
Inventory: Stationery and printing	0.3	0.3	0.4	0.3	-4.3%	–	0.4	0.4	0.4	8.4%	–
Property payments	0.0	0.1	0.0	0.0	-3.1%	–	0.0	0.0	0.0	32.0%	–
Travel and subsistence	3.7	3.5	3.9	4.0	2.1%	–	2.7	2.9	3.0	-8.9%	–
<b>Transfers and subsidies</b>	<b>17 122.6</b>	<b>19 503.5</b>	<b>23 392.2</b>	<b>26 189.2</b>	<b>15.2%</b>	<b>99.8%</b>	<b>28 256.5</b>	<b>30 375.5</b>	<b>32 750.0</b>	<b>7.7%</b>	<b>99.8%</b>
Departmental agencies and accounts	1 825.4	1 986.7	4 035.1	5 281.4	42.5%	15.2%	5 860.7	6 213.0	6 499.0	7.2%	20.3%
Higher education institutions	15 297.2	17 516.7	19 354.2	20 902.9	11.0%	84.6%	22 388.8	24 155.1	26 243.2	7.9%	79.6%
Non-profit institutions	–	–	3.0	5.0	–	–	7.0	7.4	7.8	15.8%	–
<b>Payments for capital assets</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>-0.4%</b>	<b>–</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>-5.6%</b>	<b>–</b>
Machinery and equipment	0.3	0.1	0.1	0.3	-0.4%	–	0.2	0.3	0.3	-5.6%	–
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>17 152.8</b>	<b>19 537.9</b>	<b>23 428.4</b>	<b>26 232.7</b>	<b>15.2%</b>	<b>100.0%</b>	<b>28 303.7</b>	<b>30 426.0</b>	<b>32 803.5</b>	<b>7.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>82.9%</b>	<b>82.3%</b>	<b>82.8%</b>	<b>83.1%</b>			<b>82.5%</b>	<b>82.6%</b>	<b>83.0%</b>		
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>1 825.4</b>	<b>1 986.7</b>	<b>4 035.1</b>	<b>5 281.4</b>	<b>42.5%</b>	<b>15.2%</b>	<b>5 860.7</b>	<b>6 213.0</b>	<b>6 499.0</b>	<b>7.2%</b>	<b>20.3%</b>
Claims against the state	0.0	–	–	–	-100.0%	–	–	–	–	–	–
National Student Financial Aid Scheme	1 744.7	1 909.4	3 956.8	5 195.7	43.9%	14.8%	5 769.4	6 116.8	6 398.6	7.2%	19.9%
Council on Higher Education	41.7	36.0	36.8	40.0	-1.4%	0.2%	41.9	44.2	46.0	4.8%	0.1%
South African Qualifications Authority	39.1	41.3	41.4	45.7	5.4%	0.2%	49.4	52.0	54.5	6.0%	0.2%
<b>Non-profit institutions</b>	<b>–</b>	<b>–</b>	<b>3.0</b>	<b>5.0</b>	<b>–</b>	<b>–</b>	<b>7.0</b>	<b>7.4</b>	<b>7.8</b>	<b>15.8%</b>	<b>–</b>
Higher Education South Africa	–	–	3.0	5.0	–	–	7.0	7.4	7.8	15.8%	–
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>0.0</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Employee social benefits	0.0	–	–	–	-100.0%	–	–	–	–	–	–
<b>Higher education institutions</b>											
<b>Current</b>	<b>13 796.0</b>	<b>15 905.8</b>	<b>17 714.5</b>	<b>19 085.9</b>	<b>11.4%</b>	<b>77.0%</b>	<b>20 229.5</b>	<b>21 442.1</b>	<b>22 929.6</b>	<b>6.3%</b>	<b>71.1%</b>
University subsidies	13 796.0	15 905.8	17 714.5	18 985.9	11.2%	76.9%	20 079.5	21 283.1	22 763.3	6.2%	70.6%
Witwatersrand: New universities in Mpumalanga and Northern Cape	–	–	–	100.0	–	0.1%	150.0	159.0	166.3	18.5%	0.5%
<b>Capital</b>	<b>1 501.2</b>	<b>1 610.9</b>	<b>1 639.7</b>	<b>1 817.0</b>	<b>6.6%</b>	<b>7.6%</b>	<b>2 159.3</b>	<b>2 713.0</b>	<b>3 313.6</b>	<b>22.2%</b>	<b>8.5%</b>
University subsidies	1 501.2	1 610.9	1 639.7	1 817.0	6.6%	7.6%	2 009.3	2 213.0	2 313.6	8.4%	7.1%
Witwatersrand: New universities in Mpumalanga and Northern Cape	–	–	–	–	–	–	150.0	500.0	1 000.0	–	1.4%

## Personnel information

Table 17.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16								
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost				
University Education		76	4	67	28.8	0.4	80	33.9	0.4	86	40.5	0.5	89	43.6	0.5	89	46.4	0.5	3.6%	100.0%
Salary level																				
1 – 6	10	4	14	1.2	0.1	14	1.7	0.1	16	2.0	0.1	16	2.1	0.1	16	2.2	0.1	4.6%	18.0%	
7 – 10	31	–	24	7.4	0.3	31	8.9	0.3	30	9.2	0.3	30	9.9	0.3	30	10.5	0.4	-1.1%	35.2%	
11 – 12	25	–	20	10.9	0.5	25	14.6	0.6	26	17.2	0.7	29	18.5	0.6	29	19.6	0.7	5.1%	31.7%	
13 – 16	10	–	9	9.2	1.0	10	8.7	0.9	14	12.2	0.9	14	13.1	0.9	14	13.9	1.0	11.9%	15.1%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

In line with the strategic goal to increase the number of skilled youth by expanding access to education and training for the youth, the spending focus over the medium term will be based on transfer payments to higher education institutions in the *University Subsidies* subprogramme. These transfers are to accommodate the projected expanding university enrolment over the medium term. R2 billion of this allocation in 2013/14 will be allocated to universities for infrastructure development and an additional R1.7 billion over the medium term is allocated for capital expenditure for the new universities in Mpumalanga and Northern Cape.

A further R475 million is allocated over the medium term for technical work to establish the seats of learning, including environmental and economic impact assessments, and academic and space architecture at the two new universities. In addition to supporting the renewing of infrastructure and improving teaching services and academic programmes in higher education institutions, the transfers are intended to increase enrolment and graduation rates, particularly in areas of scarce and critical skills, such as engineering, and other science and technology related fields.

As part of the Cabinet approved reductions, the department will reduce spending by R2.2 million over the medium term. These reductions are to be effected in spending on items such as travel and subsistence, catering, and stationery and equipment.

The department provides loans and bursaries to support deserving poor students at universities and further education and training colleges through the National Student Financial Aid Scheme, which is reflected in spending in the *University - Academic Planning and Management* subprogramme. Government's commitment is set to increase from R5.1 billion in 2012/13 to R6.3 billion in 2015/16. As a result, the number of students enrolled in higher education institutions per year is expected to increase from 909 716 in 2012/13 to 988 888 in 2015/16. The number of graduates is also projected to increase from 167 807 to 200 315 over the medium term.

The number of personnel in this programme is expected to increase from 67 posts in 2011/12 to 89 posts by 2015/16, which includes provision for 4 interns. This increase is mainly due to the filling of critical vacant positions that resulted from the establishment of the department in April 2010. Over the medium term, the growth in expenditure on compensation of employees will mainly be for improved conditions of service.

## Programme 4: Vocational and Continuing Education and Training

### Objectives

- Ensure the continued relevance of further education and training college programmes by supporting the development of a diverse range of high quality and responsive vocational education and training qualifications and programmes over the MTEF period through consultation with relevant role players.

- Expand the institutional base for the provision of quality post-school education and training by registering new private education institutions and monitoring all the registered private further education and training colleges for compliance and performance each year.
- Improve the vocational qualification rate by increasing the year-on-year certification rate of further education and training college students in vocational programmes by at least 5 per cent from the 2011 average baseline of 36.2 per cent by 2015 by initiating and supporting interventions such as providing training and support to lecturers.
- Improve participation in vocational education for poor students by increasing the number of national curriculum (vocational) bursary recipients in colleges from 18 826 in 2012/13 to 245 655 in 2015/16.
- Improve the portability of students between colleges, industry and universities of technology by facilitating and supporting partnerships between these institutions over the medium term.

## Subprogrammes

- *Programme Management: Vocational and Continuing Education and Training* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 6 in 2012/13.
- *Planning and Institutional Support* provides the framework, coordination and support to further education and training colleges for the efficient and effective management, governance and delivery of vocational and occupational programmes; manages the further education and training colleges conditional grant in all provinces; and regulates the provision of education and training by private education institutions offering qualifications in the further education and training band of the national qualifications framework. The bulk of this subprogramme's budget is used for transfers to the 50 further education and training colleges for their operational expenditure. This is done by means of a college subsidy transferred directly to colleges by the department (55.1 per cent of the subprogramme's total budget in 2013/14) and a further education and training college conditional grant (44.6 per cent of the subprogramme's total budget in 2013/14). The full allocation to colleges was previously part of the conditional grant, but the department will transfer the subsidy portion directly to colleges from 2013/14. This subprogramme had a staff complement of 44 in 2012/13.
- *Programmes and Qualifications* is discussed in more detail below.

## Expenditure estimates

**Table 17.11 Vocational and Continuing Education and Training**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Programme Management: Vocational and Continuing Education and Training	0.8	0.3	1.3	5.0	81.7%	–	3.9	4.2	4.4	-4.0%	0.1%
Planning and Institutional Support	3 165.5	3 818.8	4 390.8	4 864.0	15.4%	96.7%	5 473.2	5 814.7	6 139.5	8.1%	96.7%
Programmes and Qualifications	95.1	123.8	148.8	175.2	22.6%	3.2%	187.3	193.6	198.5	4.2%	3.3%
<b>Total</b>	<b>3 261.4</b>	<b>3 942.9</b>	<b>4 540.8</b>	<b>5 044.3</b>	<b>15.6%</b>	<b>100.0%</b>	<b>5 664.5</b>	<b>6 012.5</b>	<b>6 342.4</b>	<b>7.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				94.1			136.0	174.6	236.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>102.1</b>	<b>138.5</b>	<b>165.0</b>	<b>198.2</b>	<b>24.8%</b>	<b>3.6%</b>	<b>207.7</b>	<b>215.4</b>	<b>221.7</b>	<b>3.8%</b>	<b>3.7%</b>
Compensation of employees	66.9	96.5	116.0	145.4	29.6%	2.5%	152.2	159.1	164.7	4.2%	2.7%
Goods and services	35.2	42.1	49.0	52.8	14.5%	1.1%	55.5	56.4	57.0	2.6%	1.0%
<i>of which:</i>											
Computer services	7.3	9.1	14.4	10.7	13.5%	0.2%	10.6	10.8	10.8	0.3%	0.2%
Inventory: Stationery and printing	5.2	8.9	10.2	4.5	-4.8%	0.2%	8.4	8.4	8.5	23.8%	0.1%
Property payments	0.0	0.2	0.0	0.1	68.5%	–	0.0	0.0	0.0	-46.1%	–
Travel and subsistence	11.5	13.0	13.1	18.1	16.2%	0.3%	23.2	23.7	24.1	10.0%	0.4%

Table 17.11 Vocational and Continuing Education and Training (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Transfers and subsidies</b>	<b>3 155.3</b>	<b>3 804.0</b>	<b>4 375.4</b>	<b>4 844.6</b>	<b>15.4%</b>	<b>96.4%</b>	<b>5 455.9</b>	<b>5 796.1</b>	<b>6 119.8</b>	<b>8.1%</b>	<b>96.3%</b>
Provinces and municipalities	3 155.3	3 804.0	4 375.3	4 844.6	15.4%	96.4%	2 442.7	2 600.3	2 758.8	-17.1%	54.8%
Non-profit institutions	-	-	-	-	-	-	3 013.2	3 195.8	3 361.0	-	41.5%
Households	0.0	0.0	0.1	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>4.0</b>	<b>0.4</b>	<b>0.4</b>	<b>1.4</b>	<b>-29.4%</b>	<b>-</b>	<b>0.9</b>	<b>0.9</b>	<b>0.9</b>	<b>-13.8%</b>	<b>-</b>
Machinery and equipment	0.2	0.4	0.4	1.4	80.2%	-	0.9	0.9	0.9	-13.8%	-
Software and other intangible assets	3.8	-	-	-	-100.0%	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3 261.4</b>	<b>3 942.9</b>	<b>4 540.8</b>	<b>5 044.3</b>	<b>15.6%</b>	<b>100.0%</b>	<b>5 664.5</b>	<b>6 012.5</b>	<b>6 342.4</b>	<b>7.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>15.8%</b>	<b>16.6%</b>	<b>16.1%</b>	<b>16.0%</b>			<b>16.5%</b>	<b>16.3%</b>	<b>16.0%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Non-profit institutions</b>											
<b>Current</b>	-	-	-	-	-	-	<b>3 013.2</b>	<b>3 195.8</b>	<b>3 361.0</b>	-	<b>41.5%</b>
Further education and training colleges subsidies	-	-	-	-	-	-	3 013.2	3 195.8	3 361.0	-	41.5%
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>3 155.3</b>	<b>3 804.0</b>	<b>4 375.3</b>	<b>4 844.6</b>	<b>15.4%</b>	<b>96.4%</b>	<b>2 442.7</b>	<b>2 600.3</b>	<b>2 758.8</b>	<b>-17.1%</b>	<b>54.8%</b>
Further education and training colleges grant	3 155.3	3 804.0	4 375.3	4 844.6	15.4%	96.4%	2 442.7	2 600.3	2 758.8	-17.1%	54.8%

## Personnel information

Table 17.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16									
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
<b>Vocational and Continuing Education and Training</b>																			
<b>Salary level</b>	<b>196</b>	<b>38</b>	<b>178</b>	<b>55.6</b>	<b>0.3</b>	<b>233</b>	<b>65.7</b>	<b>0.3</b>	<b>228</b>	<b>71.5</b>	<b>0.3</b>	<b>228</b>	<b>76.8</b>	<b>0.3</b>	<b>228</b>	<b>81.7</b>	<b>0.4</b>	<b>-0.7%</b>	<b>100.0%</b>
1-6	75	38	72	9.9	0.1	111	12.6	0.1	105	13.1	0.1	105	14.1	0.1	105	15.0	0.1	-1.8%	46.5%
7-10	75	-	67	19.1	0.3	76	21.0	0.3	77	24.8	0.3	77	26.7	0.3	77	28.4	0.4	0.4%	33.5%
11-12	32	-	27	15.0	0.6	32	15.9	0.5	33	22.4	0.7	33	24.1	0.7	33	25.6	0.8	1.0%	14.3%
13-16	14	-	12	11.6	1.0	14	16.2	1.2	13	11.2	0.9	13	11.9	0.9	13	12.7	1.0	-2.4%	5.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

In line with the strategic goal to increase the number of skilled youth by expanding access to education and training for the youth, the spending focus over the medium term will be on transfers to further education and training colleges, either in the form of the further education and training colleges conditional grant or the college subsidies introduced in 2013/14. These subsidies are expected to increase from R3 billion in 2013/14 to R3.4 billion in 2015/16, while the conditional grant portion is expected to increase from R2.4 billion in 2013/14 to R2.8 billion in 2015/16. This projected growth in expenditure is to allow for an increase in enrolment at these colleges, in line with government's objective of making these colleges the primary sites for skills development. The additional funding increased the enrolment in further education and training colleges from 345 566 in 2010/11 to an estimated 550 000 in 2012/13. Over the medium term, enrolment is expected to increase

to 1 million as the National Skills Fund and sector education and training authorities begin to make extensive use of these colleges for their skills development programmes as well.

As part of the Cabinet approved reductions, the department will reduce spending by R21.7 million over the medium term. These reductions will be effected in spending on items such as catering and travel and subsistence, mainly in the *Programmes and Qualifications* subprogramme.

The number of personnel in this programme is expected to increase from 178 in 2011/12 to 228 in 2015/16, which includes provision for 38 interns. This increase is mainly due to the filling of critical vacant positions that resulted from the establishment of the department in 2010, which also explains the growth in expenditure on current payments since 2009/10, as well as the growth in expenditure in the *Programme Management: Vocational and Continuing Education and Training* subprogramme. Over the medium term, the growth in expenditure on compensation of employees will mainly be for improved conditions of service.

### Subprogramme: Programmes and Qualifications

This subprogramme develops and maintains high quality vocational education and training programmes, provides for implementing the student support services framework, provides leadership and support for training and developing lecturers, supports the education of post-school adults pursuing general education and training certificates and national senior certificate qualifications, and administers and manages the conduct of national assessments in the further education and training college and adult education and training sectors. Key ongoing outputs include providing national assessment instruments for recognised programmes offered at further education and training colleges, evaluating such programmes, as well as monitoring assessment processes conducted by further education and training colleges and adult education and training centres. The provision of national assessment instruments involves appointing exam panels and setting, printing and delivering question papers and site based assessment tasks to nationally accredited examination centres for further education and training colleges, and adult education and training centres. Question papers are provided for the nine examination cycles in an academic year. In 2012/13, R101.1 million was spent on these examination processes. Over the medium term, the focus will continue to be on increasing the certification rates of students in vocational programmes and delivering credible examinations at a cost of approximately R525.9 million.

### Expenditure estimates

Table 17.13 Programmes and Qualifications

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>91.1</b>	<b>123.7</b>	<b>148.3</b>	<b>174.0</b>	<b>24.1%</b>	<b>98.9%</b>	<b>186.5</b>	<b>192.7</b>	<b>197.6</b>	<b>4.3%</b>	<b>99.5%</b>
Compensation of employees	57.2	83.3	101.9	126.5	30.3%	67.9%	132.7	138.1	142.4	4.0%	71.5%
Goods and services	33.9	40.4	46.4	47.5	11.9%	31.0%	53.8	54.6	55.2	5.1%	28.0%
of which:											
Computer services	7.3	9.1	14.4	10.7	13.7%	7.6%	10.6	10.8	10.8	0.3%	5.7%
Inventory: Stationery and printing	5.0	8.6	10.2	4.3	-4.9%	5.2%	8.2	8.2	8.3	24.7%	3.8%
Property payments	0.0	0.1	0.0	0.1	40.3%	-	0.0	0.0	0.0	-37.7%	-
Travel and subsistence	11.1	12.1	11.2	15.8	12.5%	9.2%	22.2	22.6	23.0	13.2%	11.1%
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	0.0	0.0	0.1	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>3.9</b>	<b>0.1</b>	<b>0.4</b>	<b>1.2</b>	<b>-32.5%</b>	<b>1.0%</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>-11.0%</b>	<b>0.5%</b>
Machinery and equipment	0.2	0.1	0.4	1.2	98.4%	0.3%	0.8	0.8	0.8	-11.0%	0.5%
Software and other intangible assets	3.8	-	-	-	-100.0%	0.7%	-	-	-	-	-
<b>Payments for financial assets</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>95.1</b>	<b>123.8</b>	<b>148.8</b>	<b>175.2</b>	<b>22.6%</b>	<b>100.0%</b>	<b>187.3</b>	<b>193.6</b>	<b>198.5</b>	<b>4.2%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>2.9%</b>	<b>3.1%</b>	<b>3.3%</b>	<b>3.5%</b>			<b>3.3%</b>	<b>3.2%</b>	<b>3.1%</b>		

## Personnel information

Table 17.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Programmes and Qualifications</b>																			
<b>Salary level</b>	158	26	141	42.9	0.3	183	47.3	0.3	180	52.0	0.3	180	55.9	0.3	180	59.4	0.3	-0.5%	100.0%
1 – 6	70	26	64	8.9	0.1	94	11.5	0.1	89	11.5	0.1	89	12.4	0.1	89	13.2	0.1	-1.8%	49.9%
7 – 10	62	–	52	15.2	0.3	63	18.4	0.3	64	20.4	0.3	64	22.0	0.3	64	23.4	0.4	0.5%	35.3%
11 – 12	18	–	17	9.8	0.6	18	10.8	0.6	19	13.5	0.7	19	14.6	0.8	19	15.5	0.8	1.8%	10.4%
13 – 16	8	–	8	9.1	1.1	8	6.6	0.8	8	6.5	0.8	8	6.9	0.9	8	7.4	0.9	–	4.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the examination and assessment function to address the increased volume of question papers and tasks to be set, as well as the number of scripts to be marked. These allocations ensure the sustainable, efficient and effective delivery of examination services. Additional funds for these activities are the main reason for the expenditure increases between 2009/10 and 2012/13 and the expected increases over the medium term. More than 58 per cent of the total allocation for compensation of employees in this subprogramme relates to the remuneration of examiners and moderators.

As part of the Cabinet approved reductions, the department will reduce spending by R21.5 million over the medium term. These reductions are to be effected in spending on items such as catering, and travel and subsistence, where efficiency measures will be implemented.

The number of personnel in this subprogramme is expected to increase from 141 posts in 2011/12 to 180 posts in 2015/16, including a provision for 21 interns. This increase is mainly due to the filling of critical vacant positions that resulted from the establishment of the department in April 2010. Over the medium term, the growth in expenditure on compensation of employees will mainly be to fund the growth in personnel numbers.

## Programme 5: Skills Development

### Objectives

- Promote quality learning at work and for work by:
  - ensuring that the number of new artisan learners registered for training increases from 24 378 in 2011/12 to 28 000 in 2015/16
  - increasing the number of competent artisans entering the labour market from 13 168 in 2011/12 to 14 000 in 2015/16
  - facilitating professional placements, work integrated learning, apprenticeships, learnerships and internships.
- Promote the alignment of skills development outputs with the needs of the workplace and the broader growth needs of the country's economy by approving the strategic plans of the sector education and training authorities, and ensuring that they are in line with the sector skills plans over the MTEF period.

### Subprogrammes

- Programme Management: Skills Development* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 4 in 2012/13.

- *SETA Coordination* supports, monitors and reports on the implementation of the national skills development strategy at the sectoral level by establishing and managing the performance of service level agreements with sector education and training authorities. A key ongoing activity is the conducting of trade tests at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments. In 2012/13, 7 000 tests were conducted at a cost of R50.2 million. This subprogramme had a staff complement of 253 in 2012/13.
- *National Skills Development Services* manages projects identified in the national skills development strategy, and advises the minister on national skills development policy and strategy. Over the medium term, a key ongoing activity will be monitoring the implementation of the third national skills development strategy, which charts the way forward for skills development, at a projected cost of R6.7 million. This subprogramme had a staff complement of 13 in 2012/13.
- *Quality Development and Promotion* transfers funds to the Quality Council for Trades and Occupations as a contribution to the council's operations. This subprogramme's total budget is transferred in full to the council. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

**Table 17.15 Skills Development**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Programme Management: Skills Development	–	2.7	4.3	2.1	–	1.8%	3.5	3.7	3.9	23.1%	3.0%
SETA Coordination	75.7	68.3	65.4	71.2	-2.0%	57.1%	73.6	78.6	83.0	5.3%	70.0%
National Skills Development Services	60.6	58.8	25.5	7.1	-51.1%	30.9%	6.8	7.2	7.6	2.3%	6.6%
Quality Development and Promotion	1.3	1.6	26.9	20.4	151.3%	10.2%	21.7	23.2	24.3	6.2%	20.5%
<b>Total</b>	<b>137.5</b>	<b>131.4</b>	<b>122.0</b>	<b>100.7</b>	<b>-9.9%</b>	<b>100.0%</b>	<b>105.6</b>	<b>112.7</b>	<b>118.9</b>	<b>5.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				0.6			(1.8)	(1.7)	(0.7)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>79.9</b>	<b>79.1</b>	<b>74.7</b>	<b>79.8</b>	<b>–</b>	<b>63.8%</b>	<b>82.6</b>	<b>88.4</b>	<b>93.3</b>	<b>5.4%</b>	<b>78.6%</b>
Compensation of employees	57.5	65.1	63.2	65.8	4.6%	51.2%	69.8	75.0	79.6	6.5%	66.3%
Goods and services	22.4	14.1	11.5	14.0	-14.4%	12.6%	12.8	13.4	13.8	-0.6%	12.3%
<i>of which:</i>					–	–				–	–
Computer services	0.5	0.3	0.0	0.1	-41.6%	0.2%	0.0	0.1	0.1	-10.3%	0.1%
Inventory: Stationery and printing	1.7	0.9	1.2	0.4	-36.7%	0.9%	2.4	2.3	4.4	115.8%	2.2%
Property payments	1.3	0.6	0.1	0.6	-23.6%	0.5%	0.3	0.3	0.3	-22.1%	0.3%
Travel and subsistence	2.5	2.9	3.2	3.5	11.3%	2.5%	2.5	2.6	2.7	-8.1%	2.6%
<b>Transfers and subsidies</b>	<b>49.0</b>	<b>51.8</b>	<b>46.9</b>	<b>20.4</b>	<b>-25.3%</b>	<b>34.2%</b>	<b>21.7</b>	<b>23.2</b>	<b>24.3</b>	<b>6.0%</b>	<b>20.5%</b>
Departmental agencies and accounts	49.0	51.7	46.8	20.4	-25.4%	34.1%	21.7	23.2	24.3	6.2%	20.5%
Households	0.1	0.1	0.0	0.1	-6.3%	0.1%	–	–	–	-100.0%	–
<b>Payments for capital assets</b>	<b>8.6</b>	<b>0.4</b>	<b>0.4</b>	<b>0.5</b>	<b>-62.6%</b>	<b>2.0%</b>	<b>1.2</b>	<b>1.1</b>	<b>1.2</b>	<b>37.7%</b>	<b>0.9%</b>
Buildings and other fixed structures	1.9	–	–	–	-100.0%	0.4%	–	–	–	–	–
Machinery and equipment	6.8	0.4	0.4	0.5	-59.4%	1.6%	1.2	1.1	1.2	37.7%	0.9%
<b>Total</b>	<b>137.5</b>	<b>131.4</b>	<b>122.0</b>	<b>100.7</b>	<b>-9.9%</b>	<b>100.0%</b>	<b>105.6</b>	<b>112.7</b>	<b>118.9</b>	<b>5.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.7%</b>	<b>0.6%</b>	<b>0.4%</b>	<b>0.3%</b>			<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>49.0</b>	<b>51.7</b>	<b>46.8</b>	<b>20.4</b>	<b>-25.4%</b>	<b>34.1%</b>	<b>21.7</b>	<b>23.2</b>	<b>24.3</b>	<b>6.2%</b>	<b>20.5%</b>
National Skills Fund	49.0	51.7	19.9	–	-100.0%	24.5%	–	–	–	–	–
Quality Council for Trades and Occupations	–	–	26.9	20.4	–	9.6%	21.7	23.2	24.3	6.2%	20.5%

## Personnel information

Table 17.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Skills Development</b>																			
Salary level	256	13	307	63.2	0.2	268	61.9	0.2	275	68.8	0.3	275	73.9	0.3	275	78.7	0.3	0.9%	100.0%
1 – 6	151	13	194	22.5	0.1	164	20.6	0.1	165	21.8	0.1	165	23.4	0.1	165	24.9	0.2	0.2%	60.3%
7 – 10	83	–	91	24.5	0.3	82	26.5	0.3	87	30.1	0.3	87	32.4	0.4	87	34.4	0.4	2.0%	31.4%
11 – 12	13	–	12	8.4	0.7	13	7.4	0.6	13	8.1	0.6	13	8.7	0.7	13	9.2	0.7	–	4.8%
13 – 16	9	–	10	7.9	0.8	9	7.3	0.8	10	8.9	0.9	10	9.5	1.0	10	10.1	1.0	3.6%	3.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on supporting the implementation of the national skills development strategy at the sectoral level by establishing and managing the performance of service level agreements with sector education and training authorities, together with funding trade tests at the Institute for the National Development of Learnerships, Employment Skills and Labour Assessments and transfers to the Quality Council for Trades and Occupations.

Over the medium term, expenditure is expected to increase to accommodate the provision for improved conditions of service and inflation adjustments, and will allow the number of artisans found competent in trade tests to increase to 14 000 by 2015/16 and the number of artisan learners registered for training to increase from 24 378 in 2011/12 to 28 000 in 2015/16.

Between 2009/10 and 2012/13, expenditure decreased mainly because of the cessation of the department's contribution to the National Skills Fund in the *National Skills Development Services* subprogramme as from 2012/13. These funds have been reprioritised to allow the department to fill critical vacant posts, mainly in the *Administration* programme. Spending increases in the *Quality Development and Promotion* subprogramme from 2009/10 to 2011/12 are due to the establishment of the Quality Council of Trades and Occupations in this period.

As part of the Cabinet approved budget reductions, the department will reduce spending by R3.9 million over the medium term. These reductions are to be effected in spending on items such as travel and subsistence, where efficiency measures will be implemented.

The number of personnel in this programme is expected to increase from 268 in 2012/13 to 275 in 2015/16, including a provision for 10 interns. This increase is mainly due to additional funding for the department to establish full functionality. Over the medium term, the growth in expenditure on compensation of employees is mainly to fund the growth in personnel numbers.

## Public entities and other agencies

### National Skills Fund

#### Mandate and goals

The National Skills Fund was established in 1999 in terms of the Skills Development Act (1998). The fund focuses on national priority projects identified in the national skills development strategy and projects related to the achievement of the purpose of the act, as determined by the director general of the Department of Higher Education and Training.



The fund's strategic goals over the medium term are to:

- advance the human resources development strategy, which was decided on in consultation with the Human Resource Development Council of South Africa
- advance projects identified by the minister after consultation with the National Skills Authority
- advance projects that are aligned with the national skills development strategy and that support key government priorities such as the national development plan, the new growth path, the industrial policy action plan, rural development, skills development to support the green economy, and skills development in education and health.

## Selected performance indicators

Table 17.17 National Skills Fund

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of projects supported by the National Skills Fund per year	Government priorities for the national skills development strategy	- <sup>1</sup>	- <sup>1</sup>	215	262	350	400	90
Number of learners trained by the National Skills Fund projects per year	Government priorities for the national skills development strategy	- <sup>1</sup>	- <sup>1</sup>	37 793	32 179	40 000	45 000	50 000

1. These indicators are new, relating to the third national skills development strategy, hence they have no actual outcomes between 2009/10 and 2010/11.

## Programmes/activities/objectives

Table 17.18 National Skills Fund

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16		
R million												
Operations	82.4	72.1	82.7	164.5	25.9%	9.1%	207.6	217.5	227.3	11.4%	6.2%	
Second national skills development strategy	476.4	564.4	156.6	330.0	-11.5%	48.4%	-	-	-	-100.0%	1.9%	
Human Resource Development Council of South Africa	-	-	-	55.2	-	0.3%	62.5	66.5	70.4	8.4%	1.9%	
National Skills Authority: Ministerial	-	-	2.9	55.6	-	0.4%	62.9	67.0	70.9	8.4%	1.9%	
Government priorities for the third national skills development strategy	-	-	366.7	2 533.3	-	21.9%	2 000.0	2 500.0	2 625.0	1.2%	71.7%	
Director General priorities	-	-	706.0	1 070.0	-	19.7%	338.1	360.6	378.2	-29.3%	14.9%	
Skills infrastructure	-	-	1.1	42.6	-	0.3%	45.3	48.2	51.0	6.2%	1.4%	
<b>Total expense</b>	<b>558.8</b>	<b>636.4</b>	<b>1 316.0</b>	<b>4 251.2</b>	<b>96.7%</b>	<b>100.0%</b>	<b>2 716.5</b>	<b>3 259.8</b>	<b>3 422.8</b>	<b>-7.0%</b>	<b>100.0%</b>	

## Expenditure estimates

Table 17.19 National Skills Fund

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16		
R million												
<b>Revenue</b>												
Non-tax revenue	384.0	386.1	418.3	378.2	-0.5%	15.8%	399.0	419.5	439.8	5.2%	13.6%	
Other non-tax revenue	384.0	386.1	418.3	378.2	-0.5%	15.8%	399.0	419.5	439.8	5.2%	13.6%	
Transfers received	1 612.1	1 732.9	3 195.3	2 280.0	12.2%	84.2%	2 480.6	2 708.8	2 963.4	9.1%	86.4%	
<b>Total revenue</b>	<b>1 996.1</b>	<b>2 119.0</b>	<b>3 613.6</b>	<b>2 658.2</b>	<b>10.0%</b>	<b>100.0%</b>	<b>2 879.6</b>	<b>3 128.3</b>	<b>3 403.2</b>	<b>8.6%</b>	<b>100.0%</b>	
<b>Expenses</b>												
Current expenses	82.4	72.1	82.7	164.5	25.9%	9.1%	207.6	217.5	227.3	11.4%	6.2%	
Compensation of employees	13.9	12.9	14.1	19.8	12.7%	1.5%	47.0	49.3	51.6	37.5%	1.3%	
Goods and services	68.5	59.2	68.6	144.7	28.3%	7.5%	160.6	168.2	175.8	6.7%	4.9%	
Transfers and subsidies	476.4	564.4	1 233.3	4 086.7	104.7%	90.9%	2 508.8	3 042.2	3 195.4	-7.9%	93.8%	
<b>Total expenses</b>	<b>558.8</b>	<b>636.4</b>	<b>1 316.0</b>	<b>4 251.2</b>	<b>96.7%</b>	<b>100.0%</b>	<b>2 716.5</b>	<b>3 259.8</b>	<b>3 422.8</b>	<b>-7.0%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>1 437.0</b>	<b>1 483.0</b>	<b>2 298.0</b>	<b>(1 593.0)</b>	<b>-203.5%</b>		<b>163.0</b>	<b>(131.0)</b>	<b>(20.0)</b>	<b>-76.8%</b>		

## Personnel information

Table 17.20 National Skills Fund

Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number					
Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/ total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Salary level	62	10	-	-	-	52	11.9	0.2	138	28.2	0.2	138	29.6	0.2	138	30.9	0.2	38.4%	100.0%
1-6	6	-	-	-	-	6	0.5	0.1	15	1.2	0.1	15	1.2	0.1	15	1.3	0.1	35.7%	11.0%
7-10	39	9	-	-	-	30	4.8	0.2	98	16.9	0.2	98	17.7	0.2	98	18.6	0.2	48.4%	67.7%
11-12	12	1	-	-	-	11	4.3	0.4	20	7.8	0.4	20	8.2	0.4	20	8.5	0.4	22.1%	16.2%
13-16	5	-	-	-	-	5	2.3	0.5	5	2.3	0.5	5	2.5	0.5	5	2.6	0.5	-	5.1%

1. Rand million.

## Expenditure trends

The skills development levy collected by the South African Revenue Service and transferred to the National Skills Fund as direct charges against the National Revenue Fund accounts for 86.8 per cent of total revenue over the medium term. Revenue is expected to increase between 2012/13 and 2015/16 in line with the projected increased receipts of the skills development levy.

The spending focus over the medium term will be on the implementation of the third national skills development strategy, through which more than 800 projects will be supported and 135 000 learners trained.

Expenditure increased significantly between 2009/10 and 2012/13, mainly due to payments for skills development projects aligned with the second national skills development strategy and the implementation of the third national skills development strategy. Projects such as providing training opportunities linked to the expanded public works programme for 100 000 unemployed people accounts for R156.6 million spent on the second national skills development strategy in 2011/12.

In 2012/13, expenditure began to shift to the third national skills development strategy, where R2.5 billion was spent on government priorities including the new growth path and the industrial policy action plan, and projects on rural development, education and health, justice and crime prevention, cooperatives, small enterprises, non-governmental organisations, community training initiatives, and public sector capacity. In addition, R820 million was spent on director general priority projects like worker education, skills system capacity building, the training layoff scheme, capacity building of academics, research and development, bursaries, and projects with the Department of Higher Education and Training. Spending over the medium term is also expected to increase as the fund continues with projects implemented under the third national skills development strategy.

Between 2009/10 and 2012/13, the increased spending on compensation of employees was mainly due to new appointments made with the establishment of provincial offices in 2012 to broaden the fund's presence across South Africa. Spending on compensation of employees is expected to continue to increase over the medium term as a result of the listing of the National Skills Fund as a schedule 3A public entity from 1 April 2012. The listing will result in the fund having to establish certain functions previously performed by the department, such as human resources, supply chain management and IT.

The entity has a budget of R8.6 million for consultants in 2012/13. Consultants are used for accounting work, in particular to convert the cash based system to an accrual based system following the establishment of the fund as an entity independent of the department, as well as the internal audit function.

The projected deficits in the current year and over the medium term are due to an increase in the rollout of skills programmes. The fund has adequate cash and cash reserves in 2012/13 and over the medium term to fund these projected deficits.

The fund has implemented cost saving measures expected to amount to R630 000 over the medium term, including reducing travel and accommodation costs, limiting the number of participants attending workshops and reducing spending on advertising.

As at 30 September 2012, the fund had an approved establishment of 62 and 78 additional posts, all of which were funded. These were filled by January 2013 in line with the establishment of the fund as a schedule 3A public entity.

## National Student Financial Aid Scheme

### Mandate and goals

The National Student Financial Aid Scheme was established in terms of the National Student Financial Aid Scheme Act (1999) to provide for the granting of loans and bursaries to eligible students at public higher education institutions and for the administration of such loans and bursaries; and to provide for the recovery of loans.

The organisation's strategic goals over the medium term are to:

- provide funding to eligible students
- maximise recoveries and increase the funds available for loans and bursaries
- implement the approved centralised financial aid systems.

### Selected performance indicators

Table 17.21 National Student Financial Aid Scheme

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of students assisted in higher education per year	Student centred financial aid	135 586	148 734	198 750	288 188	417 872	605 914	642 269
Percentage of courses passed by loan recipients	Student centred financial aid	74%	75%	75%	75%	75%	75%	75%
Funds recovered from previous loan recipients per year (R thousand)	Administration	R636 322	R637 782	R650 000	R842 000	R931 639	R1 024 803	R1 086 291
Total number of Funza Lushaka bursary recipients	Student centred financial aid	9 190	10 074	8 733	11 455	14 500	12 500	12 500
Total number of further education and training bursary recipients	Student centred financial aid	55 173	61 703	108 810	180 826	222 817	233 958	245 655

### Programmes/activities/objectives

Table 17.22 National Student Financial Aid Scheme

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R million												
Administration	24.6	32.3	36.7	124.8	71.7%	1.2%	98.3	50.8	52.2	-25.2%	1.3%	
Student centred financial aid	2 671.4	3 083.4	4 720.9	5 499.5	27.2%	98.8%	6 032.0	6 397.5	6 645.8	6.5%	98.7%	
<b>Total expense</b>	<b>2 696.0</b>	<b>3 115.7</b>	<b>4 757.6</b>	<b>5 624.3</b>	<b>27.8%</b>	<b>100.0%</b>	<b>6 130.3</b>	<b>6 448.4</b>	<b>6 698.0</b>	<b>6.0%</b>	<b>100.0%</b>	

## Expenditure estimates

Table 17.23 National Student Financial Aid Scheme

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R million										
<b>Revenue</b>	<b>546.5</b>	<b>575.2</b>	<b>440.1</b>	<b>655.7</b>	6.3%	12.5%	<b>708.2</b>	<b>723.0</b>	<b>766.3</b>	5.3%	7.9%
Non-tax revenue	546.5	575.2	440.1	655.7	6.3%	12.5%	708.2	723.0	766.3	5.3%	7.9%
Sale of goods and services other than capital assets	-	-	-	-	-	-	19.7	-	-	-	0.1%
of which:											
Administrative fees	-	-	-	-	-	-	19.7	-	-	-	0.1%
Other non-tax revenue	546.5	575.2	440.1	655.7	6.3%	12.5%	688.5	723.0	766.3	5.3%	7.9%
<b>Transfers received</b>	<b>2 569.1</b>	<b>2 857.5</b>	<b>3 362.1</b>	<b>7 446.3</b>	<b>42.6%</b>	<b>87.5%</b>	<b>8 142.4</b>	<b>8 622.1</b>	<b>8 977.3</b>	<b>6.4%</b>	<b>92.1%</b>
<b>Total revenue</b>	<b>3 115.7</b>	<b>3 432.7</b>	<b>5 802.2</b>	<b>8 102.1</b>	<b>37.5%</b>	<b>100.0%</b>	<b>8 850.6</b>	<b>9 345.1</b>	<b>9 743.6</b>	<b>6.3%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>1 107.9</b>	<b>1 249.8</b>	<b>1 841.5</b>	<b>162.7</b>	<b>-47.2%</b>	<b>30.7%</b>	<b>129.6</b>	<b>92.3</b>	<b>95.9</b>	<b>-16.1%</b>	<b>2.0%</b>
Compensation of employees	18.7	23.8	28.6	39.7	28.4%	0.7%	52.3	43.2	47.0	5.9%	0.7%
Goods and services	1 086.0	1 224.7	1 810.9	118.6	-52.2%	29.9%	72.6	45.6	45.1	-27.6%	1.2%
Depreciation	3.2	1.3	2.1	4.4	11.6%	0.1%	4.6	3.6	3.8	-5.2%	0.1%
Transfers and subsidies	1 588.1	1 866.0	2 916.1	5 461.6	50.9%	69.3%	6 000.7	6 356.1	6 602.1	6.5%	98.0%
<b>Total expenses</b>	<b>2 696.0</b>	<b>3 115.7</b>	<b>4 757.6</b>	<b>5 624.3</b>	<b>27.8%</b>	<b>100.0%</b>	<b>6 130.3</b>	<b>6 448.4</b>	<b>6 698.0</b>	<b>6.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>420.0</b>	<b>317.0</b>	<b>1 045.0</b>	<b>2 478.0</b>	<b>80.7%</b>		<b>2 720.0</b>	<b>2 897.0</b>	<b>3 046.0</b>	<b>7.1%</b>	

## Personnel information

Table 17.24 National Student Financial Aid Scheme

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	184	33	163	20.9	0.1	151	28.7	0.2	174	38.0	0.2	137	31.3	0.2	147	34.1	0.2	-0.9%	100.0%
1 - 6	114	15	119	9.3	0.1	99	9.8	0.1	114	12.3	0.1	79	9.9	0.1	89	10.6	0.1	-3.5%	62.3%
7 - 10	14	1	12	1.5	0.1	13	2.1	0.2	14	2.3	0.2	14	2.4	0.2	14	2.5	0.2	2.5%	9.1%
11 - 12	38	13	19	4.2	0.2	25	8.6	0.3	28	11.2	0.4	25	7.7	0.3	25	8.4	0.3	-	17.0%
13 - 16	18	4	13	5.9	0.5	14	8.2	0.6	18	12.1	0.7	19	11.3	0.6	19	12.5	0.7	10.7%	11.6%

1. Rand million.

## Expenditure trends

The National Student Financial Aid Scheme generates revenue mainly from transfers received from the Department of Higher Education and Training. It also receives funds from the Department of Basic Education for the Funza Lushaka bursaries for prospective teachers and from the Department of Social Development for bursaries for prospective social workers. Over the medium term, the projected rise in revenue will increase the number of students in higher education that the scheme is able to assist, from 288 188 in 2012/13 to 642 269 in 2015/16, and increase the number of further education and training college bursary recipients per year from 180 826 in 2012/13 to 245 655 in 2015/16.

The spending focus over the medium term will continue to be on the provision of loans and bursaries to higher education and further education and training college students. The objective is to improve access to education and training opportunities for disadvantaged students and allow increases in enrolment in higher education and further education and training colleges.

The increases in expenditure since 2009/10 are mainly due to increased transfers for university and further education and training college loans and bursaries. The increased expenditure in goods and services in 2010/11 and 2011/12 was due to downward revisions to the fair value of the loan book resulting from an actuarial revaluation. The increasing number of student loans awarded is recognised directly on the scheme's balance sheet, but not recorded as expenditure in the year they are granted. This will result in a significant accounting surplus each year, despite the funds having been used for their allocated purpose.

Over the MTEF period, expenditure on compensation of employees is expected to increase mainly due to the necessary organisational restructuring of the scheme to ensure more efficient administration of the increased loans and bursaries being administered by the scheme. Consultants are engaged on once-off organisational change and support projects if required and are not used to fill vacant posts. R7.4 million was spent on consultants in 2012/13, which is equivalent to 18.7 per cent of the budget for compensation of employees. Consultants are mainly used for business development and management services.

The organisation has identified a number of interventions that will increase its cost effectiveness. These include an improved human resources strategy, new IT infrastructure, a student centred operating model, and an enhanced credit management and loan recovery strategy. These measures will improve the efficiency of internal operations and increase the efficiency of the administration of loans and bursaries over the medium term.

The improved workflow management technology and processes and the uploading of student data directly from institutions to a central server will lead to reductions in funds used for temporary staff and outsourced services. It is also anticipated that more effective tracing of debtors will lead to reductions in running costs and increased funds from loan recovery. These measures are projected to yield savings of R9 million over the medium term.

As at the 30 September 2012, the scheme had an establishment of 184 posts, all of which were funded. As at 30 September 2012, 151 posts were filled. Of the 33 funded vacancies, which are in the process of being filled, 4 were in executive management, 13 in middle management, 1 in the skilled category and 15 in the semi-skilled category.

## **Sector education and training authorities**

### **Mandate and goals**

The sector education and training authorities are constituted by the Skills Development Act (1998), which provides the mandate for the authorities to implement the national, sector and workplace strategies. The strategies, which are integrated into the national qualifications framework, are designed to develop and improve the skills of the South African workforce, provide the learnerships that lead to a recognised occupational qualification, and provide the financing for skills development through a levy financing scheme and the National Skills Fund.

The authorities' strategic goals over the medium term are to:

- establish a credible institutional mechanism for skills planning
- increase access to occupationally directed programmes
- promote the growth of a public further education and training college system that is responsive to sector, local, regional and national skills needs and priorities
- address the low level of youth and adult language and numeracy skills to enable subsequent higher level training
- encourage and support cooperatives, small enterprises and community training initiatives
- increase capacity in the public sector for improved service delivery and thus contribute to the building of the developmental state
- provide career and vocational guidance.

## Expenditure estimates

**Table 17.25 Sector Education and Training Authorities**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Revenue</b>	<b>519.9</b>	<b>454.6</b>	<b>556.6</b>	<b>655.0</b>	<b>8.0%</b>	<b>6.8%</b>	<b>562.3</b>	<b>337.4</b>	<b>422.7</b>	<b>-13.6%</b>	<b>4.6%</b>
<b>Non-tax revenue</b>											
Sale of goods and services other than capital assets	0.5	0.2	0.6	–	-100.0%	0.0%	–	–	–	–	–
of which:											
Sales by market establishment	0.5	0.2	0.6	–	-100.0%	0.0%	–	–	–	–	–
Other non-tax revenue	519.4	454.4	556.0	655.0	8.0%	6.8%	562.3	337.4	422.7	-13.6%	4.6%
<b>Transfers received</b>	<b>6 173.9</b>	<b>6 572.7</b>	<b>8 236.1</b>	<b>9 251.3</b>	<b>14.4%</b>	<b>93.2%</b>	<b>10 050.9</b>	<b>10 972.1</b>	<b>11 962.4</b>	<b>8.9%</b>	<b>95.4%</b>
<b>Total revenue</b>	<b>6 693.8</b>	<b>7 027.2</b>	<b>8 792.7</b>	<b>9 906.3</b>	<b>14.0%</b>	<b>100.0%</b>	<b>10 613.2</b>	<b>11 309.6</b>	<b>12 385.1</b>	<b>7.7%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>754.3</b>	<b>903.6</b>	<b>1 018.4</b>	<b>1 305.2</b>	<b>20.1%</b>	<b>13.2%</b>	<b>1 255.9</b>	<b>1 327.1</b>	<b>1 382.5</b>	<b>1.9%</b>	<b>14.3%</b>
Compensation of employees	398.4	473.4	516.1	610.6	15.3%	6.7%	644.4	675.0	709.2	5.1%	7.2%
Goods and services	335.0	411.2	482.2	672.2	26.1%	6.2%	591.4	633.7	651.7	-1.0%	6.9%
Depreciation	20.5	18.2	19.8	22.0	2.4%	0.3%	19.6	18.0	21.4	-0.9%	0.2%
Interest, dividends and rent on land	0.4	0.8	0.3	0.4	-5.3%	0.0%	0.5	0.4	0.3	-7.3%	0.0%
<b>Transfers and subsidies</b>	<b>5 776.4</b>	<b>5 818.0</b>	<b>6 345.5</b>	<b>8 153.8</b>	<b>12.2%</b>	<b>86.8%</b>	<b>7 582.9</b>	<b>7 765.5</b>	<b>8 146.5</b>	<b>-0.0%</b>	<b>85.7%</b>
<b>Total expenses</b>	<b>6 530.6</b>	<b>6 721.5</b>	<b>7 363.9</b>	<b>9 459.0</b>	<b>13.1%</b>	<b>100.0%</b>	<b>8 838.8</b>	<b>9 092.6</b>	<b>9 529.0</b>	<b>0.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>163.0</b>	<b>306.0</b>	<b>1 429.0</b>	<b>447.0</b>	<b>40.0%</b>		<b>1 774.0</b>	<b>2 217.0</b>	<b>2 856.0</b>	<b>85.6%</b>	

## Expenditure trends

The skills development levy collected by the South African Revenue Service and transferred to the sector education and training authorities accounts for 93.4 per cent of total revenue over the medium term. Other non-tax revenue fluctuates over the seven-year period due to fluctuations in interest earned on investments and the use of investments to fund training programmes.

The increases in spending over the seven-year period are driven mainly by payments relating to skills development programmes through the mandatory and discretionary grants.

Spending on compensation of employees is projected to grow over the medium term due to the filling of additional posts linked to the implementation of the third national skills development strategy, while spending on goods and services is expected to increase, at an average annual rate of 14.2 per cent, due to increased spending on audit costs, communication, travel and subsistence, and advertising related to marketing the revised national skills development strategy.

The surpluses recorded over the seven-year period are caused by levies collected in each year generally not being spent immediately but rather committed to multi-year projects.

Cost efficiency improved with regard to administration costs. Savings were achieved by the authorities in two ways: facilities provided by further education and training colleges and universities were used to research sector skills plans; and the same colleges and universities allowed their venues to be used for the provision of training, thus saving on the cost of hiring private venues.

## Other public entities and agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Council on Higher Education** implements the higher education qualifications framework by generating and setting standards and other quality assurance functions, and monitors and evaluates the achievement of South African higher education policy goals and objectives. The council's total budget for 2013/14 is R46 million.

- The **Quality Council for Trades and Occupations** was established in terms of the Skills Development Act (1998) and became operational in 2010. The primary functions of the organisation are to design, develop and maintain occupational standards and qualifications, to submit them for registration on the national qualifications framework, and to ensure the quality of occupational standards and qualifications and learning in and for the workplace. The organisation's total budget for 2013/14 is R28.9 million.
- The **South African Qualifications Authority** ensures access, quality, redress and development for all learners through an integrated national framework of learning achievements. The organisation's total budget for 2013/14 is R101.7 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
<b>R million</b>										
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
Further education and training colleges sector recapitalisation grant	Construction, upgrading and maintenance of workshops, machinery and equipment, administrative facilities	Handed over	1 896.3	-	-	-	-	-	-	-
Tertiary institutions infrastructure	Construction and upgrading of hostels, lecture halls, laboratories	Various	11 249.0	1 462.0	1 585.0	1 625.3	1 800.0	2 000.0	2 200.0	2 300.0
New universities in Mpumalanga and Northern Cape	Construction, upgrading and maintenance of lecture halls, laboratories, hostels	Feasibility	-	-	-	-	-	150.0	500.0	1 000.0
<b>Total</b>			<b>13 145.3</b>	<b>1 462.0</b>	<b>1 585.0</b>	<b>1 625.3</b>	<b>1 800.0</b>	<b>2 150.0</b>	<b>2 700.0</b>	<b>3 300.0</b>



# Vote 18

## Labour

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	785.4	751.0	0.2	34.3	833.4	877.5
Inspection and Enforcement Services	465.2	465.1	0.1	–	494.4	522.5
Public Employment Services	400.1	229.7	170.4	–	438.2	461.8
Labour Policy and Industrial Relations	764.5	116.4	648.1	0.1	867.5	923.7
<b>Total expenditure estimates</b>	<b>2 415.2</b>	<b>1 562.2</b>	<b>818.7</b>	<b>34.3</b>	<b>2 633.5</b>	<b>2 785.6</b>
Executive authority	Minister of Labour					
Accounting officer	Director General of Labour					
Website address	<a href="http://www.labour.gov.za">www.labour.gov.za</a>					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Play a significant role in reducing unemployment, poverty and inequality through pursuing the objectives of full and productive employment and decent work for all including: employment creation and enterprise development; standards and rights at work including equality of opportunities; social protection; and social dialogue.*

### Mandate

The Department of Labour derives its legislative mandate from a number of acts which regulate labour matters in South Africa. The most important of these are the Labour Relations Act (1995), the Basic Conditions of Employment Act (1997), the Employment Equity Act (1998), and the Occupational Health and Safety Act (1993).

The policy mandate of the department is to regulate the labour market through policies and programmes developed in consultation with social partners, which are aimed at:

- improving economic efficiency and productivity
- facilitating employment creation
- promoting and enforcing sound labour relations
- eliminating inequality and discrimination in the workplace
- alleviating poverty in employment
- enhancing occupational health and safety awareness and compliance in the workplace
- encouraging the acceptance of worker rights as human rights.

### Strategic goals

Over the medium term, the Department of Labour will focus mainly on promoting decent employment through inclusive economic growth (outcome 4). To address these strategic priorities, the department will:

- implement the decent work country programme

- rebuild the public employment services programme for the effective facilitation of employment
- contribute to decent employment creation by helping to improve working conditions, health and safety, employment conditions and productivity in the workplace
- strengthen the labour inspectorate
- restructure sheltered employment factories
- implement the revised labour legislation that aims for labour market flexibility which balances enterprise competitiveness with decent employment
- strengthen the institutional capacity of the department to improve the quality of its service delivery and increase access to its services.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide management, strategic and administrative support services to the ministry and the department.

### Programme 2: Inspection and Enforcement Services

**Purpose:** Realise decent work by regulating non-employment and employment conditions through inspection and enforcement to achieve compliance with all labour market policies.

### Programme 3: Public Employment Services

**Purpose:** Provide assistance to companies and workers to adjust to changing labour market conditions and to regulate private employment agencies.

### Programme 4: Labour Policy and Industrial Relations

**Purpose:** Facilitate the establishment of an equitable and sound labour relations environment and the promotion of South Africa's interests in international labour matters through research, analysing and evaluating labour policy, and providing statistical data on the labour market, including providing support to institutions that promote social dialogue.

## Selected performance indicators

Table 18.1 Labour

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of work places inspected per year	Inspection and Enforcement Services	Outcome 4: Decent employment through inclusive economic growth	147 556	192 129	193 977	140 000	150 040	150 060	150 060
Number of complaints resolved within 14 days at registration services per year <sup>1</sup>	Inspection and Enforcement Services		150 831	116 131	110 610	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Number of work seekers registered on the Employment Services of South Africa system per year	Public Employment Services		636 140	472 179	553 883	450 000	500 000	550 000	600 000
Percentage (and number) of registered work seekers provided with employment counselling per year <sup>2</sup>	Public Employment Services		- <sup>2</sup>	- <sup>2</sup>	40% (222 956)	60%	50%	55%	60%

Table 18.1 Labour (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of work seekers placed in registered employment opportunities per year	Public Employment Services	Outcome 4: Decent employment through inclusive economic growth	20 512	12 801	96 505 <sup>3</sup>	18 000	19 000	20 000	21 000
Number of sectoral determinations reviewed and published per year	Labour Policy and Industrial Relations		4	4	5	6	4	4	6

1. This indicator is dependent on the number of cases reported, hence data for a specific year is only available in the following year.

2. New indicator started in 2011/12.

3. Data for 2012/13 cannot be disaggregated. Includes work seekers referred to the Unemployment Insurance Fund and the Compensation Fund.

## The national development plan

The priorities of the national development plan are to increase employment through economic growth; reduce inequality; improve skills development and education; and build a developmental, transformative state. The department's strategic goals are in alignment with these aims and with the actions proposed by the plan to achieve its targets, and its work will continue to focus on facilitating increased employment and ensuring decent working conditions to enhance productivity and eliminate inequality. The department's programmes include interventions to: broaden access to employment; transform protected employment factories into viable, sustainable businesses; provide access by citizens to work seeker services and employment counselling; enforce equality and compliance to labour regulations in the workplace; and provide support to Productivity South Africa to promote productivity and competitiveness. In addition the department will strive to build capability in the sector, strengthen institutional capacity and improve service delivery.

Specific areas of the department's work that are aligned with the employment objectives and actions of the national development plan include:

- the *Inspection and Enforcement Services* programme reinforces compliance in relation to equality in the workplace and the payment of minimum wages through regular workplace inspections
- the *Public Employment Services* programme aims to contribute to facilitating an increase in employment to the plan's 11 million jobs target by 2030 through its employer and work seeker services
- sectoral determinations are set in industries not covered by collective agreements to address poverty and its impact, by broadening access to employment
- the work of the Commission for Conciliation, Mediation and Arbitration strengthens labour dispute resolution in the labour market.

## Expenditure estimates

Table 18.2 Labour

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million						2009/10 - 2012/13					2012/13 - 2015/16	
Administration	669.2	682.5	704.3	764.6	764.6	4.5%	36.8%	785.4	833.4	877.5	4.7%	32.7%
Inspection and Enforcement Services	290.0	329.4	375.7	400.4	399.0	11.2%	18.2%	465.2	494.4	522.5	9.4%	18.9%
Public Employment Services	264.8	289.3	332.2	334.3	334.3	8.1%	15.9%	400.1	438.2	461.8	11.4%	16.4%
Labour Policy and Industrial Relations	474.7	525.2	594.9	640.3	636.0	10.2%	29.1%	764.5	867.5	923.7	13.2%	32.0%
<b>Total</b>	<b>1 698.7</b>	<b>1 826.3</b>	<b>2 007.1</b>	<b>2 139.6</b>	<b>2 133.9</b>	<b>7.9%</b>	<b>100.0%</b>	<b>2 415.2</b>	<b>2 633.5</b>	<b>2 785.6</b>	<b>9.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				19.8	14.2			154.1	234.6	276.3		

Table 18.2 Labour (continued)

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12			2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
	R million											
<b>Current payments</b>	<b>1 091.8</b>	<b>1 185.0</b>	<b>1 250.5</b>	<b>1 446.7</b>	<b>1 439.8</b>	<b>9.7%</b>	<b>64.8%</b>	<b>1 562.2</b>	<b>1 666.7</b>	<b>1 758.6</b>	<b>6.9%</b>	<b>64.5%</b>
Compensation of employees	576.5	681.5	757.9	847.5	823.6	12.6%	37.0%	982.9	1 074.4	1 140.2	11.5%	40.3%
Goods and services	515.3	503.4	492.6	599.1	616.1	6.1%	27.8%	579.3	592.3	618.4	0.1%	24.1%
of which:												
Computer services	29.2	35.0	42.1	28.9	30.2	1.1%	1.8%	110.1	83.8	96.2	47.1%	3.2%
Operating leases	125.0	143.5	115.1	217.7	226.9	22.0%	8.0%	128.1	138.7	144.8	-13.9%	6.4%
Property payments	63.8	65.3	44.2	47.2	48.4	-8.8%	2.9%	50.1	53.0	55.6	4.8%	2.1%
Travel and subsistence	102.0	106.2	127.0	85.4	97.2	-1.6%	5.6%	86.3	99.1	96.2	-0.4%	3.8%
Interest and rent on land	-	0.1	0.0	0.0	0.0		0.0%	-	-	-	-100.0%	0.0%
<b>Transfers and subsidies</b>	<b>516.3</b>	<b>561.0</b>	<b>641.0</b>	<b>656.4</b>	<b>657.7</b>	<b>8.4%</b>	<b>31.0%</b>	<b>818.7</b>	<b>937.9</b>	<b>996.7</b>	<b>14.9%</b>	<b>34.2%</b>
Provinces and municipalities	0.0	0.1	0.1	0.1	0.1	354.7%	0.0%	-	-	-	-100.0%	0.0%
Departmental agencies and accounts	411.5	457.9	542.2	554.0	554.0	10.4%	25.6%	676.2	774.9	826.4	14.3%	28.4%
Foreign governments and international organisations	8.6	10.7	14.2	12.7	13.7	16.7%	0.6%	11.3	12.0	12.5	-2.9%	0.5%
Public corporations and private enterprises	0.6	-	-	0.0	0.0	-71.4%	0.0%	-	-	-	-100.0%	0.0%
Non-profit institutions	92.1	89.2	82.7	88.7	88.7	-1.2%	4.6%	131.0	150.7	157.4	21.1%	5.3%
Households	3.5	3.1	1.8	0.8	1.1	-31.3%	0.1%	0.3	0.3	0.3	-35.1%	0.0%
<b>Payments for capital assets</b>	<b>90.1</b>	<b>80.2</b>	<b>115.0</b>	<b>36.5</b>	<b>36.5</b>	<b>-26.0%</b>	<b>4.2%</b>	<b>34.3</b>	<b>29.0</b>	<b>30.3</b>	<b>-5.9%</b>	<b>1.3%</b>
Buildings and other fixed structures	0.2	3.1	4.6	3.4	3.4	147.6%	0.1%	5.5	0.0	-	-100.0%	0.1%
Machinery and equipment	89.9	77.1	110.4	33.1	33.0	-28.4%	4.0%	28.8	29.0	30.3	-2.8%	1.2%
<b>Payments for financial assets</b>	<b>0.5</b>	<b>0.0</b>	<b>0.7</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 698.7</b>	<b>1 826.3</b>	<b>2 007.1</b>	<b>2 139.6</b>	<b>2 133.9</b>	<b>7.9%</b>	<b>100.0%</b>	<b>2 415.2</b>	<b>2 633.5</b>	<b>2 785.6</b>	<b>9.3%</b>	<b>100.0%</b>

## Personnel information

Table 18.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
<b>Labour</b>			<b>3 427</b>	<b>766.6</b>	<b>0.2</b>	<b>3 542</b>	<b>821.5</b>	<b>0.2</b>	<b>3 566</b>	<b>982.9</b>	<b>0.3</b>	<b>3 566</b>	<b>1 074.4</b>	<b>0.3</b>	<b>3 566</b>	<b>1 140.2</b>	<b>0.3</b>	<b>0.2%</b>	<b>100.0%</b>
<b>Salary level</b>	<b>3 513</b>	<b>32</b>																	
1 - 6	1 731	20	1 699	255.2	0.2	1 734	266.3	0.2	1 738	308.7	0.2	1 738	332.4	0.2	1 738	348.2	0.2	0.1%	48.8%
7 - 10	1 593	8	1 548	404.5	0.3	1 617	435.0	0.3	1 632	517.6	0.3	1 632	559.8	0.3	1 632	591.3	0.4	0.3%	45.7%
11 - 12	123	-	116	57.2	0.5	126	66.4	0.5	129	94.1	0.7	129	107.1	0.8	129	118.9	0.9	0.8%	3.6%
13 - 16	66	4	64	49.8	0.8	65	53.8	0.8	67	62.5	0.9	67	75.1	1.1	67	81.7	1.2	1.0%	1.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on professionalising the inspectorate to ensure that Decent Work principles are adhered to and that vulnerable workers are protected. The capacity of the *Public Employment Services* programme is enhanced to implement the Employment Services Bill. Once promulgated, the bill aims to provide free public employment services, regulate private employment agencies, promote the employment of young work seekers and other vulnerable persons, and implement the turnaround strategy of the sheltered employment factories to increase their capacity to employ people with disabilities. The department will expand access to services provided by the Commission for Conciliation, Mediation and Arbitration to address the increasing demand for the commission's services around the country. This will meet the objective of promoting sound labour relations and providing easy access to dispute resolution services, and is reflected in the increased spending over the medium term in the *Inspection and Enforcement Services*, *Public Employment Services* and *Labour Policy and Industrial Relations* programmes.

The 2013 Budget provides additional allocations of R159.7 million in 2013/14, R241.6 million in 2014/15 and R283.3 million in 2015/16 as follows:

- R23.2 million in 2013/14, R27.9 million in 2014/15 and R43.9 million in 2015/16 for improved conditions of service in the department
- R50 million in 2013/14, R65 million in 2014/15 and R68 million in 2015/16 for the turnaround strategy of the sheltered employment factories and the relocation of the technical and administrative staff at the sheltered employment factories to the public service
- R5 million in 2013/14, R6.8 million in 2014/15 and R8.8 million in 2015/16 for improved conditions of service at the Commission for Conciliation, Mediation and Arbitration
- R80 million in 2013/14, R140 million in 2014/15 and R160 million in 2015/16 to the Commission for Conciliation, Mediation and Arbitration to address increasing caseloads as a result of the amendments to labour legislation, expand access to services through the rollout of the web based case management system to labour centres and bargaining councils, establish a dedicated job saving unit to take forward the training layoff scheme, and establish new offices in the Vaal and Welkom areas
- R1.2 million in 2013/14, R1.7 million in 2014/15 and R2.2 million in 2015/16 for improved conditions of service at Productivity South Africa
- R233 000 in 2013/14, R313 000 in 2014/15 and R408 000 in 2015/16 for improved conditions of service at the National Economic Development and Labour Council.

Cabinet approved reductions of R5.6 million in 2013/14, R7 million in 2014/15 and 2015/16 are to be implemented over the medium term. The department will reduce spending on goods and services, mainly on communication, travel and subsistence, and transport equipment in the *Administration* and *Labour Policy and Industrial Relations* programmes. The department has also reprioritised R128.8 million within the *Administration, Inspection and Enforcement Services* and *Labour Policy and Industrial Relations* programmes, mostly within goods and services.

The department has a funded establishment of 3 513 posts and 32 posts additional to the establishment. The number of filled posts increased to 3 542 in 2012/13 and will increase to 3 566 over the medium term. The increase in posts in 2012/13 was because more specialist labour inspector and IT posts were filled. As at 30 September 2012, the ratio of support staff to line staff in the department was 1:6 and the percentage of consultants used in relation to the total number of personnel was 2.3 per cent.

### Infrastructure spending

The department has various small infrastructure projects at different stages of completion.

Spending on infrastructure increased from R225 000 in 2009/10 to R3.4 million in 2012/13, and is projected to decrease to R17 000 by 2014/15. Spending between 2009/10 and 2012/13 was focused mainly on small projects to provide safe working conditions for staff and improved access to services by the public. Infrastructure spending over the first two years of the MTEF period relates to the cost of site clearance for a number of new projects in Mpumalanga, North West and Western Cape. The Rustenburg labour centre project, which began in 2010, has been delayed due to the contractor not completing the work on time and resulting in slow spending. The project is now scheduled for completion in February 2013. The plans for the Taung labour centre are in the sketch plan phase and tenders for the construction phase will be put out in 2013/14.

The repair and maintenance programme contract for Laboria House has been completed and a new programme for the maintenance of building, air conditioning, electrical and reticulation systems will be implemented. The Silverton sheltered employment factory's repair and maintenance programme is in the repair phase and is valid for two more years. New repair and maintenance programme contracts are still in the planning phase for all state owned labour centres. Planning for repair and maintenance programmes at all sheltered employment factories is nearing completion and tenders will be put out in 2013/14.

## Departmental receipts

Table 18.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
<b>Departmental receipts</b>	<b>12 916</b>	<b>9 036</b>	<b>7 638</b>	<b>8 136</b>	<b>11 639</b>	<b>-3.4%</b>	<b>100.0%</b>	<b>12 256</b>	<b>12 881</b>	<b>13 409</b>	<b>4.8%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>5 247</b>	<b>2 539</b>	<b>2 576</b>	<b>2 484</b>	<b>3 531</b>	<b>-12.4%</b>	<b>33.7%</b>	<b>2 268</b>	<b>2 064</b>	<b>1 992</b>	<b>-17.4%</b>	<b>19.6%</b>
Sales by market establishments	577	215	171	180	178	-32.4%	2.8%	204	240	288	17.4%	1.8%
of which:												
Rental for non-residential buildings (Institute for the National Development of Learnerships Employment Skills and Labour Assessments)	199	50	-	-	-	-100.0%	0.6%	-	-	-	-	-
Rental for staff dwellings	252	35	43	41	40	-45.9%	0.9%	45	50	60	14.5%	0.4%
Rental for parking (covered and open)	126	130	128	139	138	3.1%	1.3%	159	190	228	18.2%	1.4%
Administration fees	2 701	1 046	1 002	960	1 740	-13.6%	15.7%	720	480	360	-40.9%	6.6%
of which:												
Licence fees for occupational health and safety	65	214	258	300	1 240	167.2%	4.3%	350	380	350	-34.4%	4.6%
Inspection fees for the National Development of Learnerships Employment Skills and Labour Assessments' trade tests	2 636	832	744	660	500	-42.5%	11.4%	370	100	10	-72.9%	2.0%
Other sales	1 969	1 278	1 403	1 344	1 613	-6.4%	15.2%	1 344	1 344	1 344	-5.9%	11.2%
of which:												
Boarding services for staff and external persons (The National Development of Learnerships Employment Skills and Labour Assessments)	592	6	-	-	-	-100.0%	1.5%	-	-	-	-	-
Formal training provided (The National Development of Learnerships Employment Skills and Labour Assessments)	226	18	-	-	-	-100.0%	0.6%	-	-	-	-	-
Commission on insurance and garnishee orders	1 146	1 250	1 395	1 341	1 609	12.0%	13.1%	1 341	1 341	1 341	-5.9%	11.2%
Replacement of security cards	4	4	4	3	4	-	-	3	3	3	-9.1%	-
Sale of assets < R5 000	1	-	4	-	-	-100.0%	-	-	-	-	-	-
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>43</b>	<b>12</b>	<b>8</b>	<b>12</b>	<b>11</b>	<b>-36.5%</b>	<b>0.2%</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>2.9%</b>	<b>0.1%</b>
of which:												
Scrap	15	5	2	5	1	-59.5%	0.1%	5	5	5	71.0%	-
Waste paper	28	7	6	7	10	-29.1%	0.1%	7	7	7	-11.2%	0.1%
<b>Fines, penalties and forfeits</b>	<b>537</b>	<b>601</b>	<b>993</b>	<b>600</b>	<b>1 352</b>	<b>36.0%</b>	<b>8.4%</b>	<b>600</b>	<b>600</b>	<b>600</b>	<b>-23.7%</b>	<b>6.3%</b>
<b>Interest, dividends and rent on land</b>	<b>821</b>	<b>549</b>	<b>1 065</b>	<b>480</b>	<b>1 417</b>	<b>20.0%</b>	<b>9.3%</b>	<b>480</b>	<b>480</b>	<b>480</b>	<b>-30.3%</b>	<b>5.7%</b>
Interest	821	549	1 065	480	1 417	20.0%	9.3%	480	480	480	-30.3%	5.7%
<b>Sales of capital assets</b>	<b>331</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions in financial assets and liabilities</b>	<b>5 937</b>	<b>5 335</b>	<b>2 996</b>	<b>4 560</b>	<b>5 328</b>	<b>-3.5%</b>	<b>47.5%</b>	<b>8 896</b>	<b>9 725</b>	<b>10 325</b>	<b>24.7%</b>	<b>68.3%</b>
<b>Total</b>	<b>12 916</b>	<b>9 036</b>	<b>7 638</b>	<b>8 136</b>	<b>11 639</b>	<b>-3.4%</b>	<b>100.0%</b>	<b>12 256</b>	<b>12 881</b>	<b>13 409</b>	<b>4.8%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 18.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Ministry	14.2	13.9	17.1	15.4	2.7%	2.1%	15.1	16.1	16.8	2.9%	1.9%
Management	387.2	383.8	409.0	435.7	4.0%	57.3%	435.8	460.9	487.8	3.8%	55.8%
Corporate Services	50.3	40.1	54.1	53.8	2.2%	7.0%	56.7	59.8	62.5	5.1%	7.1%
Office of the Chief Financial Officer	78.3	63.2	62.9	100.8	8.8%	10.8%	108.8	117.6	123.0	6.9%	13.8%
Office Accommodation	139.0	181.5	161.1	158.9	4.5%	22.7%	169.0	179.2	187.4	5.7%	21.3%
<b>Total</b>	<b>669.2</b>	<b>682.5</b>	<b>704.3</b>	<b>764.6</b>	<b>4.5%</b>	<b>100.0%</b>	<b>785.4</b>	<b>833.4</b>	<b>877.5</b>	<b>4.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				32.0			2.8	3.2	9.1		

**Table 18.5 Administration (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>576.4</b>	<b>600.1</b>	<b>590.0</b>	<b>730.6</b>	<b>8.2%</b>	<b>88.5%</b>	<b>751.0</b>	<b>804.3</b>	<b>847.0</b>	<b>5.0%</b>	<b>96.1%</b>
Compensation of employees	208.1	239.5	267.1	298.1	12.7%	35.9%	330.4	380.2	403.5	10.6%	43.3%
Goods and services	368.3	360.6	322.8	432.5	5.5%	52.6%	420.6	424.1	443.5	0.8%	52.8%
of which:											
Computer services	28.8	33.1	39.6	26.7	-2.5%	4.5%	107.9	81.5	93.7	51.9%	9.5%
Operating leases	124.2	142.7	113.5	214.4	20.0%	21.1%	122.8	133.0	139.3	-13.4%	18.7%
Property payments	55.7	58.2	34.0	40.0	-10.4%	6.7%	44.1	46.7	49.4	7.3%	5.5%
Travel and subsistence	40.9	36.3	42.8	28.4	-11.4%	5.3%	30.2	38.9	31.3	3.3%	3.9%
Interest and rent on land	-	0.1	0.0	0.0	-	-	-	-	-	-100.0%	-
<b>Transfers and subsidies</b>	<b>2.5</b>	<b>2.7</b>	<b>0.8</b>	<b>0.6</b>	<b>-38.6%</b>	<b>0.2%</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>-28.7%</b>	<b>-</b>
Provinces and municipalities	0.0	0.1	0.1	0.1	344.8%	-	-	-	-	-100.0%	-
Public corporations and private enterprises	0.6	-	-	0.0	-71.4%	-	-	-	-	-100.0%	-
Households	1.9	2.6	0.7	0.5	-37.3%	0.2%	0.2	0.2	0.2	-23.9%	-
<b>Payments for capital assets</b>	<b>89.8</b>	<b>79.6</b>	<b>112.9</b>	<b>33.4</b>	<b>-28.1%</b>	<b>11.2%</b>	<b>34.3</b>	<b>29.0</b>	<b>30.3</b>	<b>-3.2%</b>	<b>3.9%</b>
Buildings and other fixed structures	0.2	3.1	4.6	3.4	147.6%	0.4%	5.5	0.0	-	-100.0%	0.3%
Machinery and equipment	89.6	76.5	108.3	30.0	-30.6%	10.8%	28.8	28.9	30.3	0.4%	3.6%
<b>Payments for financial assets</b>	<b>0.5</b>	<b>0.0</b>	<b>0.7</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>669.2</b>	<b>682.5</b>	<b>704.3</b>	<b>764.6</b>	<b>4.5%</b>	<b>100.0%</b>	<b>785.4</b>	<b>833.4</b>	<b>877.5</b>	<b>4.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>39.4%</b>	<b>37.4%</b>	<b>35.1%</b>	<b>35.7%</b>			<b>32.5%</b>	<b>31.6%</b>	<b>31.5%</b>		

**Details of selected transfers and subsidies**

Households											
<b>Social benefits</b>											
<b>Current</b>	<b>1.9</b>	<b>2.6</b>	<b>0.7</b>	<b>0.5</b>	<b>-37.3%</b>	<b>0.2%</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>-23.9%</b>	<b>-</b>
Employee social benefits	1.9	2.6	0.7	0.5	-37.3%	0.2%	0.2	0.2	0.2	-23.9%	-

**Personnel information****Table 18.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
<b>Administration</b>			<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>		
<b>Salary level</b>	<b>1 248</b>	<b>14</b>	<b>1 213</b>	<b>262.0</b>	<b>0.2</b>	<b>1 270</b>	<b>296.0</b>	<b>0.2</b>	<b>1 272</b>	<b>330.4</b>	<b>0.3</b>	<b>1 272</b>	<b>380.2</b>	<b>0.3</b>	<b>1 272</b>	<b>403.5</b>	<b>0.3</b>	<b>0.1%</b>	<b>100.0%</b>
1 - 6	679	11	667	90.7	0.1	679	98.3	0.1	679	112.1	0.2	679	125.4	0.2	679	129.6	0.2	-	53.4%
7 - 10	476	-	457	117.3	0.3	496	133.1	0.3	496	151.1	0.3	496	167.9	0.3	496	178.5	0.4	-	39.0%
11 - 12	56	-	52	25.3	0.5	57	32.8	0.6	59	30.0	0.5	59	38.5	0.7	59	43.7	0.7	1.2%	4.6%
13 - 16	37	3	37	28.8	0.8	38	31.7	0.8	38	37.2	1.0	38	48.6	1.3	38	51.6	1.4	-	3.0%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

The spending focus over the medium term will be on unbundling the public private partnership unitary fee to fund the implementation of the new IT operating model, and the organisational review and redesign project. Between 2012/13 and 2015/16, R331.8 million was reprioritised within the programme to address the implementation of the new model. The department will procure its own fleet of vehicles and will not be extending the contract with the previously contracted car hire company from 2012/13. Savings from car rentals have been redirected to fleet maintenance and car insurance for the new cars. Efficiency savings of R18.5 million over the medium term have been realised in spending on goods and services for travel and subsistence (R9.7 million), communication (R4 million) and machinery and equipment (R4.8 million).

This programme receives additional funding of R33.6 million over the medium term for improved conditions of service.

The total number of personnel in this programme is expected to increase from 1 213 posts in 2011/12 to 1 270 in 2012/13 and remain stable at 1 272 posts over the medium term. This increase is mainly due to the absorption of

46 IT staff following the conclusion of the Siemens IT public private partnership in November 2012. In terms of section 197 of the Labour Relations Act (1995), the department had to re-absorb the departmental staff that moved to Siemens when the IT public private partnership started in 2002. The growth in compensation of employees over the medium term is mainly for improvements in conditions of service.

Spending on consultants was equivalent to 3.1 per cent of total spending on compensation of employees in 2012/13, and should constitute 3.3 per cent of spending on compensation of employees over the medium term. Consultants funded through this allocation will be used mainly for specific technical tasks such as assisting with the conclusion of the public private partnership contract and the implementation of the new IT operating model. Two other companies provide services for the organisational review and redesign project, and business advisory services to the chief financial officer.

## Programme 2: Inspection and Enforcement Services

### Objectives

- Protect vulnerable workers by:
  - inspecting 90 000 workplaces within 90 days of receiving a complaint and increasing compliance with labour legislation by employers and employees (proactive and reactive) from 73 per cent in 2011/12 to 80 per cent in 2013/14, with a specific focus on vulnerable sectors (private security, agriculture, forestry, hospitality, and domestic workers), to ensure that Decent Work principles are adhered to
  - settling at least 75 per cent of labour related complaints within 14 days of the registration of the complaint.
- Promote equity in the workplace and ensure the transformation of the labour market by:
  - increasing the number of workplaces inspected for compliance with employment equity legislation from 10 000 in 2011/12 to 12 000 in 2012/13, of which 220 workplaces will be designated employers or companies and 120 will be listed companies on the Johannesburg Stock Exchange
  - increasing compliance with employment equity legislation from 76 per cent in 2011/12 to 80 per cent by 2013/14.
- Promote social protection by:
  - reducing accidents and injuries in the 4 high risk sectors (iron and steel, construction, chemicals, and agriculture and forestry) by increasing the number of audits conducted on compliance with noise levels, health and safety and risk appraisals; to 40 per sector and the number of blitz inspections to 4 per year, targeting 59 700 workplaces by 2013/14
  - increasing the promotion of knowledge and awareness of occupational health and safety to employers and workers in the agriculture sector by rolling out the roving safety representative project to Northern Cape and Western Cape provinces during 2013/14
  - reducing the exposure of workers to silica dust by expanding inspections to 200 workplaces in Northern Cape and Limpopo in 2013/14 in the following industries: foundries (40), ceramics (20), sandstone (20), construction (20), refractories (80) and sandblasting (10).
- Strengthen the department's institutional capacity by developing and implementing competency and induction programmes for existing and new inspectors over the MTEF period.

### Subprogrammes

- *Management and Support Services*: Inspection and Enforcement Services manages the delegated administrative and financial responsibilities of the office of the deputy director general: inspection and enforcement services, and provides corporate support to line function subprogrammes in the programme. This subprogramme had a staff complement of 45, including 30 pupil inspector posts, in 2012/13.
- *Occupational Health and Safety* promotes health and safety in the workplace by regulating dangerous activities and the use of plants and machinery, through inspections, to ensure compliance with the Occupational Health and Safety Act (1993). In 2012/13, 200 workplaces were audited for compliance with occupational exposure limits regarding workers' exposure to silica dust. This subprogramme had a staff complement of 20 in 2012/13.



- *Registration: Inspection and Enforcement Services* registers incidents relating to labour relations and occupational health and safety matters, as reported by members of the public, and communicates these to the relevant structures in the *Compliance, Monitoring and Enforcement* subprogramme for investigation. In 2011/12, 135 809 complaints were received and 74 per cent or 110 610 were settled within 14 days of receipt. This subprogramme had a staff complement of 427 in 2012/13 and spends on average 86.3 per cent of its budget on compensation of employees.
- *Compliance, Monitoring and Enforcement* is discussed in more detail below.
- *Training of Staff: Inspection and Enforcement Services* defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes. In 2012/13, 69 client service officers were trained in the basic conditions of employment, occupational health and safety and compensation for the Occupational Injuries and Diseases Act (1993) at a total cost of R462 000. This subprogramme had no staff complement in 2012/13.
- *Statutory and Advocacy Services* gives effect to the legislative enforcement requirements and educates stakeholders on labour legislation. This subprogramme had a staff complement of 2 in 2013/14. In 2012/13, 2 occupational health and safety awareness raising campaigns in the hospitality and forestry sectors were rolled out at an estimated cost of R306 000.

## Expenditure estimates

**Table 18.7 Inspection and Enforcement Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R million											
Management Support Services: Inspection and Enforcement Services	10.6	8.5	13.4	16.7	16.2%	3.5%	15.1	15.9	16.6	-0.1%	3.4%
Occupational Health and Safety	12.4	15.9	19.9	15.1	6.7%	4.5%	16.5	17.6	18.5	6.9%	3.6%
Registration: Inspection and Enforcement Services	66.3	61.3	80.2	90.7	11.0%	21.4%	102.1	108.8	114.6	8.1%	22.1%
Compliance, Monitoring and Enforcement	199.2	240.9	257.7	273.2	11.1%	69.6%	324.9	345.2	365.7	10.2%	69.5%
Training of Staff: Inspection and Enforcement Services	1.4	2.8	4.5	4.7	48.3%	1.0%	4.6	4.9	5.2	3.0%	1.0%
Statutory and Advocacy Services	-	-	-	-	-	-	1.9	2.0	2.1	-	0.3%
<b>Total</b>	<b>290.0</b>	<b>329.4</b>	<b>375.7</b>	<b>400.4</b>	<b>11.3%</b>	<b>100.0%</b>	<b>465.2</b>	<b>494.4</b>	<b>522.5</b>	<b>9.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(28.8)			8.4	10.1	16.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>289.6</b>	<b>328.6</b>	<b>375.1</b>	<b>398.1</b>	<b>11.2%</b>	<b>99.7%</b>	<b>465.1</b>	<b>494.4</b>	<b>522.5</b>	<b>9.5%</b>	<b>99.9%</b>
Compensation of employees	210.7	248.8	276.0	307.1	13.4%	74.7%	384.3	408.7	432.9	12.1%	81.4%
Goods and services	79.0	79.8	99.1	91.0	4.9%	25.0%	80.8	85.7	89.6	-0.5%	18.4%
of which:											
Operating leases	0.2	0.1	0.6	0.3	16.7%	0.1%	1.8	1.9	2.0	95.0%	0.3%
Property payments	3.8	3.9	5.5	5.0	9.9%	1.3%	4.4	4.6	4.5	-3.8%	1.0%
Travel and subsistence	38.3	47.0	55.7	36.3	-1.8%	12.7%	35.0	37.0	39.1	2.5%	7.8%
<b>Transfers and subsidies</b>	<b>0.4</b>	<b>0.4</b>	<b>0.6</b>	<b>0.3</b>	<b>-11.5%</b>	<b>0.1%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-40.2%</b>	<b>-</b>
Households	0.4	0.4	0.6	0.3	-11.5%	0.1%	0.1	0.1	0.1	-40.2%	-
<b>Payments for capital assets</b>	<b>0.0</b>	<b>0.4</b>	<b>0.1</b>	<b>2.0</b>	<b>401.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>
Machinery and equipment	0.0	0.4	0.1	2.0	401.0%	0.2%	-	-	-	-100.0%	0.1%
<b>Total</b>	<b>290.0</b>	<b>329.4</b>	<b>375.7</b>	<b>400.4</b>	<b>11.3%</b>	<b>100.0%</b>	<b>465.2</b>	<b>494.4</b>	<b>522.5</b>	<b>9.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>17.1%</b>	<b>18.0%</b>	<b>18.7%</b>	<b>18.7%</b>			<b>19.3%</b>	<b>18.8%</b>	<b>18.8%</b>		

## Personnel information

**Table 18.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
Inspection and Enforcement Services		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
Salary level	1 430	7	1 434	292.1	0.2	1 455	292.2	0.2	1 457	384.3	0.3	1 457	408.7	0.3	1 457	432.9	0.3	0.0%	100.0%
1 - 6	871	1	871	140.7	0.2	878	140.8	0.2	878	163.2	0.2	878	171.2	0.2	878	179.7	0.2	-	60.3%
7 - 10	535	6	540	137.1	0.3	551	137.5	0.2	552	178.3	0.3	552	191.7	0.3	552	201.9	0.4	0.1%	37.9%
11 - 12	16	-	16	8.6	0.5	19	7.9	0.4	19	35.3	1.9	19	38.0	2.0	19	42.4	2.2	-	1.3%
13 - 16	8	-	7	5.7	0.8	7	6.0	0.9	8	7.5	0.9	8	7.8	1.0	8	8.9	1.1	4.6%	0.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the MTEF period will be on the effective and efficient registration of labour relations and occupational health and safety incidents as reported by members of the public, and the speedy reporting of these incidents to the relevant structures for inspection.

Spending on compensation of employees is the main reason for increases in the programme's spending over the seven-year period. Approximately two-thirds of spending on this item relates to staff employed in the *Compliance, Monitoring and Enforcement* subprogramme, which is discussed in further detail in the section that follows.

The remainder of the spending on this item relates mainly to staff in the *Registration: Inspection and Enforcement Services* subprogramme who register incidents related to labour relations and occupational health and safety reported by the public. The growth in spending on compensation of employees in this subprogramme over the MTEF period is mainly for improvements in conditions of service. This subprogramme registered 72 499 complaints between 1 April and 30 September 2012, and 47 849 or 66 per cent of these were resolved within 14 days of being received.

The number of personnel in this programme is expected to increase from 1 434 posts in 2011/12 to 1 457 posts in 2015/16. The increase is mainly due to the appointment of specialist labour inspectors, which accounts for the growth in spending on compensation of employees over the medium term.

## Subprogramme: Compliance, Monitoring and Enforcement

This subprogramme ensures that employers and employees comply with labour legislation. This is done through regular inspections and follow-ups on reported incidents. The department is currently increasing the capacity of the inspectorate with an additional 90 inspector posts. This will increase the number of inspections to be conducted, from 147 556 in 2009/10 to 180 060 by 2015/16. In 2012/13, 130 200 workplace inspections were conducted: 240 employment equity inspections and 78 000 workplace inspections to ensure compliance with labour legislation, and 51 760 inspections in high risk sectors to ensure compliance with operational health and safety legislation.

## Expenditure estimates

**Table 18.9 Compliance, Monitoring and Enforcement**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
	2009/10	2012/13	2013/14				2014/15	2015/16	2012/13 - 2015/16			
R million												
<b>Current payments</b>	<b>198.9</b>	<b>240.5</b>	<b>257.3</b>	<b>271.0</b>	<b>10.9%</b>	<b>99.7%</b>	<b>324.9</b>	<b>345.2</b>	<b>365.6</b>	<b>10.5%</b>	<b>99.8%</b>	
Compensation of employees	150.6	177.8	187.6	207.4	11.3%	74.5%	273.2	291.9	309.9	14.3%	82.7%	
Goods and services	48.3	62.8	69.8	63.7	9.7%	25.2%	51.7	53.3	55.7	-4.4%	17.1%	
of which:												
Computer services	0.0	0.3	0.0	0.0	4.3%	-	-	-	-	-100.0%	-	
Operating leases	0.1	0.0	0.3	0.1	1.8%	-	1.2	1.2	1.3	154.6%	0.3%	
Property payments	2.9	3.9	4.9	3.8	9.6%	1.6%	3.8	3.9	4.1	2.9%	1.2%	
Travel and subsistence	24.9	38.9	41.0	26.1	1.6%	13.5%	24.4	25.3	26.5	0.5%	7.8%	
<b>Transfers and subsidies</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>0.2</b>	<b>-18.0%</b>	<b>0.1%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-36.6%</b>	<b>-</b>	
Households	0.3	0.3	0.4	0.2	-18.0%	0.1%	0.0	0.0	0.0	-36.6%	-	
<b>Payments for capital assets</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>2.0</b>	<b>450.3%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	
Machinery and equipment	0.0	0.1	0.1	2.0	450.3%	0.2%	-	-	-	-100.0%	0.2%	
<b>Total</b>	<b>199.2</b>	<b>240.9</b>	<b>257.7</b>	<b>273.3</b>	<b>11.1%</b>	<b>100.0%</b>	<b>324.9</b>	<b>345.2</b>	<b>365.7</b>	<b>10.2%</b>	<b>100.0%</b>	
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>68.7%</b>	<b>73.2%</b>	<b>68.6%</b>	<b>68.2%</b>			<b>69.8%</b>	<b>69.8%</b>	<b>70.0%</b>			

## Personnel information

**Table 18.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16								
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
<b>Compliance, Monitoring and Enforcement</b>																			
Salary level	947	-	947	200.2	0.2	964	204.0	0.2	964	274.5	0.3	964	289.1	0.3	964	304.6	0.3	-	100.0%
1 - 6	535	-	535	91.4	0.2	535	92.2	0.2	535	104.8	0.2	535	107.8	0.2	535	112.7	0.2	-	55.5%
7 - 10	404	-	404	104.4	0.3	418	107.0	0.3	418	139.9	0.3	418	149.0	0.4	418	157.1	0.4	-	43.4%
11 - 12	7	-	7	3.8	0.5	10	4.2	0.4	10	29.2	2.9	10	31.6	3.2	10	34.1	3.4	-	1.0%
13 - 16	1	-	1	0.6	0.6	1	0.6	0.6	1	0.6	0.6	1	0.6	0.6	1	0.7	0.7	-	0.1%

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

<sup>2</sup> Rand million.

<sup>3</sup> As at 30 September 2012.

## Expenditure trends

The bulk of spending in this subprogramme over the medium term goes towards compensation of employees, which is also the fastest growing item of expenditure. This is to strengthen the department's capacity to conduct inspections and enforce compliance with labour regulations by employing an additional 120 appropriately qualified labour inspectors in 2013/14, improving the remuneration of labour inspectors to ensure that the department is able to retain them, and creating new specialist labour inspector posts. The subprogramme received additional allocations of R28 million in 2012/13 and R32 million in 2013/14 for this purpose. The subprogramme also receives additional allocations totalling R23.3 million over the medium term for improved conditions of service.

An estimated 44 per cent, or R28.1 million of the subprogramme's expenditure on goods and services in 2012/13, goes to travelling and fleet services costs for inspections. The fluctuations in the fuel prices and the possible implementation of e-tolling are expected to increase travelling costs, which will in turn negatively impact on the number of inspections that inspectors will be able to conduct within the constraints of the allocation. The targets for the number of workplaces inspected increases from 140 000 in 2012/13 to 180 060 by 2015/16.

## Programme 3: Public Employment Services

### Objectives

- Reduce unemployment by registering and placing unemployed people in decent work by:
  - increasing the number of registered work seekers matched and placed from 12 801 in 2011/12 to 18 000 in 2013/14
  - increasing the percentage of registered work seekers equipped with competencies to secure employment through employment counselling interventions from 40 per cent in 2011/12 to 50 per cent in 2013/14
  - protecting vulnerable work seekers through the regulation of private employment agencies.
- Increase the number of people employed with disabilities from 924 in 2011/12 to 2 500 in 2015/16 by improving and upgrading the sheltered employment factories (protected employment factories) and transforming them into viable and sustainable businesses.
- Protect employment by providing financial support to Productivity South Africa to promote increased productivity, competitiveness and social plan interventions on an ongoing basis.
- Reduce unemployment by ensuring that South African citizens receive employment preference over migrants by assessing migrant applicants' skills levels and making recommendations to the Department of Home Affairs in the issuing of corporate and individual work visas.

### Subprogrammes

- *Management and Support Services: Public Employment Services* manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes. In 2012/13, this subprogramme had a staff complement of 23, including senior managers in the *Employer Services* and *Work Seeker Services* subprogrammes.
- *Work Seeker Services* is discussed in more detail below.
- *Employer Services* facilitates registering vacancies, disseminates scarce skills information, issues immigrant corporate and work permits, tracks the numbers of migrating skilled South Africans, oversees the placements of work seekers, responds to companies in distress, facilitates a social plan aimed at companies in distress and regulates private employment agencies. In 2011/12, 87 applications for work permits were received and responded to within 30 working days. This subprogramme had a staff complement of 361 in 2012/13.
- *Designated Groups Special Services* facilitates transfers to organisations that assist in the placement of people with disabilities in the mainstream economy. This subprogramme's total budget is transferred in quarterly tranches to the South African National Council for the Blind, the Deaf Federation of South Africa and the National Council for Persons with Physical Disabilities in South Africa. This subprogramme had no staff complement in 2012/13.
- *Sheltered Employment Factories and Subsidies to Designated Workshops* provides subsidies to assist in providing employment to people with disabilities who cannot be placed in the mainstream economy. In 2012/13, the subprogramme manufactured 235 491 units of office furniture and textiles which generated sales of R14.6 million. Transfers to workshops for the blind assist in providing employment for blind people to work in protected factories. This subprogramme's total budget is transferred in quarterly tranches to non-profit institutions. This subprogramme had no staff complement in 2012/13.
- *Productivity South Africa* promotes improvements in workplace productivity, competitiveness and social plans. This subprogramme's total budget is transferred in quarterly tranches to Productivity South Africa. This subprogramme had no staff complement in 2012/13.
- *Unemployment Insurance Fund* provides for the possible future funding of the Unemployment Insurance Fund. This subprogramme had no staff complement in 2012/13.
- *Compensation Fund* provides for costs incurred through claims from civil servants for injuries sustained on duty or occupation related illnesses and diseases, and provides for the funding of claims from the Compensation Fund. Portions of this subprogramme's total budget are transferred based on claims received. This subprogramme had no staff complement in 2012/13.

- *Training of Staff: Public Employment Services* defrays all expenditure relating to staff training in the programme to easily identify this expenditure for reporting purposes. In 2012/13, 233 staff were trained in various courses, including but not limited to: coaching and mentoring, recruitment and selection processes, negotiation skills and training layoff programme at a total cost of R767 000. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

**Table 18.11 Public Employment Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16	
R million												
Management and Support Services: Public Employment Services	16.1	19.2	21.0	25.9	17.2%	6.7%	31.1	33.5	35.3	10.8%	7.7%	
Employer Services	111.3	128.7	143.7	86.5	-8.0%	38.5%	91.4	96.6	103.6	6.2%	23.1%	
Work Seeker Services	18.1	22.9	23.5	90.1	70.7%	12.7%	99.6	106.2	114.0	8.2%	25.1%	
Designated Groups Special Services	0.5	0.5	0.2	0.8	15.8%	0.2%	0.8	0.9	0.9	5.5%	0.2%	
Sheltered Employment Factories and Subsidies to Designated Workshops	80.3	76.9	72.4	78.6	-0.7%	25.3%	119.3	138.6	143.4	22.2%	29.4%	
Productivity South Africa	29.5	31.2	34.1	37.1	7.9%	10.8%	40.3	43.1	45.5	7.1%	10.2%	
Compensation Fund	6.0	8.9	36.1	14.1	32.8%	5.3%	15.6	17.3	18.1	8.7%	4.0%	
Training of Staff: Public Employment Services	3.1	0.9	1.2	1.3	-24.0%	0.5%	2.0	2.0	1.1	-7.4%	0.4%	
<b>Total</b>	<b>264.8</b>	<b>289.3</b>	<b>332.2</b>	<b>334.3</b>	<b>8.1%</b>	<b>100.0%</b>	<b>400.1</b>	<b>438.2</b>	<b>461.8</b>	<b>11.4%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				12.3			56.1	72.5	79.3			
<b>Economic classification</b>												
<b>Current payments</b>	<b>150.6</b>	<b>174.1</b>	<b>192.0</b>	<b>209.4</b>	<b>11.6%</b>	<b>59.5%</b>	<b>229.7</b>	<b>244.4</b>	<b>258.7</b>	<b>7.3%</b>	<b>57.6%</b>	
Compensation of employees	109.8	138.7	154.5	175.2	16.9%	47.4%	196.3	209.0	222.7	8.3%	49.1%	
Goods and services	40.8	35.4	37.5	34.2	-5.8%	12.1%	33.4	35.4	36.0	1.7%	8.5%	
of which:												
Computer services	0.3	0.1	1.4	1.2	62.2%	0.2%	1.3	1.4	1.4	6.3%	0.3%	
Operating leases	0.2	0.2	0.2	1.9	114.8%	0.2%	2.0	2.1	2.2	5.2%	0.5%	
Property payments	2.4	2.8	4.1	1.6	-12.2%	0.9%	1.1	1.2	1.2	-9.3%	0.3%	
Travel and subsistence	14.4	15.2	17.3	9.8	-11.8%	4.6%	10.2	11.3	12.1	7.1%	2.7%	
<b>Transfers and subsidies</b>	<b>114.1</b>	<b>115.0</b>	<b>138.2</b>	<b>124.1</b>	<b>2.8%</b>	<b>40.3%</b>	<b>170.4</b>	<b>193.8</b>	<b>203.1</b>	<b>17.9%</b>	<b>42.3%</b>	
Departmental agencies and accounts	35.5	40.1	70.2	51.1	12.9%	16.1%	55.9	60.4	63.6	7.5%	14.1%	
Non-profit institutions	78.3	74.8	67.7	72.9	-2.4%	24.1%	114.5	133.3	139.5	24.1%	28.2%	
Households	0.3	0.1	0.3	0.0	-51.6%	0.1%	0.0	0.0	0.0	5.6%	-	
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.2</b>	<b>2.0</b>	<b>0.9</b>	<b>94.1%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	
Machinery and equipment	0.1	0.2	2.0	0.9	94.1%	0.3%	-	-	-	-100.0%	0.1%	
<b>Total</b>	<b>264.8</b>	<b>289.3</b>	<b>332.2</b>	<b>334.3</b>	<b>8.1%</b>	<b>100.0%</b>	<b>400.1</b>	<b>438.2</b>	<b>461.8</b>	<b>11.4%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>15.6%</b>	<b>15.8%</b>	<b>16.6%</b>	<b>15.6%</b>			<b>16.6%</b>	<b>16.6%</b>	<b>16.6%</b>			
<b>Details of selected transfers and subsidies</b>												
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	<b>29.5</b>	<b>31.2</b>	<b>34.1</b>	<b>37.1</b>	<b>7.9%</b>	<b>10.8%</b>	<b>40.3</b>	<b>43.1</b>	<b>45.5</b>	<b>7.1%</b>	<b>10.2%</b>	
Productivity South Africa	29.5	31.2	34.1	37.1	7.9%	10.8%	40.3	43.1	45.5	7.1%	10.2%	
<b>Non-profit institutions</b>												
<b>Current</b>	<b>78.3</b>	<b>74.8</b>	<b>67.7</b>	<b>72.9</b>	<b>-2.4%</b>	<b>24.1%</b>	<b>114.5</b>	<b>133.3</b>	<b>139.5</b>	<b>24.1%</b>	<b>28.2%</b>	
Deaf Federation of South Africa	0.1	0.1	0.1	0.2	23.7%	-	0.2	0.2	0.2	5.8%	0.1%	
National Council for the Physically Disabled	0.2	0.2	0.1	0.2	7.2%	0.1%	0.3	0.3	0.3	5.4%	0.1%	
South African National Council for the Blind	0.2	0.2	0.1	0.3	19.4%	0.1%	0.3	0.3	0.4	5.2%	0.1%	
Subsidised workshops for the blind	7.7	8.2	8.7	9.1	5.7%	2.8%	9.6	10.2	10.6	5.2%	2.4%	
Subsidised work centres for the disabled	70.1	66.1	58.8	63.0	-3.5%	21.1%	104.1	122.3	128.0	26.6%	25.5%	
<b>Departmental agencies and accounts</b>												
<b>Social security funds</b>												
<b>Current</b>	<b>6.0</b>	<b>8.9</b>	<b>36.1</b>	<b>14.1</b>	<b>32.8%</b>	<b>5.3%</b>	<b>15.6</b>	<b>17.3</b>	<b>18.1</b>	<b>8.7%</b>	<b>4.0%</b>	
Compensation Fund	6.0	8.9	36.1	14.1	32.8%	5.3%	15.6	17.3	18.1	8.7%	4.0%	

## Personnel information

**Table 18.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate <sup>3</sup> 2012/13			2013/14			Medium-term expenditure estimate 2014/15			2015/16			Average growth rate (%)	Salary level/total: Average (%)		
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				
<b>Public Employment Services</b>		<b>645</b>	<b>9</b>	<b>604</b>	<b>152.5</b>	<b>0.3</b>	<b>645</b>	<b>169.0</b>	<b>0.3</b>	<b>645</b>	<b>196.3</b>	<b>0.3</b>	<b>645</b>	<b>209.0</b>	<b>0.3</b>	<b>645</b>	<b>222.7</b>	<b>0.3</b>	<b>-</b>	<b>100.0%</b>
Salary level																				
1 – 6	159	8	141	20.4	0.1	159	23.7	0.1	159	29.2	0.2	159	31.3	0.2	159	34.2	0.2	-	24.7%	
7 – 10	454	-	433	114.9	0.3	454	126.0	0.3	454	144.9	0.3	454	154.5	0.3	454	162.5	0.4	-	70.4%	
11 – 12	21	-	20	9.3	0.5	21	10.3	0.5	21	12.7	0.6	21	13.2	0.6	21	14.6	0.7	-	3.3%	
13 – 16	11	1	10	7.9	0.8	11	8.9	0.8	11	9.5	0.9	11	9.9	0.9	11	11.4	1.0	-	1.7%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on enhancing the department's capacity to implement the Employment Services Bill and the public employment service projects once the bill is promulgated, and on managing the implementation of a turnaround strategy for the sheltered employment factories. The employment services system has also been improved to include online registration for employers, work seekers and mobile self-registration centres. These will increase job creation and facilitate placements in decent job opportunities.

The implementation of the turnaround strategy for the sheltered employment factories and the Employment Services Bill are also the main reason for the increase in spending over the medium term, as the programme receives additional allocations of R50 million in 2013/14, R65 million in 2014/15 and R68 million in 2015/16 for this purpose. In addition, the programme receives additional allocations of R19.7 million over the medium term for improved conditions of service including work seeker services. R6.8 million has been reprioritised within the programme over the medium term under goods and services: communication and travel and subsistence.

As at 30 September 2012, the programme had a funded establishment of 645 posts. There are no vacancies and the ratio of support staff to line function staff is 1:8. A consultant was appointed as the acting chief financial officer for the sheltered employment factories at a cost of R767 440 for six months in 2012/13, after which a permanent appointment was made.

## Subprogramme: Work Seeker Services

This subprogramme registers work seekers, retrenched workers, work vacancies, and training and income generating opportunities on the employment services system; and facilitates access to employment and income generating opportunities for the unemployed and underemployed. In 2011/12; 553 883 work seekers were registered on the Employment Services of South Africa system.

## Expenditure estimates

**Table 18.13 Work Seeker Services**

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Current payments</b>	<b>18.0</b>	<b>22.9</b>	<b>23.5</b>	<b>90.1</b>	<b>71.0%</b>	<b>99.9%</b>	<b>99.6</b>	<b>106.2</b>	<b>114.0</b>	<b>8.2%</b>	<b>100.0%</b>
Compensation of employees	15.7	21.2	20.4	78.4	70.9%	87.7%	87.0	92.1	99.2	8.2%	87.0%
Goods and services	2.3	1.6	3.1	11.7	71.5%	12.1%	12.6	14.1	14.8	8.3%	13.0%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	0.1	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Total</b>	<b>18.1</b>	<b>22.9</b>	<b>23.5</b>	<b>90.1</b>	<b>70.7%</b>	<b>100.0%</b>	<b>99.6</b>	<b>106.2</b>	<b>114.0</b>	<b>8.2%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>6.8%</b>	<b>7.9%</b>	<b>7.1%</b>	<b>26.9%</b>			<b>24.9%</b>	<b>24.2%</b>	<b>24.7%</b>		

## Personnel information

**Table 18.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Work Seeker Services</b>																			
<b>Salary level</b>	305	8	283	69	0.2	305	75	0.2	305	87	0.3	305	92	0.3	305	97	0.3	-	100.0%
1 – 6	88	8	77	11	0.1	88	13	0.1	88	16	0.2	88	17	0.2	88	19	0.2	-	28.9%
7 – 10	208	-	197	53.0	0.3	208	57.3	0.3	208	65.9	0.3	208	69.7	0.3	208	72.5	0.3	-	68.2%
11 – 12	8	-	8	4.0	0.5	8	4.1	0.5	8	5.0	0.6	8	5.0	0.6	8	5.2	0.7	-	2.6%
13 – 16	1	-	1	0.7	0.7	1	0.7	0.7	1	0.7	0.7	1	0.7	0.7	1	0.8	0.8	-	0.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Expenditure increased significantly between 2011/12 and 2012/13 due to the relocation of some staff from employer services to work seeker services to enhance the effectiveness of the subprogramme. Over the medium term, expenditure is expected to increase to R114 million in 2015/16 to provide for the implementation of projects emanating from the Employment Services Bill. Targets for the number of work seekers registered on the Employment Services of South Africa system thus increases from 450 000 in 2012/13 to 600 000 by 2015/06.

The subprogramme receives additional allocations of R8.3 million over the medium term for improved conditions of service.

The subprogramme has a funded establishment of 305 and 8 people are employed additional to the establishment. At the end of September 2012, there were no vacancies.

## Programme 4: Labour Policy and Industrial Relations

### Objectives

- Improve the status of vulnerable workers by:
  - reviewing 8 sectoral determinations on appropriate minimum wages and conditions of employment by March 2016: 3 determinations in the hospitality, taxi and civil engineering sectors by March 2014; 4 determinations in the domestic worker, contract cleaning, farmworker and forestry sectors by March 2015
  - investigating 1 new sector (the abattoir sector) by March 2016.
- Promote equity in the workplace by addressing income disparities along racial and gender lines by:
  - promoting the relevant provisions of the Employment Equity Act (1998), endorsing the principle of equal pay for work of equal value across all occupational levels of the workforce through the assessment of 30 companies on income differentials by 31 March 2014
  - assisting employers in identifying income disparities based on race and gender by conducting 7 income differential assessments per quarter.
- Manage the implementation of the Labour Relations Act (1995) by extending 18 collective agreements within 60 days from the day of receipt, and registering labour organisations within 90 days of receiving a completed application.
- Implement a research, monitoring and evaluation agenda in specific areas identified in the labour market by conducting at least 4 research projects by September 2014 and releasing 4 reports on labour market information and statistical analysis by September 2013.

## Subprogrammes

- *Management and Support Services: Labour Policy and Industrial Relations* manages delegated administrative and financial responsibilities; coordinates all planning, monitoring and evaluation functions; and provides corporate support to line function subprogrammes. This subprogramme had a staff complement of 18 in 2012/13.
- *Strengthen Civil Society* makes transfers to various civil society organisations that provide resources, support and expertise to improve the independence and self-reliance of workers and employers, with the aim of strengthening the capacity of workers and employers to contribute to a stable and smoothly functioning labour market. Portions of this subprogramme's total budget are transferred to various civil society organisations, such as Workers College Natal and the Confederation of South African Trade Unions. This subprogramme had no staff complement in 2012/13.
- *Collective Bargaining* manages the implementation of the Labour Relations Act (1995) by developing policies and practices that promote sound labour relations. This entails extending collective agreements and registering labour organisations within 90 days. By the end of December 2012, 24 collective agreements were extended with an average turnaround time of 48 days. This subprogramme had a staff complement of 31 in 2012/13.
- *Employment Equity* promotes equity in the labour market by strengthening the implementation, monitoring and enforcement mechanisms of the Employment Equity Act (1998). In 2012/13, 30 income differential assessments were conducted, 8 each for the first and second quarters, and 7 each for the third and fourth quarters, at a total cost of R736 000. This subprogramme had a staff complement of 20 in 2012/13.
- *Employment Standards* protects vulnerable workers in the labour market by administering the Basic Conditions of Employment Act (1997). In 2012/13, at a cost of R1.2 million, sectoral determinations were reviewed for the hospitality, civil engineering, private security, contract cleaning, taxi, and wholesale and retail sectors. In addition, at a cost of R803 000, the feasibility of establishing a welfare sectoral determination, medical aid for the private security sector and provident funds for farm and domestic worker sectors was investigated. This subprogramme had a staff complement of 17 in 2012/13.
- *Commission for Conciliation, Mediation and Arbitration* transfers funds to the Commission for Conciliation, Mediation and Arbitration, which promotes fairness in the workplace through dispute prevention and dispute resolution services. This subprogramme's total budget is transferred in full to the commission. This subprogramme had no staff complement in 2012/13.
- *Research, Policy and Planning* supports the department's policy formulation and legislation drafting functions. This entails conducting research, managing commissioned research projects, monitoring and evaluating working conditions and policies affecting the labour market in South Africa and elsewhere, and identifying relevant labour market interventions and policy options. In 2012/13, R1.6 million was spent on the taxi sectoral determination and research projects on noise induced hearing loss. This subprogramme had a staff complement of 9 in 2012/13.
- *Labour Market Information and Statistics* collects, collates, analyses, and disseminates internal and external labour market statistics about changes in the South African labour market that impact on legislation; and triggers further research on labour matters. The industrial action and annual administrative statistics report is to be published in March 2013 at a cost of R95 000. In 2012/13, this subprogramme had a staff complement of 82 across provinces, including head office.
- *International Labour Matters* facilitates bilateral and multilateral cooperation between the department and its partners internationally to exchange information and best practices on labour market issues. This subprogramme transferred the following funds in lieu of South Africa's affiliation fees for 2012/13: R2.7 million to the African Regional Labour Administration Centre and R10.1 million to the International Labour Organisation. This subprogramme had a staff complement of 14 in 2012/13.
- *National Economic Development and Labour Council* transfers funds to the National Economic Development and Labour Council, which promotes economic growth, participation in economic decision making and social equity through social dialogue. This subprogramme had a staff complement of 1 in 2012/13.



## Expenditure estimates

Table 18.15 Labour Policy and Industrial Relations

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million												
Management and Support Services: Labour Policy and Industrial Relations	8.5	8.5	9.6	12.2	12.8%	1.7%	13.0	13.9	13.8	4.2%	1.7%	
Strengthen Civil Society	13.8	14.4	15.1	15.8	4.6%	2.6%	16.5	17.3	17.9	4.3%	2.1%	
Collective Bargaining	9.5	9.7	10.2	12.4	9.2%	1.9%	12.9	13.7	14.5	5.4%	1.7%	
Employment Equity	10.2	9.7	11.0	13.7	10.4%	2.0%	13.7	14.6	15.3	3.9%	1.8%	
Employment Standards	7.7	6.5	9.8	12.5	17.4%	1.6%	12.4	13.1	15.4	7.2%	1.7%	
Commission for Conciliation, Mediation and Arbitration	356.4	402.0	448.1	478.7	10.3%	75.4%	594.4	687.1	734.0	15.3%	78.0%	
Research, Policy and Planning	8.5	12.3	10.6	11.7	11.3%	1.9%	16.1	17.1	18.0	15.4%	2.0%	
Labour Market Information and Statistics	22.4	26.4	29.3	32.9	13.7%	5.0%	34.5	36.7	38.5	5.4%	4.5%	
International Labour Matters	17.7	19.3	26.9	25.4	13.0%	4.0%	24.5	26.0	26.7	1.6%	3.2%	
National Economic Development and Labour Council	20.0	16.3	24.4	24.9	7.6%	3.8%	26.5	28.1	29.5	5.8%	3.4%	
<b>Total</b>	<b>474.7</b>	<b>525.2</b>	<b>594.9</b>	<b>640.3</b>	<b>10.5%</b>	<b>100.0%</b>	<b>764.5</b>	<b>867.5</b>	<b>923.7</b>	<b>13.0%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				4.4			86.8	148.8	171.9			
<b>Economic classification</b>												
<b>Current payments</b>	<b>75.2</b>	<b>82.2</b>	<b>93.4</b>	<b>108.6</b>	<b>13.0%</b>	<b>16.1%</b>	<b>116.4</b>	<b>123.6</b>	<b>130.4</b>	<b>6.3%</b>	<b>15.0%</b>	
Compensation of employees	48.0	54.6	60.3	67.2	11.9%	10.3%	72.0	76.5	81.1	6.5%	9.3%	
Goods and services	27.2	27.6	33.1	41.4	15.0%	5.8%	44.4	47.1	49.3	6.0%	5.7%	
<i>of which:</i>												
Computer services	0.1	1.5	1.2	0.9	87.1%	0.2%	0.9	1.0	1.0	3.5%	0.1%	
Operating leases	0.5	0.5	0.9	1.2	38.8%	0.1%	1.6	1.7	1.4	4.8%	0.2%	
Property payments	1.9	0.4	0.6	0.5	-35.1%	0.2%	0.5	0.6	0.6	4.4%	0.1%	
Travel and subsistence	8.4	7.6	11.3	10.9	8.8%	1.7%	11.0	11.9	13.7	8.1%	1.5%	
<b>Transfers and subsidies</b>	<b>399.3</b>	<b>443.0</b>	<b>501.4</b>	<b>531.4</b>	<b>10.0%</b>	<b>83.9%</b>	<b>648.1</b>	<b>743.9</b>	<b>793.3</b>	<b>14.3%</b>	<b>85.0%</b>	
Departmental agencies and accounts	376.0	417.9	472.0	502.9	10.2%	79.1%	620.2	714.5	762.8	14.9%	81.4%	
Foreign governments and international organisations	8.6	10.7	14.2	12.7	13.9%	2.1%	11.3	12.0	12.5	-0.5%	1.5%	
Non-profit institutions	13.8	14.4	15.1	15.8	4.6%	2.6%	16.5	17.3	17.9	4.3%	2.1%	
Households	0.9	-	0.1	-	-100.0%	-	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>4.6%</b>	<b>-</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-51.8%</b>	<b>-</b>	
Machinery and equipment	0.2	0.1	0.0	0.2	4.6%	-	0.1	0.0	0.0	-51.8%	-	
<b>Total</b>	<b>474.7</b>	<b>525.2</b>	<b>594.9</b>	<b>640.3</b>	<b>10.5%</b>	<b>100.0%</b>	<b>764.5</b>	<b>867.5</b>	<b>923.7</b>	<b>13.0%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>27.9%</b>	<b>28.8%</b>	<b>29.6%</b>	<b>29.9%</b>			<b>31.7%</b>	<b>32.9%</b>	<b>33.2%</b>			
<b>Details of selected transfers and subsidies</b>												
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	<b>376.0</b>	<b>417.9</b>	<b>472.0</b>	<b>502.9</b>	<b>10.2%</b>	<b>79.1%</b>	<b>620.2</b>	<b>714.5</b>	<b>762.8</b>	<b>14.9%</b>	<b>81.4%</b>	
Commission for Conciliation, Mediation and Arbitration	356.4	402.0	448.1	478.7	10.3%	75.4%	594.4	687.1	734.0	15.3%	78.0%	
National Economic Development and Labour Council	19.6	15.9	23.9	24.2	7.3%	3.7%	25.8	27.4	28.8	6.0%	3.3%	
<b>Non-profit institutions</b>	<b>13.8</b>	<b>14.4</b>	<b>15.1</b>	<b>15.8</b>	<b>4.6%</b>	<b>2.6%</b>	<b>16.5</b>	<b>17.3</b>	<b>17.9</b>	<b>4.3%</b>	<b>2.1%</b>	
Strengthen Civil Society	13.8	14.4	15.1	15.8	4.6%	2.6%	16.5	17.3	17.9	4.3%	2.1%	
<b>Foreign governments and international organisations</b>	<b>8.6</b>	<b>10.7</b>	<b>14.2</b>	<b>12.7</b>	<b>13.9%</b>	<b>2.1%</b>	<b>11.3</b>	<b>12.0</b>	<b>12.5</b>	<b>-0.5%</b>	<b>1.5%</b>	
<b>Current</b>	<b>8.6</b>	<b>10.7</b>	<b>14.2</b>	<b>12.7</b>	<b>13.9%</b>	<b>2.1%</b>	<b>11.3</b>	<b>12.0</b>	<b>12.5</b>	<b>-0.5%</b>	<b>1.5%</b>	
International Labour Organisation	8.2	10.2	13.7	10.1	7.2%	1.9%	10.6	11.2	11.8	5.4%	1.4%	
African Regional Labour Administration Centre	0.5	0.5	0.5	2.7	78.9%	0.2%	0.7	0.7	0.8	-33.6%	0.2%	

## Personnel information

**Table 18.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
Labour Policy and Industrial Relations		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
Salary level	190	2	176	60.0	0.3	172	64.3	0.4	192	72.0	0.4	192	76.5	0.4	192	81.1	0.4	3.7%	100.0%
1-6	22	-	20	3.4	0.2	18	3.4	0.2	22	4.3	0.2	22	4.5	0.2	22	4.7	0.2	6.9%	11.2%
7-10	128	2	118	35.2	0.3	116	38.4	0.3	130	43.2	0.3	130	45.8	0.4	130	48.4	0.4	3.9%	67.6%
11-12	30	-	28	14.0	0.5	29	15.3	0.5	30	16.1	0.5	30	17.4	0.6	30	18.2	0.6	1.1%	15.9%
13-16	10	-	10	7.4	0.7	9	7.2	0.8	10	8.3	0.8	10	8.8	0.9	10	9.8	1.0	3.6%	5.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on protecting vulnerable workers through the review and extension of sectoral determinations, promoting sound labour relations, promoting equity in the labour market, and enforcing and monitoring the mechanisms of the Employment Equity Act (1998). The bulk of this programme's budget is transferred to the Commission for Conciliation, Mediation and Arbitration.

The 2013 Budget provides additional allocations for improved conditions of service as follows: R1.7 million in 2013/14, R2.1 million in 2014/15, and R3.3 million in 2015/16 for the programme; and R5.2 million in 2013/14, R7.1 million in 2014/15 and R9.2 million in 2015/16 for the Commission for Conciliation, Mediation and Arbitration and the National Economic Development and Labour Council. The Budget also provides additional allocations of R80 million in 2013/14, R140 million in 2014/15, and R160 million in 2015/16 to the Commission for Conciliation, Mediation and Arbitration for additional caseloads arising from amendments to labour legislation and the rollout of the web based management system; a new office in the Vaal and Welkom areas; and a dedicated job saving unit for the training layoff scheme. This is expected to increase expenditure over the medium term from R640.3 million in 2012/13 to R923.7 million in 2015/16.

As part of the Cabinet approved reductions, the department will reduce spending by R1.1 million over the medium term in the *Strengthen Civil Society* subprogramme. In addition, R8.3 million was reprioritised from all subprogrammes to the *Management and Support Services: Labour Policy and Industrial Relations* subprogramme to fund travel expenses for attending parliamentary hearings as well as for increased costs for the labour attaché in Geneva due to fluctuating exchange rates.

The total number of personnel in this programme is expected to increase from 176 posts in 2011/12 to 192 posts in 2015/16, as vacant posts get filled.

Spending on consultants was equivalent to 10.6 per cent of total expenditure on compensation of employees in 2012/13, and is expected to grow from R6.4 million in 2012/13 to R12.2 million in 2015/16 due to the commissioning of six research reports. In 2012/13, this programme contracted two consulting companies to undertake research on the taxi sectoral determination and noise induced hearing loss.

## Public entities and other agencies

### Commission for Conciliation, Mediation and Arbitration

#### Mandate and goals

The Commission for Conciliation, Mediation and Arbitration was established in terms of the Labour Relations Act (1995). The commission's mandate to deal with workplace disputes as effectively and efficiently as possible is derived from the act's purposes, which include the advancement of economic development, social justice, labour peace and the democratisation of the workplace.

The commission's strategic goals over the medium term are to:

- enhance the role of the commission in the labour market through the provision of effective dispute resolution under the auspices of the bargaining councils and private agencies
- deliver services rooted in social justice, ensuring a balance between quality and quantity
- provide support and assistance to local, regional and international organisations
- facilitate social dialogue and economic development on identified labour market issues locally and internationally.

## Selected performance indicators

**Table 18.17 Commission for Conciliation, Mediation and Arbitration**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of jurisdiction referrals per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	118 842	119 362	131 298	134 670	148 137	179 246	197 170
Percentage of pre-conciliations heard per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	14% (16 283)	15% (18 205)	10% (20 026)	10% (13 467)	10% (14 814)	10% (17 995)	10% (19 717)
Percentage of pre-conciliations settled (of jurisdiction cases) per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	6% (7 256)	7% (8 533)	7% (9 386)	7% (9 427)	7% (10 370)	7% (12 547)	7% (13 802)
Percentage of conciliation, mediation and arbitration cases heard (of jurisdiction referrals) per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	40% (47 375)	41% (49 222)	50% (54 144)	50% (67 335)	50% (74 069)	50% 89 623	50% (98 585)
Percentage of conciliation, mediation and arbitration cases finalised (of jurisdiction referrals) per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	32% (47 375)	34% (41 086)	40% (45 195)	35% (47 135)	35% (51 848)	35% (62 736)	35% (69 010)
Number of cases settled (based on finalised cases) per year	Deliver excellent service rooted in social justice ensuring balance between quality and quantity	65 004	71 976	79 174	88 350	97 185	106 904	115 918

## Programmes/activities/objectives

**Table 18.18 Commission for Conciliation, Mediation and Arbitration**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Deliver excellent service rooted in social justice ensuring balance between quality and quantity	154.3	144.0	156.2	199.8	9.0%	38.9%	270.4	322.9	344.6	19.9%	44.3%
Build skills to achieve professionalism	12.3	13.1	14.4	16.1	9.2%	3.3%	17.1	18.2	19.3	6.3%	2.8%
Enhance and entrench internal processes and systems for optimal deployment of resources	86.4	86.0	101.6	107.6	7.6%	22.7%	144.0	172.9	185.9	20.0%	23.8%
Align structure to enable optimal implementation of strategy	110.9	117.8	129.4	144.6	9.2%	29.9%	153.7	163.4	173.7	6.3%	25.3%
Enrich the commission's role in labour market	4.5	5.0	5.4	7.0	16.2%	1.3%	5.3	5.5	5.8	-6.3%	1.0%
Entrench an organisational culture that supports the delivery of mandate	12.4	15.4	21.1	16.1	9.1%	3.9%	17.0	17.8	18.7	5.1%	2.8%
<b>Total expense</b>	<b>380.8</b>	<b>381.3</b>	<b>427.9</b>	<b>491.1</b>	<b>8.9%</b>	<b>100.0%</b>	<b>607.4</b>	<b>700.6</b>	<b>748.0</b>	<b>15.1%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 18.19 Commission for Conciliation, Mediation and Arbitration**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
	R million				2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16
<b>Revenue</b>											
<b>Non-tax revenue</b>	9.1	11.2	12.1	12.4	10.7%	2.6%	12.9	13.5	14.0	4.1%	2.1%
Sale of goods and services other than capital assets	3.1	1.5	2.8	2.9	-2.5%	0.6%	3.0	3.2	3.3	4.1%	0.5%
of which:											
Other sales	3.1	1.5	2.8	2.9	-2.5%	0.6%	3.0	3.2	3.3	4.1%	0.5%
Other non-tax revenue	6.0	9.7	9.3	9.5	16.5%	2.0%	9.9	10.3	10.7	4.2%	1.6%
<b>Transfers received</b>	356.4	402.0	448.1	478.7	10.3%	97.4%	594.4	687.1	734.0	15.3%	97.9%
<b>Total revenue</b>	365.6	413.2	460.2	491.1	10.3%	100.0%	607.4	700.6	748.0	15.1%	100.0%
<b>Expenses</b>											
<b>Current expenses</b>	380.8	381.3	427.9	491.1	8.9%	100.0%	607.4	700.6	748.0	15.1%	100.0%
Compensation of employees	123.3	130.9	143.8	162.7	9.7%	33.4%	170.8	181.5	193.0	5.9%	28.2%
Goods and services	251.4	249.9	282.3	321.2	8.5%	65.7%	429.0	511.1	546.7	19.4%	70.5%
Depreciation	6.1	0.6	1.8	7.2	5.5%	0.9%	7.6	8.0	8.4	5.1%	1.2%
<b>Total expenses</b>	380.8	381.3	427.9	491.1	8.9%	100.0%	607.4	700.6	748.0	15.1%	100.0%
<b>Surplus/(Deficit)</b>	(15.0)	32.0	32.0	-	-100.0%		-	-	-	-	

## Personnel information

**Table 18.20 Commission for Conciliation, Mediation and Arbitration**

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average Growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16								
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Salary level	440	-	440	143.8	0.3	440	160.6	0.4	440	170.8	0.4	440	181.5	0.4	440	193.0	0.4	-	100.0%
1-6	97	-	97	9.9	0.1	97	11.1	0.1	97	11.8	0.1	97	13.2	0.1	97	16.9	0.2	-	22.0%
7-10	218	-	218	56.5	0.3	218	63.2	0.3	218	67.2	0.3	218	71.1	0.3	218	74.4	0.3	-	49.5%
11-12	93	-	93	45.1	0.5	93	50.4	0.5	93	53.5	0.6	93	56.7	0.6	93	59.3	0.6	-	21.1%
13-16	31	-	31	30.5	1.0	31	34.1	1.1	31	36.2	1.2	31	38.4	1.2	31	40.2	1.3	-	7.0%
17-22	1	-	1	1.7	1.7	1	1.9	1.9	1	2.0	2.0	1	2.1	2.1	1	2.2	2.2	-	0.2%

1. Rand million.

## Expenditure trends

The Commission for Conciliation, Mediation and Arbitration's main source of revenue is the annual transfer it receives from the department. Total revenue over the medium term is estimated to grow due to the anticipated increase in the transfer.

The commission's main cost driver is the number of cases referred to it. Spending over the medium term will focus on improved service delivery and improving internal cost efficiencies. An additional R20.6 million from the department is earmarked for improved conditions of service. A further R380 million is allocated for the expansion of services: addressing increasing caseloads arising from the implementation of amendments to labour legislation; expanding access to the commission's services through the rollout of the web based case management system to labour centres and bargaining council; establishing a dedicated job saving unit to take forward the training layoff scheme; and opening a new office in the Vaal Reefs area in Gauteng and Welkom in Free State.

The growth in spending on compensation of employees between 2009/10 and 2012/13 is due to inflationary salary adjustments and the filling of existing staff vacancies to improve service delivery and back office support. The commission had a total budget of R491 million in 2012/13, of which 65.4 per cent was spent on goods and services and for case disbursement costs. Spending over the medium term will be driven largely by part-time

commissioner fees for case disbursement costs, which comprises 63.2 per cent of goods and services spending, followed by lease payments at 9.5 per cent. The increase in spending over the medium term is in line with performance projections for the commission, as the annual targets for the number of jurisdiction referrals and the number of cases settled are set to increase from 134 670 and 88 350 cases in 2012/13, to 197 170 and 115 918 cases in 2015/16 respectively.

The commission aims to reduce its operational overheads by cutting printing and electricity costs through the raised awareness created by its greening project, lowering telecommunication costs by using least cost routing and voice over internet protocol infrastructure, identifying cost savings for travel and accommodation, and monitoring spending at cost centres against approved budgets. The projected savings of R1.3 million over the MTEF period is reallocated within the commission and used for case disbursement and other operational costs. As at 30 September 2012, the commission had a funded establishment of 440 posts, which is set to remain stable over the medium term.

## Compensation Fund

### Mandate and goals

The Compensation Fund administers the Compensation for Occupational Injuries and Diseases Act (1993). The main objective of the act is to provide compensation for disablement caused by occupational injuries or diseases sustained or contracted by employees, or for death resulting from such injuries or diseases.

The fund's strategic goals over the medium term are to:

- provide an efficient social safety net
- enhance the quality of, and access to, services provided in terms of the act through the decentralisation of these services to all provinces, and conduct campaigns to educate employees about the act
- improve revenue collection
- integrate the fund with government's comprehensive social security reforms
- implement the fund's integrated claims management and financial management systems
- strengthen corporate governance.

### Selected performance indicators

**Table 18.21 Compensation Fund**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new claims registered per year	Compensation claims/Compensation for Occupational Injuries and Diseases Act (1993)	200 559	215 493	449 742	472 229	661 121	805 905	846 200
Percentage of registered claims finalised per year	Compensation claims/Compensation for Occupational Injuries and Diseases Act (1993)	60% (143 066)	67% (144 081)	33% (148 403)	75% (354 172)	77% (509 063)	86% (693 078)	86% (727 732)
Percentage of medical claims finalised per year within a 3-month period	Medical claims	70% (195 312)	64% (226 382)	45% (107 475)	68%	75%	80%	85%
Percentage growth in assessment revenue per year	Administration/operations	7% (R4bn)	8.3% (R4.9bn)	2.3% (R5bn )	3% (R5.1bn )	3.9% (R5.3bn)	3% (R5.5bn)	5% (R5.8bn)
Percentage increase in the number of registered employers per year	Administration/operations	5% (400 355)	5% (422 371)	5% (443 490)	5% (465 664)	5% (488 947)	5% (513 395)	5% (539 064)

## Programmes/activities/objectives

**Table 18.22 Compensation Fund**

R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
Administration/operations	345.4	487.7	1 227.2	1 168.7	50.1%	14.7%	1 583.4	1 646.7	1 712.6	13.6%	24.2%
Compensation claims/Compensation for Occupational Injuries and Diseases Act (1993)	2 736.2	1 843.9	1 810.2	1 643.7	-15.6%	39.9%	1 864.1	2 000.2	2 015.5	7.0%	29.9%
Medical claims	1 826.1	1 562.0	3 369.3	3 000.0	18.0%	45.4%	2 712.8	2 821.3	2 934.1	-0.7%	45.8%
<b>Total expense</b>	<b>4 907.6</b>	<b>3 893.6</b>	<b>6 406.7</b>	<b>5 812.4</b>	<b>5.8%</b>	<b>100.0%</b>	<b>6 160.2</b>	<b>6 468.2</b>	<b>6 662.3</b>	<b>4.7%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 18.23 Compensation Fund**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>2 725.9</b>	<b>2 671.4</b>	<b>3 476.8</b>	<b>2 709.8</b>	-0.2%	37.2%	<b>2 839.0</b>	<b>2 836.8</b>	<b>2 978.6</b>	3.2%	34.4%
Other non-tax revenue	2 725.9	2 671.4	3 476.8	2 709.8	-0.2%	37.2%	2 839.0	2 836.8	2 978.6	3.2%	34.4%
<b>Transfers received</b>	<b>4 491.6</b>	<b>4 866.0</b>	<b>4 978.3</b>	<b>5 127.6</b>	<b>4.5%</b>	<b>62.8%</b>	<b>5 328.9</b>	<b>5 488.8</b>	<b>5 763.3</b>	<b>4.0%</b>	<b>65.6%</b>
<b>Total revenue</b>	<b>7 217.6</b>	<b>7 537.4</b>	<b>8 455.0</b>	<b>7 837.5</b>	<b>2.8%</b>	<b>100.0%</b>	<b>8 168.0</b>	<b>8 325.6</b>	<b>8 741.9</b>	<b>3.7%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>610.1</b>	<b>675.4</b>	<b>781.4</b>	<b>865.0</b>	<b>12.3%</b>	<b>14.2%</b>	<b>916.0</b>	<b>961.8</b>	<b>990.6</b>	<b>4.6%</b>	<b>14.9%</b>
Compensation of employees	152.5	184.7	212.0	217.0	12.5%	3.7%	230.0	241.5	248.7	4.7%	3.7%
Goods and services	445.1	487.0	566.0	645.4	13.2%	10.4%	684.1	718.3	739.9	4.7%	11.1%
Depreciation	3.3	1.8	1.6	1.8	-18.6%	0.0%	1.9	2.0	2.0	4.7%	0.0%
Interest, dividends and rent on land	9.3	1.9	1.9	0.9	-54.0%	0.1%	-	-	-	-100.0%	0.0%
<b>Transfers and subsidies</b>	<b>4 297.5</b>	<b>3 218.1</b>	<b>5 625.3</b>	<b>4 947.4</b>	<b>4.8%</b>	<b>85.8%</b>	<b>5 244.2</b>	<b>5 506.5</b>	<b>5 671.6</b>	<b>4.7%</b>	<b>85.1%</b>
<b>Total expenses</b>	<b>4 907.6</b>	<b>3 893.6</b>	<b>6 406.7</b>	<b>5 812.4</b>	<b>5.8%</b>	<b>100.0%</b>	<b>6 160.2</b>	<b>6 468.2</b>	<b>6 662.3</b>	<b>4.7%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>2 310.0</b>	<b>3 644.0</b>	<b>2 048.0</b>	<b>2 025.0</b>	<b>-4.3%</b>		<b>2 008.0</b>	<b>1 857.0</b>	<b>2 080.0</b>	<b>0.9%</b>	

## Personnel information

**Table 18.24 Compensation Fund**

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16								
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Salary level	1 190	452	564	212.0	0.4	738	217.0	0.3	1 068	230.0	0.2	1 068	241.5	0.2	1 069	248.7	0.2	13.1%	100.0%
1 - 6	807	303	315	137.7	0.4	504	83.5	0.2	696	89.7	0.1	696	97.3	0.1	697	114.2	0.2	11.4%	66.0%
7 - 10	306	118	207	29.8	0.1	188	68.9	0.4	306	71.1	0.2	306	72.8	0.2	306	72.7	0.2	17.6%	27.9%
11 - 12	52	20	28	4.6	0.2	32	4.7	0.1	52	4.8	0.1	52	5.1	0.1	52	5.4	0.1	17.6%	4.7%
13 - 16	25	11	14	39.9	2.8	14	59.8	4.3	14	64.3	4.6	14	66.3	4.7	14	56.5	4.0	-	1.5%

<sup>1</sup> Rand million.

## Expenditure trends

The Compensation Fund generates its revenue from transfers received, which reflects the revenue collected from assessments levied on employers. Over the seven-year period, revenue grows due to the appointment of a debt collection agency to track and collect outstanding assessment fees from those employers that have been assessed but have not paid the fund. Between 2009/10 and 2012/13, non-tax revenue fluctuates due to fluctuating income from investments.

The spending focus over the medium term will be on making efficient payments to qualifying beneficiaries, decentralising services, implementing the new organisational structure and maximising revenue collection in an effort to provide an efficient social safety net.

Between 2009/10 and 2012/13, spending increased due to several factors: spending on compensation of employees and goods and services grew due to the expansion of operations, as the decentralisation project aiming to increase the accessibility of the fund's services for its clients was implemented; improvements were made to the fund's financial and claims systems, which required using consultants, including the implementation of the new financial system software from SAP; and debt collection agent fees were incurred in the drive to improve revenue collection. In 2012/13, transfers and subsidies paid increased due mainly to the backlog in current claims being cleared. The expenditure increase over the medium term is in line with performance projections for the fund, in terms of which the number of claims registered and finalised per year is estimated to grow from 354 172 in 2012/13 to 727 732 by 2015/16, due to the implementation of the new financial systems and the decentralisation of services.

The fund fulfilled its mandate in 2011/12 and paid R549 million in compensation claims to 205 150 beneficiaries, and R1.9 billion in medical claims of which:

- R71.9 million was paid for compensation benefits for permanent disability
- R94.3 million was paid for temporary disability benefits
- R382.8 million was paid for pension benefits

R1.9 billion was paid to service providers for medical claims.

The fund has implemented cost saving measures, which include reducing the number of external workshops and the amount of travelling required between head office and provinces. Spending on travel and subsistence will also be reduced once the decentralisation project is completed and officials are deployed to the various provinces, while the filling of approved posts on the structure will help the fund reduce its spending on consultant fees and outsourced services. The new financial system software has brought an improved turnaround time in the processing of claims compared to previous financial years, which will result in future savings as the services of consultants and contract staff will not be required.

The fund has approved an expanded organisational structure and the new posts are being filled. As at 30 September 2012, there were 738 filled posts against a funded establishment of 1 190 posts, but as part of the implementation of the approved structure, the fund absorbed about 300 contract workers on a permanent basis in October 2012. The remaining 152 vacant posts will be filled over the medium term as services are decentralised to the provinces. In 2012/13, seven consulting companies were used for the implementation of the SAP financial systems, financial and risk management, debt collection and auditing services, as the fund lacked the requisite skills for this.

## **Unemployment Insurance Fund**

### **Mandate and goals**

The mandate of the Unemployment Insurance Fund is to contribute to the alleviation of poverty by providing effective short term unemployment insurance to all workers who qualify for unemployment and related benefits as legislated in the Unemployment Insurance Act (2001). The fund is financed by contributions from employees and employers as legislated in the Unemployment Insurance Contributions Act (2002).

The fund's strategic goals over the medium term are to:

- improve the collection of contributions from employers
- increase the rate of processing claims in order to pay within the targeted service levels and turnaround times
- contribute to government initiatives of creating and sustaining decent employment, which includes investing mandated funds in socially responsible investments
- effectively administer the fund's operations to maintain an unqualified audit opinion.

## Selected performance indicators

Table 18.25 Unemployment Insurance Fund

Indicator	Programme/Activity/ Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of initiatives approved by the Unemployment Insurance Fund per year	Fund poverty alleviation schemes	1	2	3	3	3	3	3
Percentage of total mandated social responsibility investment invested per year	Fund poverty alleviation schemes	-1	47% (R1.035bn)	70% (R2.5bn)	80%	80%	80%	80%
Percentage increase in revenue contributions per year	Encourage compliance through enhanced service delivery	4.21% (R10.3bn)	5.3% (R10.8bn)	6% (R11.3bn)	7%	6%	6%	6%
Percentage increase in the rand value of the overpayment balance recovered per year	Encourage compliance through enhanced service delivery	33% (R37.2m)	22% (R58m)	18% (R72m)	20%	22%	25%	30%
Percentage of claims finalised within 5 weeks of application per year	Encourage compliance through enhanced service delivery	51.5% (412 572)	73% (547 399)	80% (578 014)	82.5%	85%	90%	95%
Percentage increase in number of employers using u-filing system per year	Encourage compliance through enhanced service delivery	61.2% 35 176 <sup>2</sup>	73% (11 152)	56% (14 167)	25%	30%	40%	50%

1. New indicator that started in 2010/11.

2. These numbers represent the difference between the years and not the actual number of employers using the u-filing system.

## Programmes/activities/objectives

Table 18.26 Unemployment Insurance Fund

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Encourage compliance through enhanced service delivery	7 041.4	4 972.3	5 684.9	8 508.9	6.5%	84.3%	9 782.5	11 527.2	10 851.7	8.4%	83.5%
Fund initiatives aimed at alleviating the harmful effects of unemployment	4.1	48.2	22.5	315.0	323.7%	1.1%	520.0	630.0	695.0	30.2%	4.8%
Administration	843.3	1 014.9	1 138.2	1 477.3	20.5%	14.6%	1 510.4	1 471.5	1 517.4	0.9%	11.7%
<b>Total expense</b>	<b>7 888.9</b>	<b>6 035.4</b>	<b>6 845.6</b>	<b>10 301.2</b>	<b>9.3%</b>	<b>100.0%</b>	<b>11 812.9</b>	<b>13 628.6</b>	<b>13 064.0</b>	<b>8.2%</b>	<b>100.0%</b>

## Expenditure estimates

Table 18.27 Unemployment Insurance Fund

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>4 099.5</b>	<b>4 293.1</b>	<b>6 398.8</b>	<b>4 477.3</b>	<b>3.0%</b>	<b>28.7%</b>	<b>4 965.9</b>	<b>5 441.3</b>	<b>5 907.5</b>	<b>9.7%</b>	<b>26.2%</b>
Sale of goods and services other than capital assets	2.3	2.3	1.9	2.9	8.0%	0.0%	3.0	3.2	3.3	4.9%	0.0%
of which:											
Sales by market establishment	2.1	2.2	1.9	2.0	-1.5%	0.0%	2.1	2.2	2.3	4.9%	0.0%
Other sales	0.2	0.0	-	0.9	66.9%	0.0%	0.9	1.0	1.0	4.9%	0.0%
Other non-tax revenue	4 097.2	4 290.8	6 396.9	4 474.4	3.0%	28.7%	4 962.9	5 438.1	5 904.2	9.7%	26.2%
<b>Transfers received</b>	<b>10 643.0</b>	<b>11 204.3</b>	<b>12 284.3</b>	<b>13 394.3</b>	<b>8.0%</b>	<b>71.3%</b>	<b>13 964.9</b>	<b>15 006.8</b>	<b>16 095.1</b>	<b>6.3%</b>	<b>73.8%</b>
<b>Total revenue</b>	<b>14 742.5</b>	<b>15 497.3</b>	<b>18 683.1</b>	<b>17 871.6</b>	<b>6.6%</b>	<b>100.0%</b>	<b>18 930.9</b>	<b>20 448.1</b>	<b>22 002.6</b>	<b>7.2%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>848.0</b>	<b>1 017.9</b>	<b>1 145.0</b>	<b>1 485.7</b>	<b>20.6%</b>	<b>14.7%</b>	<b>1 520.9</b>	<b>1 478.0</b>	<b>1 520.5</b>	<b>0.8%</b>	<b>12.4%</b>
Compensation of employees	416.7	515.0	575.5	777.6	23.1%	7.4%	826.5	875.2	915.5	5.6%	7.0%
Goods and services	426.6	497.3	562.7	699.7	17.9%	7.2%	683.9	596.3	601.9	-4.9%	5.4%
Depreciation	4.7	5.6	6.9	8.4	21.1%	0.1%	10.6	6.5	3.2	-27.8%	0.1%
Interest, dividends and rent on land	0.0	-	-	0.0	14.5%	0.0%	0.0	0.0	0.0	-16.4%	0.0%
<b>Transfers and subsidies</b>	<b>7 040.9</b>	<b>5 017.5</b>	<b>5 700.5</b>	<b>8 815.5</b>	<b>7.8%</b>	<b>85.3%</b>	<b>10 291.9</b>	<b>12 150.6</b>	<b>11 543.5</b>	<b>9.4%</b>	<b>87.6%</b>
<b>Total expenses</b>	<b>7 888.9</b>	<b>6 035.4</b>	<b>6 845.6</b>	<b>10 301.2</b>	<b>9.3%</b>	<b>100.0%</b>	<b>11 812.9</b>	<b>13 628.6</b>	<b>13 064.0</b>	<b>8.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>6 854.0</b>	<b>9 462.0</b>	<b>11 838.0</b>	<b>7 570.0</b>	<b>3.4%</b>		<b>7 118.0</b>	<b>6 819.0</b>	<b>8 939.0</b>	<b>5.7%</b>	



## Personnel information

**Table 18.28 Unemployment Insurance Fund**

Salary level	Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	1 718	12	1 706	575.5	0.3	1 706	777.6	0.5	1 718	826.5	0.5	1 718	875.2	0.5	1 718	915.5	0.5	0.2%	100.0%
1 – 6	990	–	990	206.2	0.2	990	220.6	0.2	990	242.9	0.2	990	144.2	0.1	990	293.9	0.3	–	57.7%
7 – 10	628	4	624	189.2	0.3	624	202.4	0.3	628	223.8	0.4	628	246.3	0.4	628	270.8	0.4	0.2%	36.6%
11 – 12	78	3	75	42.1	0.6	75	45.0	0.6	78	51.1	0.7	78	56.2	0.7	78	61.8	0.8	1.3%	4.5%
13 – 16	22	5	17	138.1	8.1	17	309.5	18.2	22	308.7	14.0	22	428.5	19.5	22	289.0	13.1	9.0%	1.2%

1. Rand million.

## Expenditure trends

Over the medium term, the Unemployment Insurance Fund projects that it will generate on average 73.4 per cent of its revenue from unemployment contributions due to an anticipated increase in contributors to the fund as the economy recovers and 26.5 per cent from non-tax revenue, with the latter driven by interest from investments.

Over the medium term, the fund will focus its spending on paying benefits to qualifying persons and implementing poverty alleviation schemes to assist unemployed workers registered on the fund's database. Transfers and subsidies or benefits paid over the medium term are expected to increase as a result of the recommended benefit improvements contained in the draft Unemployment Insurance Fund Amendment Bill. The commission to be paid to the South African Revenue Service for collection of Unemployment Insurance Fund contributions, which is reflected in goods and services, is expected to increase between 2012/13 and 2015/16 in line with the projected increase in revenue collection.

Unemployment insurance claims paid, which are reflected in transfers and subsidies expenditure, grew between 2009/10 and 2012/13 due to increased retrenchments arising from the global economic crisis. Transfers and subsidies paid dropped from R7 billion in 2009/10 to R5 billion in 2010/11 and increased to R5.7 billion and R8.8 billion in 2011/12 and 2012/13. Benefits paid over the medium term are expected to grow at a slower rate as global economies begin to recover.

Spending on compensation of employees increases significantly between 2011/12 and 2013/14 due to the implementation of the new organisational structure, the appointment of payroll auditors and general salary adjustments. This results in an increase in spending on goods and services in support of the new organisational structure, for increased rental paid for additional office space at the provincial level to accommodate new staff members. The increased spending strengthens the fund's capacity and improves service delivery to make the fund's services more accessible to its diverse clients.

The new organisational structure will allow the fund to reduce spending on consultants over the medium term as a greater proportion of functions, such as IT services, internal audit and risk management, are to be done in-house. The fund had 39 vacant posts at the semi-skilled and skilled levels as at 30 September 2012 as a result of the time it takes to verify qualifications and obtain security clearance. To reduce the delays in appointments, the fund has amended its recruitment and selection processes to ensure that appointments are made immediately once internal processes are completed. The ratio of support staff to line function staff is 1:1.1.

The fund fulfilled its mandate in 2011/12 and paid R5.7 billion in claims to 705 855 beneficiaries of which:

- R4.4 billion was paid to 555 969 claimants for unemployment benefits
- R234.1 million was paid to 20 966 claimants for illness benefits
- R708.2 million was paid to 104 407 claimants for maternity and adoption benefits
- R315.5 million was paid to 24 513 claimants for dependant benefits.

The fund implemented cost saving measures in 2011/12 to reduce air travel, the use of car rental and accommodation, by limiting travel and instead using video conferencing; and decreasing catering costs by

reducing the number of meetings held. Savings were also realised through the renewal in 2011 of the 2007 contract with the South African Post Office to print and distribute various letters in bulk. Over the MTEF period, the fund will reprioritise the estimated savings of R163 million within its budget to cover the increase in expenditure for lease payments at the service delivery points in provincial offices.

### **Other public entities and agencies**

- The **National Economic Development and Labour Council** requires organised labour, organised business, community based organisations and government to work as a collective to promote the goals of economic growth and social and economic equity. The council's total budget for 2013/14 is R27 million.
- **Productivity South Africa** aims to improve the productive capacity of the economy through interventions that encourage social dialogue and collaboration between government, labour and business. The entity's total budget for 2013/14 is R107.1 million.

## Additional tables: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11		2011/12	2013/14	2014/15
<b>R million</b>									
<b>Departmental infrastructure</b>									
Rustenburg labour centre: Construction of building	New labour centre	Construction	15.5	1.6	1.9	0.8	4.9	-	-
Mount Ayliff : Site clearance	New labour centre	Design	15.2	0.3	0.1	0.2	0.2	-	-
Garankuwa: Site clearance	New labour centre	Design	0.3	0.0	-	0.2	0.1	-	-
Middelburg: Site clearance	New labour centre	Design	0.5	-	-	0.2	-	-	-
Athlone: Site Clearance	New labour centre	Design	1.6	-	-	0.2	-	-	-
Cape Town: Site clearance	New labour centre	Design	13.0	-	-	0.2	-	-	-
Swellendam: Site clearance	New labour centre	Design	0.5	-	-	0.2	-	-	-
Vredenburg: Site Clearance	New labour centre	Design	1.6	-	-	0.2	-	-	-
Somerset West: Site clearance	New labour centre	Design	2.1	-	-	0.2	-	-	-
Krystna: Site clearance	New labour centre	Design	1.5	-	-	0.2	-	-	-
Belville: Site clearance	New labour centre	Design	0.4	-	-	0.2	-	-	-
Vredendal: Site clearance	New labour centre	Design	0.4	-	-	0.2	-	-	-
Ceres: Site clearance	New labour centre	Design	0.5	-	-	0.2	-	-	-
Volksrust: Site clearance	New labour centre	Design	0.4	-	-	0.2	-	-	-
Carltonville: Site Clearance	New labour centre	Design	0.0	-	-	0.2	-	-	-
Secunda: Site clearance	New labour centre	Design	2.0	-	-	0.2	-	-	-
Taung: Site clearance	New labour centre	Design	0.2	0.2	0.3	-	-	-	-
Security: Wendy houses	Labour centres security Wendy houses	Various	0.1	0.0	-	0.0	0.0	0.0	-
Brokhorstspuit: Site clearance	New labour centre	Design	0.2	0.2	-	-	-	-	-
Lusikisi: Site clearance	New labour centre	Design	0.1	0.1	0.2	-	-	-	-
Lebowakgomo: Site clearance	New labour centre	Design	0.1	0.1	0.2	-	-	-	-
Sabile: Site clearance	New labour centre	Design	0.2	0.2	0.3	-	-	-	-
Carolina: Site clearance	New labour centre	Design	0.2	0.2	0.3	-	-	-	-
Kwamhlanga: Site clearance	New labour centre	Design	0.2	0.2	0.3	-	-	-	-
Durban labour centre: Repairs	Electrical and mechanical repairs	Various	2.7	-	-	-	-	-	-
Other labour centres	Various construction, such as electrical repairs	Various	0.2	0.2	1.2	-	-	-	-
Temba labour centre: Site clearance	New labour centre	Design	0.4	-	-	0.2	0.2	-	-
<b>Maintenance</b>									
Pretoria, Silverton: Sheltered employment factory head office second follow on repair and maintenance programme	Maintaining sheltered employment head office to be occupational health and safety compliant	Construction	13.6	0.2	0.8	0.1	5.5	7.4	4.7
Pretoria head office, Laboria House: First follow on repair and maintenance programme	Maintaining head office building to be occupational health and safety compliant	Construction	15.4	5.6	5.1	2.3	2.5	3.5	2.4

**Additional tables: Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11		2011/12	2013/14	2014/15
R million									
<b>Maintenance</b>									
Gauteng South: Rodepoort, Carltonville, Krugersdorp and Sandton: Repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Design	6.7	-	-	1.1	3.0	3.9	2.3
Emalahleni and Mashishing labour centres: Repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Design	7.6	-	-	-	-	-	-
Phalaborwa, Hoedspruit and Seshego labour centres: Repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Design	4.7	0.2	-	-	-	-	-
Uptington and Kuruman labour centre: Repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Design	4.0	0.1	-	-	-	-	-
Durban Masonic Grove: Repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Design	8.7	-	-	-	-	-	-
East London Provincial Office: Repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Design	4.9	-	-	-	-	-	-
Cape Town and Atlantis Labour Centres: Repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Design	8.7	-	-	-	-	-	-
Kimberley sheltered employment factory: Second follow on repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	8.8	0.7	3.2	-	-	-	-
Bloemfontein: Sheltered employment factory: Second follow on repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	5.9	1.8	0.1	0.1	-	-	-
Pretoria sheltered employment factory and labour centre: Repair and maintenance programme	Maintaining labour centres and sheltered employment factories to be occupational health and safety compliant	Tender	9.0	1.6	3.7	-	-	-	-
Emalahleni, Lydenburg and Komatipoort labour centres: Repair and maintenance programme	Maintaining labour centre to be occupational health and safety compliant	Tender	9.6	0.0	-	-	-	-	-
Western Cape labour centre and sheltered employment factory: Repair and maintenance programme	Maintaining labour centres and sheltered employment factories to be occupational health and safety compliant	Tender	21.3	0.5	-	-	-	-	-

## Additional tables : Summary of expenditure on infrastructure (continued)

Project name R million	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2009/10	2010/11		2013/14	2014/15
<b>Maintenance</b>								
Sheltered employment factories: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Various	95.6	14.8	-	-	-	-
Gauteng South: Repair and maintenance programme	Maintaining sheltered employment factories to be occupational health and safety compliant	Tender	20.5	1.2	0.9	-	-	-
<b>Total</b>			<b>305.4</b>	<b>26.9</b>	<b>16.9</b>	<b>17.4</b>	<b>16.4</b>	<b>14.8</b>
								<b>9.4</b>



# Vote 19

## Social Development

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	264.0	261.5	–	2.5	278.8	293.3
Social Assistance	113 006.8	–	113 006.8	–	121 482.1	129 493.3
Social Security Policy and Administration	6 417.9	104.4	6 312.3	1.2	6 682.5	6 950.8
Welfare Services Policy Development and Implementation Support	513.1	191.0	320.2	1.9	525.7	545.7
Social Policy and Integrated Service Delivery	289.7	81.5	207.5	0.8	310.2	327.0
<b>Total expenditure estimates</b>	<b>120 491.6</b>	<b>638.4</b>	<b>119 846.8</b>	<b>6.4</b>	<b>129 279.4</b>	<b>137 610.1</b>
Executive authority	Minister of Social Development					
Accounting officer	Director General of Social Development					
Website address	<a href="http://www.dsd.gov.za">www.dsd.gov.za</a>					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Ensure protection against vulnerability by creating an enabling environment for the provision of a comprehensive, integrated and sustainable social development service.*

### Mandate

The White Paper for Social Welfare (1997) sets out the principles, guidelines, policies and programmes for developmental social welfare in South Africa. It has provided the foundation for social welfare in the post-1994 era. The Department of Social Development is not established in terms of a single act; several pieces of legislation determine its mandate:

- the Social Assistance Act (2004) provides a legislative framework for providing social assistance. It sets out the different types of grants payable as well as the qualifying criteria. It also makes provision for the establishment of the inspectorate for social assistance
- the Non-Profit Organisations Act (1997) establishes an administrative and regulatory framework within which non-profit organisations can conduct their affairs, and provides for their registration by the department
- the Older Persons Act (2006) establishes a framework for empowering and protecting older persons, and promoting and maintaining their status, rights, wellbeing, safety and security. It provides for older persons to enjoy good quality services while staying with their families in their communities for as long as possible. It also makes provision for older persons to reside within residential care facilities if they are unable to stay with their families
- the Children's Act (2005) sets out principles relating to the care and protection of children, and defines parental responsibilities and rights. It deals with early childhood development and early intervention, children in alternative care, foster care, child and youth centres and drop-in centres and the adoption of children

- the Prevention and Treatment of Drug Dependency Act (1992) is currently being used to regulate substance abuse services and facilities. New legislation is pending.

## **Strategic goals**

The department has made a strategic decision to accelerate implementation in key areas of work. Its strategic goals over the medium term are to:

- reduce income poverty by providing social assistance to eligible individuals
- increase household food security
- improve service delivery by standardising social welfare services
- prevent new HIV infections, address the structural and social causes of HIV and tuberculosis, and mitigate the impact of these diseases
- create an enabling and conducive environment within which non-profit organisations can operate
- improve the quality of early childhood development and partial care services, and increase their accessibility
- reduce the demand for illegal and addictive substances within communities
- facilitate social change and sustainable development, targeting the youth and adults within their communities.

## **Programme purposes**

### **Programme 1: Administration**

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

### **Programme 2: Social Assistance**

**Purpose:** Provide income support to vulnerable groups.

### **Programme 3: Social Security Policy and Administration**

**Purpose:** Provide for social security policy development and fair administration of social assistance.

### **Programme 4: Welfare Services Policy Development and Implementation Support**

**Purpose:** Create an enabling environment for the delivery of equitable developmental welfare services through the formulation of policies, norms and standards, and best practices. Provide support to implementation agencies.

### **Programme 5: Social Policy and Integrated Service Delivery**

**Purpose:** Support community development and promote evidence based policy making in the department and the social development sector.



## Selected performance indicators

**Table 19.1 Social Development**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total number of old age grant beneficiaries	Social Assistance	Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all	2.5 million	2.6 million	2.7 million	2.9 million	2.9 million	3.0 million	3.1 million
Total number of war veterans grant beneficiaries	Social Assistance		1 236	963	771	596	477	378	299
Total number of disability grant beneficiaries	Social Assistance		1.3 million	1.2 million	1.2 million	1.2 million	1.2 million	1.2 million	1.2 million
Total number of child support grant beneficiaries	Social Assistance		9.4 million	10.2 million	10.7 million	11.4 million	1.7 million	11.9 million	12.1 million
Total number of foster care grant beneficiaries	Social Assistance		489 322	490 390	518 224	529 424	569 314	604 328	633 060
Total number of care dependency grant beneficiaries	Social Assistance		118 972	120 917	121 627	130 423	135 347	140 466	145 788
Total number of grant-in-aid beneficiaries	Social Assistance		49 000	58 500	66 150	68 010	71 879	75 583	80 124
Percentage of appeals adjudicated within a period of 90 days	Social Security Policy and Administration	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	– <sup>1</sup>	– <sup>1</sup>	37% (574)	45% (800)	50% (1 000)	60% (1 200)	65% (1 300)
Number of social work scholarship graduates per year	Welfare Services Policy Development and Implementation Support		1 244	1 127	1 307	1 660	1 526	1 487	2 130
Number of youth trained through loveLife as Groundbreakers <sup>2</sup> to implement social and behaviour change programme	Welfare Services Policy Development and Implementation Support	Outcome 2: A long and healthy life for all South Africans	500	500	525	532	540	540	540
Number of youth reached through loveLife as Mpintshis <sup>3</sup> to implement social and behaviour change programme	Welfare Services Policy Development and Implementation Support		2 700	2 700	2 700	2 700	2 700	2 700	2 700
Total number of registered early childhood development centres captured on the national database	Welfare Services Policy Development and Implementation Support	Outcome 1: Improved quality of basic education	15 837	18 826	19 971	21 968	24 165	26 581	29 239
Percentage of non-profit organisation applications for registration processed within 2 months	Social Policy and Integrated Service Delivery	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	77% (18 393)	98% (14 961)	95% (17 573)	90% (15 621)	90% (17 183)	95% (18 901)	95% (20 791)
Number of people accessing food through food banks each year	Social Policy and Integrated Service Delivery	Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all	– <sup>4</sup>	– <sup>4</sup>	377 998	450 000	700 000	1 million	1.3 million

1. New function, which only began full operation in 2011/12.

2. Groundbreakers refer to young people aged 18 to 25 who are recruited to work for a year on implementing the loveLife programme.

3. Mpintshis are volunteer peer motivators who work with Groundbreakers.

4. No data in this year as food banks programme became fully operational in 2011/12.

## The national development plan

The national development plan recognises the important role social assistance plays in alleviating poverty in the country, as well as the importance of a coordinated social security system. It makes specific reference to the establishment of a national register of grant beneficiaries. The South African Social Security Agency, through its new payment system, has developed a national database of all social grant beneficiaries that is biometrically

based. The provision of social assistance by the department is growing steadily, and is projected to reach 17.2 million people by 2015/16. The number of social service professionals is set to increase as a result of the department's social work scholarship programme and the training of child and youth care workers through the Isibindi model. The number of jobs created in the social sector through the expanded public works programme, which the department will spearhead, is set to increase over the medium term. The development plan also emphasises the importance of early childhood development, and the department will focus on increasing access to development services for the 0-4 year age cohort. The number of early childhood development sites to be registered will increase to 29 239 by 2015/16.

## Expenditure estimates

**Table 19.2 Social Development**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million												
Administration	217.7	226.6	244.0	253.7	253.7	5.2%	0.2%	264.0	278.8	293.3	5.0%	0.2%
Social Assistance	79 259.7	87 492.9	95 973.0	104 887.9	104 239.4	9.6%	93.1%	113 006.8	121 482.1	129 493.3	7.5%	93.9%
Social Security Policy and Administration	5 253.8	5 768.1	6 228.3	6 216.7	6 212.8	5.7%	6.0%	6 417.9	6 682.5	6 950.8	3.8%	5.3%
Welfare Services Policy Development and Implementation Support	375.9	399.2	449.1	525.0	506.4	10.4%	0.4%	513.1	525.7	545.7	2.5%	0.4%
Social Policy and Integrated Service Delivery	211.0	144.3	244.9	260.3	260.3	7.2%	0.2%	289.7	310.2	327.0	7.9%	0.2%
<b>Total</b>	<b>85 318.2</b>	<b>94 031.0</b>	<b>103 139.2</b>	<b>112 143.6</b>	<b>111 472.5</b>	<b>9.3%</b>	<b>100.0%</b>	<b>120 491.6</b>	<b>129 279.4</b>	<b>137 610.1</b>	<b>7.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(73.2)	(744.2)			(416.2)	(796.8)	1 550.4		

### Economic classification

<b>Current payments</b>	<b>464.9</b>	<b>500.5</b>	<b>523.1</b>	<b>627.7</b>	<b>605.2</b>	<b>9.2%</b>	<b>0.5%</b>	<b>638.4</b>	<b>649.0</b>	<b>673.4</b>	<b>3.6%</b>	<b>0.5%</b>
Compensation of employees	220.1	247.0	273.6	310.8	307.0	11.7%	0.3%	340.7	358.8	383.7	7.7%	0.3%
Goods and services	244.7	253.5	249.5	316.8	298.2	6.8%	0.3%	297.7	290.2	289.7	-1.0%	0.2%
<i>of which:</i>												
<i>Consultants and professional services:</i>												
<i>Business and advisory services</i>	74.1	51.3	29.8	82.6	66.0	-3.8%	0.1%	92.4	74.7	74.4	4.1%	0.1%
<i>Operating leases</i>	18.1	23.3	24.0	31.2	31.2	19.9%	0.0%	30.7	32.3	33.7	2.6%	0.0%
<i>Travel and subsistence</i>	56.1	56.4	58.9	60.3	59.3	1.9%	0.1%	52.2	56.8	52.8	-3.8%	0.0%
<i>Venues and facilities</i>	14.6	24.1	21.7	27.7	27.7	23.7%	0.0%	20.0	21.9	21.2	-8.5%	0.0%
Interest and rent on land	0.1	0.0	0.0	-	-	-100.0%	0.0%	-	-	-		
<b>Transfers and subsidies</b>	<b>84 849.4</b>	<b>93 524.1</b>	<b>102 587.9</b>	<b>111 502.6</b>	<b>110 854.1</b>	<b>9.3%</b>	<b>99.5%</b>	<b>119 846.8</b>	<b>128 623.7</b>	<b>136 929.7</b>	<b>7.3%</b>	<b>99.5%</b>
Departmental agencies and accounts	5 523.7	5 940.9	6 549.0	6 542.0	6 542.0	5.8%	6.2%	6 732.8	7 019.9	7 301.0	3.7%	5.5%
Foreign governments and international organisations	1.9	1.5	2.4	2.4	2.4	8.4%	0.0%	2.9	3.0	3.1	9.9%	0.0%
Non-profit institutions	61.1	63.8	71.9	70.3	70.3	4.8%	0.1%	104.3	118.6	132.2	23.4%	0.1%
Households	79 262.8	87 518.0	95 964.5	104 887.9	104 239.4	9.6%	93.2%	113 006.8	121 482.1	129 493.3	7.5%	93.9%
<b>Payments for capital assets</b>	<b>3.8</b>	<b>6.2</b>	<b>17.9</b>	<b>13.3</b>	<b>13.3</b>	<b>51.5%</b>	<b>0.0%</b>	<b>6.4</b>	<b>6.7</b>	<b>7.0</b>	<b>-19.1%</b>	<b>0.0%</b>
Machinery and equipment	3.8	5.9	16.9	12.9	12.9	50.1%	0.0%	6.0	6.2	6.5	-20.3%	0.0%
Software and other intangible assets	-	0.3	1.0	0.4	0.4		0.0%	0.4	0.5	0.5	10.3%	0.0%
<b>Payments for financial assets</b>	<b>-</b>	<b>0.2</b>	<b>10.2</b>	<b>-</b>	<b>-</b>		<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>85 318.2</b>	<b>94 031.0</b>	<b>103 139.2</b>	<b>112 143.6</b>	<b>111 472.5</b>	<b>9.3%</b>	<b>100.0%</b>	<b>120 491.6</b>	<b>129 279.4</b>	<b>137 610.1</b>	<b>7.3%</b>	<b>100.0%</b>

## Personnel information

**Table 19.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate <sup>3</sup> 2012/13			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14		2014/15		2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
<b>Social Development</b>																			
<b>Salary level</b>	789	47	748	273.6	0.4	767	307.0	0.4	782	340.7	0.4	789	358.8	0.5	792	383.7	0.5	1.1%	100.0%
1 – 6	200	18	200	28.6	0.1	205	32.5	0.2	207	37.5	0.2	208	39.8	0.2	208	42.5	0.2	0.5%	26.5%
7 – 10	291	18	275	73.6	0.3	291	86.0	0.3	287	92.7	0.3	288	97.4	0.3	290	104.3	0.4	-0.1%	36.9%
11 – 12	179	4	165	82.3	0.5	170	89.7	0.5	173	98.9	0.6	173	104.1	0.6	173	111.2	0.6	0.6%	22.0%
13 – 16	119	7	108	89.1	0.8	101	98.8	1.0	115	111.5	1.0	120	117.6	1.0	121	125.7	1.0	6.2%	14.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The main spending focus over the medium term will be on the payment of social assistance grants, which on average comprise 93.8 per cent of total budget allocations between 2012/13 and 2015/16. These grants aim to boost the income of poor households, which suffer the brunt of the unemployment, poverty and inequality that persists in South African society. It is estimated that social grants will be paid to 17.2 million beneficiaries by the end of 2015/16.

Significant spending increases were evident between 2009/10 and 2012/13, mainly in the *Social Assistance* programme, as a result of the extension of the child support grant to 18 years and the equalisation of the old age grant at 60 years. Over the medium term, expenditure on the payment of social assistance grants is expected to increase to a lesser extent than during the previous three years because beneficiary growth is slowing as coverage of affected groups improves. In 2011/12 the *Social Security Policy and Administration* programme incurred additional expenditure due to increased litigation costs as a result of social assistance appeals. Spending in the *Social Policy and Integrated Service Delivery* programme decreased in 2010/11 due to a once-off reduction of R70 million in the amount transferred to the National Development Agency because of the agency's favourable cash reserves that year.

The department has a funded establishment of 789 posts, of which 22 are expected to be vacant at the end of 2012/13. Vacancies were prevalent at salary levels 11-12 and 13-16, mainly due to most posts being held in abeyance as a result of restructuring. The total number of funded posts on the establishment is expected to increase to 792 in 2015/16. This increase over the medium term is due to contract positions being converted to permanent posts to give effect to the department's mandate. These positions are already funded, and the expected growth in compensation of employees accommodates these appointments to the permanent staff. The ratio of support to line function staff is 1:1.

Spending on consultants is equivalent to 24 per cent of the department's budget allocation for compensation of employees over the medium term. R41 million was allocated in the 2012 Budget for consultants to perform an audit of early childhood development centres in South Africa. The nature and extent of this audit required significant technical and human capacity, which meant it was not possible for the work to be carried out by personnel employed within the department. Over the medium term, expenditure on consultants includes the payment of panel members who are part of the social grant appeals adjudication process, and the establishment of an inspectorate for social assistance whose main function will be to investigate financial misconduct and implement necessary interventions to combat leakage and fraud associated with the social assistance administration system.

The 2013 Budget includes additional allocations of R35.6 million in 2013/14, R47.2 million in 2014/15 and R2 billion in 2015/16. These allocations include: R1.9 billion in 2015/16 for a projected shortfall in the payment

of social assistance grants; R30 million, R40 million and R50 million to FoodBank South Africa for food relief; and R5.6 million, R7.2 million and R12.6 million to the department for improved conditions of service.

As part of Cabinet approved budget reductions, the department will reduce spending by R451.8 million in 2013/14, R844 million in 2014/15 and R412.3 million in 2015/16. Of this, R945.8 million has been reduced from transfers to public entities, mainly due to a reduced rate paid to contractors responsible for the payment of social grants and R700 million has been reduced from social assistance transfers due to lower than projected expenditure. A further R62.3 million has been reduced from spending on goods and services, and to effect this, the department will review its policies on travel, accommodation, venues and communication to ensure that spending on these non-core service delivery items is reduced.

## Departmental receipts

Table 19.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R thousand													
<b>Departmental receipts</b>	<b>30 617</b>	<b>10 508</b>	<b>103 183</b>	<b>27 192</b>	<b>34 539</b>	<b>4.1%</b>	<b>100.0%</b>	<b>15 957</b>	<b>17 991</b>	<b>19 842</b>	<b>-16.9%</b>	<b>100.0%</b>	
<b>Sales of goods and services produced by department</b>	<b>-</b>	<b>-</b>	<b>208</b>	<b>192</b>	<b>210</b>	<b>-</b>	<b>0.2%</b>	<b>221</b>	<b>225</b>	<b>229</b>	<b>2.9%</b>	<b>1.0%</b>	
Sales by market establishments	-	-	94	93	116	-	0.1%	99	100	101	-4.5%	0.5%	
<i>of which:</i>													
Parking rental	-	-	94	93	111	-	0.1%	99	100	101	-3.1%	0.5%	
Transport fees	-	-	-	-	5	-	-	-	-	-	-100.0%	-	
Other sales	-	-	114	99	94	-	0.1%	122	125	128	10.8%	0.5%	
<i>of which:</i>													
Sale of tender documents	-	-	5	7	7	-	-	9	10	11	16.3%	-	
Insurance commission and garnishee order	-	-	109	92	87	-	0.1%	113	115	117	10.4%	0.5%	
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>-</b>	<b>-</b>	
<i>of which:</i>													
Waste paper	-	-	2	-	-	-	-	4	5	5	-	-	
<b>Interest, dividends and rent on land</b>	<b>17 591</b>	<b>4 083</b>	<b>2 636</b>	<b>7 000</b>	<b>9 329</b>	<b>-19.1%</b>	<b>18.8%</b>	<b>2 647</b>	<b>2 649</b>	<b>2 654</b>	<b>-34.2%</b>	<b>19.6%</b>	
Interest	17 591	4 083	2 636	7 000	9 329	-19.1%	18.8%	2 647	2 649	2 654	-34.2%	19.6%	
<b>Sales of capital assets</b>	<b>105</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Transactions in financial assets and liabilities</b>	<b>12 921</b>	<b>6 425</b>	<b>100 337</b>	<b>20 000</b>	<b>25 000</b>	<b>24.6%</b>	<b>80.9%</b>	<b>13 085</b>	<b>15 112</b>	<b>16 954</b>	<b>-12.1%</b>	<b>79.4%</b>	
<b>Total</b>	<b>30 617</b>	<b>10 508</b>	<b>103 183</b>	<b>27 192</b>	<b>34 539</b>	<b>4.1%</b>	<b>100.0%</b>	<b>15 957</b>	<b>17 991</b>	<b>19 842</b>	<b>-16.9%</b>	<b>100.0%</b>	

## Programme 1: Administration

### Expenditure estimates

Table 19.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
Ministry	31.7	25.7	31.4	20.9	-13.0%	11.6%	21.5	22.8	24.2	5.1%	8.2%	
Department Management	48.8	49.8	47.1	53.8	3.3%	21.2%	58.8	62.2	66.3	7.2%	22.1%	
Corporate Management	70.8	83.8	89.3	88.6	7.7%	35.3%	91.3	95.9	100.3	4.3%	34.5%	
Finance	46.9	39.9	45.6	48.9	1.4%	19.3%	51.4	54.8	57.1	5.3%	19.5%	
Internal Audit	3.0	5.0	5.1	11.7	57.6%	2.6%	12.8	13.6	14.3	6.8%	4.8%	
Office Accommodation	16.5	22.4	25.4	29.8	21.9%	10.0%	28.2	29.6	31.0	1.3%	10.9%	
<b>Total</b>	<b>217.7</b>	<b>226.6</b>	<b>244.0</b>	<b>253.7</b>	<b>5.2%</b>	<b>100.0%</b>	<b>264.0</b>	<b>278.8</b>	<b>293.3</b>	<b>5.0%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(1.6)			(0.5)	(1.0)	0.6			

Table 19.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million	213.8	223.3	231.7	249.1	5.2%	97.4%	261.5	276.2	290.5	5.3%	98.9%
<b>Current payments</b>	<b>213.8</b>	<b>223.3</b>	<b>231.7</b>	<b>249.1</b>	<b>5.2%</b>	<b>97.4%</b>	<b>261.5</b>	<b>276.2</b>	<b>290.5</b>	<b>5.3%</b>	<b>98.9%</b>
Compensation of employees	95.8	105.0	122.2	135.3	12.2%	48.6%	144.3	152.7	163.4	6.5%	54.7%
Goods and services	117.9	118.3	109.4	113.8	-1.2%	48.8%	117.2	123.5	127.1	3.8%	44.2%
<i>of which:</i>											
<i>Consultants and professional services:</i>	24.6	14.1	6.6	11.6	-22.3%	6.0%	15.9	17.2	18.0	15.8%	5.8%
<i>Business and advisory services</i>											
<i>Operating leases</i>	17.3	20.7	22.3	28.3	18.0%	9.4%	26.6	27.9	29.2	1.0%	10.3%
<i>Travel and subsistence</i>	25.1	25.1	26.1	20.3	-6.8%	10.3%	18.9	19.8	18.7	-2.8%	7.1%
<i>Venues and facilities</i>	2.8	3.1	3.4	3.1	2.8%	1.3%	2.6	2.8	3.0	-0.9%	1.1%
Interest and rent on land	0.1	0.0	0.0	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1.4</b>	<b>0.0</b>	<b>0.2</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	1.4	0.0	0.2	-	-100.0%	0.2%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>2.5</b>	<b>3.0</b>	<b>11.8</b>	<b>4.6</b>	<b>21.7%</b>	<b>2.3%</b>	<b>2.5</b>	<b>2.6</b>	<b>2.8</b>	<b>-15.5%</b>	<b>1.1%</b>
Machinery and equipment	2.5	2.7	10.8	4.2	18.5%	2.2%	2.1	2.2	2.3	-18.5%	1.0%
Software and other intangible assets	-	0.3	1.0	0.4	-	0.2%	0.4	0.5	0.5	10.3%	0.2%
<b>Payments for financial assets</b>	<b>-</b>	<b>0.2</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>217.7</b>	<b>226.6</b>	<b>244.0</b>	<b>253.7</b>	<b>5.2%</b>	<b>100.0%</b>	<b>264.0</b>	<b>278.8</b>	<b>293.3</b>	<b>5.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>			<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>		

## Personnel information

Table 19.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual						Revised estimate <sup>3</sup>						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14			2014/15					2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
<b>Administration</b>																			
<b>Salary level</b>	361	25	361	122.2	0.3	358	135.3	0.4	358	144.3	0.4	360	152.7	0.4	362	163.4	0.5	0.4%	100.0%
1 – 6	117	9	119	16.0	0.1	116	17.3	0.1	117	20.2	0.2	118	21.4	0.2	118	22.9	0.2	0.6%	32.6%
7 – 10	130	12	135	35.1	0.3	140	39.4	0.3	138	43.1	0.3	138	45.2	0.3	139	48.6	0.3	-0.2%	38.6%
11 – 12	59	1	53	26.0	0.5	55	29.5	0.5	54	30.1	0.6	54	31.9	0.6	54	34.1	0.6	-0.6%	15.1%
13 – 16	55	3	54	45.1	0.8	47	49.1	1.0	49	50.9	1.0	50	54.1	1.1	51	57.7	1.1	2.8%	13.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The bulk of this programme's spending over the medium term goes towards compensation of employees, which constitutes on average 54.7 per cent of the budget, and operating leases for office accommodation, which constitutes on average 10.3 per cent of budget allocations. Spending on this programme increased steadily over the seven-year period, mainly due to additional funding for improved conditions of service.

In addition to corporate services responsibilities, the *Administration* programme coordinates the department's strategic vision and provides overall monitoring support through the *Department Management* subprogramme. Expenditure in the *Internal Audit* subprogramme increased significantly in 2012/13 to provide for the strengthening of departmental oversight structures and mechanisms as required by the auditor general. Office Accommodation expenditure increased between 2009/10 and 2012/13 due to the acquisition of additional office floor space.

The programme has a funded establishment of 361 posts, of which 3 are expected to be vacant at the end of 2012/13. The total number of people employed in this programme is due to increase to 362 by 2015/16.

As part of the Cabinet approved budget reductions, the programme will reduce spending over the medium term by R5.1 million on non-essential goods and services items, such as accommodation, travel, and the hiring of venues and facilities.

## Programme 2: Social Assistance

### Objectives

- Ensure the provision of social assistance to eligible beneficiaries by extending income support over the MTEF period to:
  - 3 095 339 older persons by 2015/16, from 2 710 441 million in 2011/12, where their income and assets fall below the set thresholds
  - 1 181 386 disabled persons by 2015/16, from 1 172 258 million in 2011/12, where their income and assets fall below the set thresholds
  - 12 115 973 children by 2015/16, from 10 675 214 million in 2011/12, where their caregivers receive an income that falls below the set threshold
  - 145 788 children with serious disabilities who are beneficiaries of a care dependency grant by 2015/16, from 121 627 million in 2011/12, where their caregivers earn an income that falls below the set threshold
  - 633 060 foster children by 2015/16, from 518 224 million in 2011/12.

### Subprogrammes

- *Old Age* provides income support to persons above the age of 60 earning an annual income of below R49 920 where they are single, and R99 840 where married, and whose assets do not exceed R831 600 if single, and R1.7 million if married. As at 30 September 2012, 2.8 million persons were in receipt of the old age grant. There is no staff complement in this subprogramme.
- *War Veterans* provides income support for the men and women who fought in World War II and the Korean War. As at 30 September 2012, 655 veterans were in receipt of the grant. There is no staff complement.
- *Disability* provides income support for persons with permanent or temporary disabilities earning an annual income below R49 920 if single, and R99 840 if married, and whose assets where single do not exceed R831 600, and R1.7 million where married. As at 30 September 2012, 1.2 million disabled people were in receipt of the grant. There is no staff complement.
- *Foster Care* provides grants for children placed in foster care through court orders in terms of the Children's Act (2005). As at 30 September 2012, 566 256 foster children were in receipt of the grant. There is no staff complement.
- *Care Dependency* grant provides income support to caregivers supporting a child who is mentally or physically disabled where they earn an annual income below R151 200 if single, and R302 400 if married. 122 809 care dependent children were in receipt of this grant by the end of September 2012. There is no staff complement.
- *Child Support* provides income support to primary caregivers of children under 18 where the caregiver earns an annual income below R34 800 if they are single, and R69 600 if they are married. As at 30 September 2012, 11.1 million children were in receipt of this grant. There is no staff complement.
- *Grant-in-aid* is an additional grant to the recipients of the old age grant, disability grant and war veterans grant who require regular attendance from another person due to their physical or mental condition. There is no staff complement.
- *Social Relief* provides temporary income support, food parcels or other forms of relief to those facing undue hardship. There is no staff complement.

## Expenditure estimates

**Table 19.7 Social Assistance**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Old Age	29 826.4	33 750.6	37 129.8	39 323.1	9.7%	38.1%	44 328.0	47 913.3	51 464.2	9.4%	39.0%
War veterans	16.6	14.0	11.8	12.9	-8.1%	–	8.2	6.8	5.7	-24.0%	–
Disability	16 566.7	16 840.2	17 375.0	19 062.5	4.8%	19.0%	18 776.0	19 754.4	20 659.4	2.7%	16.7%
Foster Care	4 434.3	4 616.4	5 010.9	5 951.8	10.3%	5.4%	5 576.1	6 176.4	6 719.0	4.1%	5.2%
Care Dependency	1 434.1	1 586.5	1 736.4	1 856.9	9.0%	1.8%	2 058.8	2 252.9	2 444.2	9.6%	1.8%
Child Support	26 669.8	30 341.5	34 319.6	38 237.3	12.8%	35.2%	41 793.2	44 854.9	47 619.2	7.6%	36.8%
Grant-in-aid	146.3	170.1	204.0	188.1	8.7%	0.2%	247.3	274.2	303.4	17.3%	0.2%
Social Relief	165.5	173.7	185.3	255.2	15.5%	0.2%	219.3	249.2	278.2	2.9%	0.2%
<b>Total</b>	<b>79 259.7</b>	<b>87 492.9</b>	<b>95 973.0</b>	<b>104 887.9</b>	<b>9.8%</b>	<b>100.0%</b>	<b>113 006.8</b>	<b>121 482.1</b>	<b>129 493.3</b>	<b>7.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				–			(200.0)	(500.0)	1 900.0		

### Economic classification

<b>Transfers and subsidies</b>	<b>79 259.7</b>	<b>87 492.9</b>	<b>95 963.1</b>	<b>104 887.9</b>	<b>9.8%</b>	<b>100.0%</b>	<b>113 006.8</b>	<b>121 482.1</b>	<b>129 493.3</b>	<b>7.3%</b>	<b>100.0%</b>
Households	79 259.7	87 492.9	95 963.1	104 887.9	9.8%	100.0%	113 006.8	121 482.1	129 493.3	7.3%	100.0%
Payments for financial assets	–	–	9.8	–	–	–	–	–	–	–	–
<b>Total</b>	<b>79 259.7</b>	<b>87 492.9</b>	<b>95 973.0</b>	<b>104 887.9</b>	<b>9.8%</b>	<b>100.0%</b>	<b>113 006.8</b>	<b>121 482.1</b>	<b>129 493.3</b>	<b>7.3%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	92.9%	93.0%	93.1%	93.5%			93.8%	94.0%	94.1%		

### Details of selected transfers and subsidies

Households											
Social benefits											
Current	79 259.7	87 492.9	95 963.1	104 887.9	9.8%	100.0%	113 006.8	121 482.1	129 493.3	7.3%	100.0%
Old Age	29 826.4	33 750.6	37 120.0	39 323.1	9.7%	38.1%	44 328.0	47 913.3	51 464.2	9.4%	39.0%
War Veterans	16.6	14.0	11.8	12.9	-8.1%	–	8.2	6.8	5.7	-24.0%	–
Disability	16 566.7	16 840.2	17 375.0	19 062.5	4.8%	19.0%	18 776.0	19 754.4	20 659.4	2.7%	16.7%
Foster Care	4 434.3	4 616.4	5 010.9	5 951.8	10.3%	5.4%	5 576.1	6 176.4	6 719.0	4.1%	5.2%
Care Dependency	1 434.1	1 586.5	1 736.4	1 856.9	9.0%	1.8%	2 058.8	2 252.9	2 444.2	9.6%	1.8%
Child Support	26 669.8	30 341.5	34 319.6	38 237.3	12.8%	35.2%	41 793.2	44 854.9	47 619.2	7.6%	36.8%
Grant-in-Aid	146.3	170.1	204.0	188.1	8.7%	0.2%	247.3	274.2	303.4	17.3%	0.2%
Social Relief	165.5	173.7	185.3	255.2	15.5%	0.2%	219.3	249.2	278.2	2.9%	0.2%

## Expenditure trends

The child support, old age and disability grants make up the bulk of the programme's expenditure over the medium term, and reflect government's commitment to supporting the most vulnerable in society, namely children, the elderly and the disabled, by providing income support. The number of social assistance grant beneficiaries increased from 15.2 million in March 2012 to over 15.9 million as at 31 December 2012. It is projected that the number of beneficiaries will further increase to approximately 17.2 million by the end of March 2016.

Significant growth in spending is evident between 2009/10 and 2012/13, mainly due to the extension of the child support grant to 18 year olds, and the equalisation of the old age grant at the age of 60 years. In 2011/12, the means test for the adult grants was increased as part of the broader social security reform process. Greater awareness is being generated about the *Grant-in-aid* and *Care Dependency* subprogrammes, and expenditure is therefore projected to increase over the MTEF period. Expenditure on the payment of social assistance grants is expected to increase to provide for inflation related increases in the grant values of the individual grant types, and for the growth in beneficiary numbers. The growth in beneficiaries is projected to slow significantly in

2013/14 compared to the previous three years given that most eligible beneficiaries are now in receipt of a grant, and there is a levelling off of the child population.

Spending reductions of R200 million in 2013/14 and R500 million in 2014/15 have been effected against this programme as part of the Cabinet approved budget reductions. This is mainly due to lower expenditure projections. An additional R1.9 billion has been allocated in 2015/16 to provide for an estimated shortfall in the budget allocations for the payment of social assistance grants, due to an increase in the number of social grant beneficiaries.

This programme provides only for the budget allocations related to payments to social assistance grant beneficiaries by the South African Social Security Agency, and has no staff.

## **Programme 3: Social Security Policy and Administration**

### **Objectives**

- Oversee, ensure and monitor the efficient and effective administration of social grants by the South African Social Security Agency over the MTEF period by:
  - monitoring monthly social grant beneficiary take up rates and expenditure
  - updating social grant beneficiary and expenditure projections every month.
- Improve the integrity of the social assistance framework and system over the MTEF period by establishing an inspectorate for social security by 2015/16 that will be responsible for systematic assessments of legislative compliance, investigations of financial misconduct, and any other necessary intervention to combat leakage and fraud associated with the social assistance administration system.
- Provide an effective, efficient and accessible social assistance appeals service by adjudicating 65 per cent of appeals lodged within 90 days of their receipt by 2015/16.
- Improve access to social assistance by:
  - finalising the development of policy addressing income support for orphaned children who are cared for by relatives by 2013/14
  - reviewing the means tests for social assistance over the MTEF period by investigating the possibility that the means threshold for adult grants can be raised to the same level as the tax liability threshold
  - designing a support package for youth that focuses on job placements by 2014/15.

### **Subprogrammes**

- *Social Security Policy Development* provides for the development and reviewing of social assistance policies and legislation, and for the development of policies and legislation for contributory income support to protect households against lifecycle contingencies such as unemployment, ill health, retirement, disability or death of a breadwinner. In 2012/13, research was conducted into providing income support for pregnant women, as well as making the child support grant universal. In 2013/14, the focus will be on publishing a social budget and investigating the feasibility of providing social assistance support for orphaned children cared for by relatives. Further work in developing a support package for unemployed youth will also be undertaken. This subprogramme had a staff complement of 57 in 2012/13.
- *Appeals Adjudication* provides a fair and just adjudication service for social assistance appeals. As at 30 September 2012, 641 appeals cases were adjudicated within 90 days, an increase of 12 per cent from the previous year. Over the medium term, an integrated appeals business information system will be developed to facilitate the effective and efficient management and administration of appeal cases to ensure the reduction of the number of cases that are older than 90 days. This subprogramme had a staff complement of 46 in 2012/13.
- *Social Grants Administration* provides for the operational costs of the South African Social Security Agency. In 2013/14, R6.3 billion will be transferred to the agency for administering the programme's



grants, the agency's own operations, the management information system, and reimbursing payment contractors. This subprogramme has no staff complement.

- *Social Grants Fraud Investigations* provides for the funding of fraud investigations conducted by the South African Social Security Agency in partnership with law enforcement agencies. This entails transferring funds to the agency, which is also increasing its own internal capacity to handle fraud cases. This subprogramme has no staff complement.

## Expenditure estimates

**Table 19.8 Social Security Policy and Administration**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Social Security Policy Development	29.5	71.2	38.6	49.7	19.0%	0.8%	56.1	51.2	53.7	2.6%	0.8%
Appeals Adjudication	47.8	56.1	43.1	38.2	-7.2%	0.8%	45.6	48.3	51.1	10.2%	0.7%
Social Grants Administration	5 168.9	5 631.4	6 070.6	6 053.0	5.4%	97.7%	6 240.5	6 502.2	6 761.6	3.8%	97.3%
Social Grants Fraud Investigations	–	–	73.1	66.7	–	0.6%	70.6	75.4	78.9	5.7%	1.1%
Programme Management	7.6	9.5	3.0	9.0	5.7%	0.1%	5.1	5.4	5.6	-14.6%	0.1%
<b>Total</b>	<b>5 253.8</b>	<b>5 768.1</b>	<b>6 228.3</b>	<b>6 216.7</b>	<b>5.8%</b>	<b>100.0%</b>	<b>6 417.9</b>	<b>6 682.5</b>	<b>6 950.8</b>	<b>3.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(92.0)			(226.7)	(311.9)	(365.3)		

### Economic classification

<b>Current payments</b>	<b>81.8</b>	<b>108.7</b>	<b>82.3</b>	<b>93.9</b>	<b>4.7%</b>	<b>1.6%</b>	<b>104.4</b>	<b>102.3</b>	<b>107.6</b>	<b>4.6%</b>	<b>1.6%</b>
Compensation of employees	25.3	33.0	34.9	46.3	22.3%	0.6%	52.5	55.1	59.0	8.4%	0.8%
Goods and services	56.4	75.8	47.5	47.7	-5.5%	1.0%	51.9	47.2	48.7	0.7%	0.7%
<i>of which:</i>											
<i>Consultants and professional services: Business and advisory services</i>	28.2	22.0	12.7	23.2	-6.3%	0.4%	26.8	20.5	20.8	-3.5%	0.3%
<i>Operating leases</i>	0.1	2.3	1.5	2.4	218.1%	–	3.6	3.8	4.0	18.2%	0.1%
<i>Travel and subsistence</i>	10.8	13.5	6.7	7.3	-12.5%	0.2%	6.8	7.4	7.6	1.8%	0.1%
<i>Venues and facilities</i>	4.0	12.2	1.6	1.4	-29.3%	0.1%	0.6	0.7	0.7	-20.3%	–
<b>Transfers and subsidies</b>	<b>5 171.8</b>	<b>5 657.1</b>	<b>6 145.3</b>	<b>6 120.9</b>	<b>5.8%</b>	<b>98.4%</b>	<b>6 312.3</b>	<b>6 578.9</b>	<b>6 841.8</b>	<b>3.8%</b>	<b>98.4%</b>
Departmental agencies and accounts	5 168.9	5 631.4	6 143.7	6 119.8	5.8%	98.3%	6 311.0	6 577.6	6 840.5	3.8%	98.4%
Foreign governments and international organisations	0.9	0.9	1.1	1.2	9.2%	–	1.2	1.3	1.4	5.2%	–
Non-profit institutions	0.5	–	–	–	-100.0%	–	–	–	–	–	–
Households	1.5	24.8	0.5	–	-100.0%	0.1%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>0.2</b>	<b>2.3</b>	<b>0.7</b>	<b>1.8</b>	<b>105.0%</b>	<b>–</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>-8.1%</b>	<b>–</b>
Machinery and equipment	0.2	2.3	0.7	1.8	105.0%	–	1.2	1.3	1.4	-8.1%	–
<b>Total</b>	<b>5 253.8</b>	<b>5 768.1</b>	<b>6 228.3</b>	<b>6 216.7</b>	<b>5.8%</b>	<b>100.0%</b>	<b>6 417.9</b>	<b>6 682.5</b>	<b>6 950.8</b>	<b>3.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>6.2%</b>	<b>6.1%</b>	<b>6.0%</b>	<b>5.5%</b>			<b>5.3%</b>	<b>5.2%</b>	<b>5.1%</b>		

Table 19.8 Social Security Policy and Administration (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	5 168.9	5 631.4	6 143.7	6 119.8	5.8%	98.3%	6 311.0	6 577.6	6 840.5	3.8%	98.4%
South African Social Security Agency	5 168.9	5 631.4	6 143.7	6 119.8	5.8%	98.3%	6 311.0	6 577.6	6 840.5	3.8%	98.4%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	0.9	0.9	1.1	1.2	9.2%	-	1.2	1.3	1.4	5.2%	-
International Social Security Association	0.9	0.8	1.1	1.1	7.6%	-	1.2	1.3	1.3	5.4%	-
International Organisation of Pension Supervisors	-	0.0	0.1	0.1	-	-	0.1	0.1	0.1	1.3%	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	1.5	24.8	-	-	-100.0%	0.1%	-	-	-	-	-
Social relief	1.5	24.8	-	-	-100.0%	0.1%	-	-	-	-	-

## Personnel information

Table 19.9 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Social Security Policy and Administration	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%) 2012/13 - 2015/16			
			2011/12	Unit		2012/13	Unit		2013/14		Unit		2014/15				Unit		2015/16
<b>Salary level</b>	105	6	83	34.9	0.4	87	42.4	0.5	103	52.5	0.5	107	55.1	0.5	107	59.0	0.6	7.1%	100.0%
1-6	25	3	26	5.1	0.2	27	6.0	0.2	26	6.2	0.2	26	6.6	0.3	26	7.0	0.3	-1.3%	26.0%
7-10	33	2	22	6.2	0.3	25	8.8	0.4	31	10.5	0.3	31	11.1	0.4	31	11.8	0.4	7.4%	29.2%
11-12	22	-	18	9.0	0.5	18	9.5	0.5	22	12.9	0.6	22	13.4	0.6	22	14.4	0.7	6.9%	20.8%
13-16	25	1	17	14.5	0.9	17	18.2	1.1	24	22.9	1.0	28	24.1	0.9	28	25.8	0.9	18.1%	24.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will continue to be on making transfers to the South African Social Security Agency to provide for the cost of the administration and payment of social assistance grants. The agency is projected to pay out social assistance grants to 17.2 million beneficiaries by 2015/16, and to continue improving its fraud management system. Social grant administration costs constitute 6.9 per cent of the budget allocation for social assistance grants in 2009/10, and will decline to 5.4 per cent in 2015/16 partly due to efficiencies from the new payment contract which was implemented in 2012/13. The programme will also improve the appeals management system to speed up turnaround times by increasing the number of appeals adjudicated within a period of 90 days to 65 per cent in 2015/16.

The significant growth in expenditure in the *Social Security Policy* subprogramme in 2010/11 was due to the once-off additional funding received for hosting the international social security conference. Expenditure in the *Appeals Adjudication* programme declined between 2009/10 and 2012/13 due to improvements in the administration of social assistance as a result of reduced expenditure on litigation costs from social assistance

appellants. The projected growth in expenditure in this programme over the medium term period provides for the development of an integrated appeals business information system.

As part of a Cabinet approved budget reduction of R868.5 million over the medium term, there will be a reduction in the programme's allocation. This will mainly be absorbed through lower unit prices for payment contractors as a result the new payment contract being implemented.

Between 2012/13 and 2015/16, expenditure on consultants is equivalent to 43 per cent of the programme's budget allocation for compensation of employees. Expenditure on consultants includes the payment of panel members for the social grant appeals adjudication process and the establishment of the inspectorate. Spending on consultants is expected to decline over the medium term as the department increases its capacity to undertake more of the work internally. This can be seen from the growth in the compensation budget over this period as this programme increases the number of people employed to perform the inspectorate and appeals functions. As at 30 September 2012, the programme had a funded establishment of 105 posts, 18 of which are expected to be vacant at the end of 2012/13. The vacancies are mainly because of the lengthy process of establishing the inspectorate. By 2015/16 the number of people employed is expected to reach 107 mainly as a result of the full establishment of the inspectorate.

## **Programme 4: Welfare Services Policy Development and Implementation Support**

### **Objectives**

- Promote a standardised approach to the delivery of social welfare services by:
  - finalising the revised financial awards policy to comprehensively address the funding of non-governmental organisations by June 2013
  - finalising the development of funding models for welfare services by 2013/14
  - monitoring the implementation of regulations for funded non-profit organisations
  - conducting an in-depth study of the state of welfare services in South Africa by March 2014
  - drafting legislation on the professionalisation and regulation of social service practitioners by March 2014
  - increasing the number of social worker graduates from the scholarship programme to 2 130 in 2015/16.
- Create an environment that enables the protection and promotion of older persons' rights by:
  - ensuring compliance with the norms and standards, on an ongoing basis, of conditionally registered community based care services and residential facilities
  - reviewing the Older Persons Act (2006), to determine if it still addresses the needs of older persons, by March 2016.
- Protect and promote the rights of people with disabilities by:
  - drafting legislation dealing with services to people with disabilities by March 2014
  - developing norms and standards for residential facilities by March 2014
  - training 360 officials to mainstream disability issues in 2013/14
- Facilitate the improvement of services to children in their first 1 000 days after birth by:
  - providing access to early childhood development centres, as well as nutritious food, and early learning
  - developing a policy framework for early childhood development and partial care by March 2014.
- Strengthen child protection services through the implementation of child care and protection measures by:
  - increasing the number of children adopted by 10 per cent each year
  - developing guidelines for the registration of drop in centres in terms of the Children's Act (2005) by March 2014
  - monitoring the implementation plan to transform child and youth care centres in 9 provinces by 2015/16
  - increasing by 20 per cent the screening of people working with children, against part B of the child protection register, from 28 178 people screened by March 2013 to 33 814 by March 2014
  - continually monitoring the implementation of the Isibindi model in all provinces.

- Promote and strengthen families in South Africa by facilitating the establishment of family service forums in three provinces to coordinate services to families at provincial level by March 2014.
- Reduce the incidence of substance abuse in communities by providing treatment and prevention services by:
  - monitoring the progress registered by national government departments involved in the implementation of the national anti-substance abuse programme of action by March 2014
  - capacitating 120 stakeholders to roll out the implementation of the Prevention of and Treatment for Substance Abuse Act (2008) by March 2014
  - developing and monitoring the implementation of the national drug master plan by March 2014.
- Contribute to reducing the incidence of social crime by:
  - training 63 quality assurance panel members, by March 2014, to provide them with an understanding of the programmes and services available in terms of the Child Justice Act (2008)
  - facilitating the implementation of the policy framework on accreditation of diversion services in all provinces by March 2014
  - enhancing the capacity, through training, of stakeholders in social crime prevention programmes by March 2014
  - monitoring the implementation of an integrated social crime prevention strategy within the social development sector over the MTEF period.
- Improve the provision of victim empowerment services in provinces by:
  - drafting legislation on victim empowerment support services by 2014
  - developing a policy framework for the accreditation of services and programmes run by organisations rendering services to victims of human trafficking by 2014
  - facilitating training on the implementation of gender based violence prevention programmes in provinces by 2014.
- Develop and facilitate the implementation of responsive and focused youth mobilisation services and youth development by:
  - creating opportunities for 4 500 young people to participate in community dialogues by March 2015
  - ensuring participation of 4 600 young people in leadership camps by March 2016
  - establishing 6 youth forums in the remaining 6 provinces by 2015.
- Contribute to the reduction of new HIV and AIDS infections by 50 per cent through the implementation of social and behavioural change programmes by March 2016.
- Mitigate the impact of HIV and AIDS, tuberculosis and other chronic illnesses by increasing the number of people made vulnerable by HIV and AIDS receiving psychosocial support services from 1.2 million in 2011/12 to an estimated 2.1 million in 2015/16.
- Strengthen the capacity of community based organisations by:
  - ensuring that home and community based care organisations are compliant with monitoring and evaluation systems by 2014/15
  - training 440 community based organisations (120 in 2013/14, 180 in 2014/15 and 140 in 2015/16) on a home and community based care management capacity building programme by March 2016.

## **Subprogrammes**

- *Service Standards* ensures the transformation and standardisation of social welfare services by developing and coordinating policies and legislation that promote integration and quality driven and professional social welfare service delivery. In 2011/12 and 2012/13, progress was made in reviewing the financial awards policy and developing costing models for social welfare services. This included hosting consultative sessions with provinces and the non-governmental organisation sector. Key projects in 2013/14 include finalising the financial awards policy, developing a standardised approach to funding non-governmental organisations, and conducting an in depth study on the state of welfare services in the country. This subprogramme had a staff complement of 23 in 2012/13.

- *Substance Abuse* develops, supports and monitors the implementation of policies, legislation, and norms and standards for the prevention and treatment of substance abuse. In 2011/12, the substance abuse programme of action was rolled out to all provinces. In 2012/13, a treatment model for substance abuse was developed and amended regulations in terms of the Prevention of and Treatment for Substance Abuse Act (2008) were finalised. This subprogramme had a staff complement of 9 in 2012/13.
- *Older Persons* develops, supports and monitors the implementation of policies, legislation, and norms and standards for social welfare services to elderly people. Over the medium term, the focus will be on reviewing the Older Persons Act (2006). This subprogramme had a staff complement of 8 in 2012/13.
- *People with Disabilities* develops, supports and monitors the implementation of policies, legislation, and norms and standards for social welfare services to people with disabilities. In 2012/13, the department was in the process of obtaining approval for the policy on social development services to persons with disabilities. Planned activities in 2013/14 include auditing residential facilities, standardising services, and developing a legislative framework regulating services to people with disabilities. This subprogramme had a staff complement of 8 in 2012/13.
- *Children* is discussed in more detail below.
- *Families* develops, supports and monitors the implementation of policies, legislation and programmes to strengthen families. In 2012/13, the White Paper on Families was developed and presented to the relevant cluster before submission to Cabinet for final approval. A key activity over the medium term will be to provide training on the white paper. This subprogramme had a staff complement of 9 in 2012/13.
- *Social Crime Prevention and Victim Empowerment* develops, supports and monitors the implementation of policies, legislation and programmes to protect, empower and support victims of crime and violence as well as child, youth and adult offenders. In 2012/13, the national policy guidelines on victim empowerment were reviewed to inform the development of legislation. In 2013/14, R9.8 million will be spent on consultants to implement the integrated justice system, which requires the department to provide services to victims of crime and to youth offenders. Key activities over the medium term will include drafting legislation on victim support services, and enhancing the delivery and monitoring of social crime prevention programmes. This subprogramme had a staff complement of 23 in 2012/13.
- *Youth* develops and facilitates the implementation of policies, legislation and programmes to protect vulnerable youth. As at 30 September 2012, 771 youth had participated in community dialogues. Over the medium term, the department intends to host bi annual youth camps to provide a platform for youth to interact and share the challenges they experience. This subprogramme had a staff complement of 8 in 2012/13.
- *HIV and AIDS* develops, supports and monitors the implementation of policies, programmes and guidelines to prevent and mitigate the impact of HIV and AIDS in line with the government's strategic plan for 2012-2016. By September 2012, 68 funded home and community based organisations were provided with management training, with 142 reporting into the monitoring and evaluation reporting system. These will both be ongoing focus areas over the medium term. R48.1 million has been made available in 2013/14 for non-profit organisations and the loveLife campaign, which aims to train 540 Groundbreakers and 2 700 Mpintshis each year over the MTEF period to implement social and behavioural change programmes. (Groundbreakers are young people aged 18 to 25 who are recruited to work for a year on implementing the loveLife programme. Mpintshis are volunteer peer motivators working with Groundbreakers.) This subprogramme had a staff complement of 31 in 2012/13.
- *Social Worker Scholarships* provides full scholarships for students interested in studying social work. In 2012/13, 6 339 were sponsored at various universities. By 2015/16, this drops to 4 248 students who will be provided with financial assistance. This subprogramme has no staff complement.

## Expenditure estimates

**Table 19.10 Welfare Services Policy Development and Implementation Support**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Service Standards	17.4	19.8	21.5	20.4	5.4%	4.5%	25.3	26.2	25.5	7.8%	4.6%
Substance Abuse	7.7	12.2	14.9	14.0	22.2%	2.8%	11.4	12.6	12.6	-3.4%	2.4%
Older Persons	10.4	8.0	11.1	15.0	12.9%	2.5%	10.1	12.0	11.1	-9.6%	2.3%
People with Disabilities	8.9	7.7	8.3	8.6	-0.9%	1.9%	9.9	10.3	10.9	8.2%	1.9%
Children	30.1	31.9	40.7	76.5	36.4%	10.2%	65.5	51.8	52.8	-11.6%	11.7%
Families	6.3	5.9	6.9	7.8	7.5%	1.5%	7.7	8.1	8.5	3.2%	1.5%
Social Crime Prevention and Victim Empowerment	14.9	14.6	21.4	38.5	37.1%	5.1%	39.5	42.0	44.2	4.8%	7.8%
Youth	5.1	4.6	5.6	9.3	21.9%	1.4%	6.7	7.0	7.4	-7.5%	1.4%
HIV and AIDS	58.2	60.9	66.9	70.9	6.8%	14.7%	77.1	81.4	85.5	6.5%	14.9%
Social Worker Scholarships	210.0	226.0	244.0	256.0	6.8%	53.5%	250.0	264.0	276.1	2.6%	49.6%
Programme Management	6.9	7.4	7.7	8.2	5.9%	1.7%	10.0	10.4	11.1	10.6%	1.9%
<b>Total</b>	<b>375.9</b>	<b>399.2</b>	<b>449.1</b>	<b>525.0</b>	<b>11.8%</b>	<b>100.0%</b>	<b>513.1</b>	<b>525.7</b>	<b>545.7</b>	<b>1.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				11.2			(16.1)	(17.5)	(22.6)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>106.2</b>	<b>110.7</b>	<b>137.4</b>	<b>195.9</b>	<b>22.6%</b>	<b>31.5%</b>	<b>191.0</b>	<b>185.3</b>	<b>189.7</b>	<b>-1.1%</b>	<b>36.1%</b>
Compensation of employees	61.2	68.6	73.6	79.1	8.9%	16.2%	86.5	90.7	96.7	7.0%	16.7%
Goods and services	45.0	42.0	63.8	116.9	37.4%	15.3%	104.6	94.7	92.9	-7.4%	19.4%
<i>of which:</i>											
<i>Consultants and professional services: Business and advisory services</i>	15.2	11.7	8.5	36.4	33.7%	4.1%	44.4	32.9	31.3	-4.9%	6.9%
<i>Operating leases</i>	0.6	0.2	0.1	0.3	-18.6%	0.1%	0.3	0.3	0.4	4.1%	0.1%
<i>Travel and subsistence</i>	10.7	11.6	16.0	24.2	31.4%	3.6%	22.0	24.0	23.6	-0.8%	4.4%
<i>Venues and facilities</i>	5.4	6.7	12.5	16.1	43.5%	2.3%	13.9	14.8	14.4	-3.6%	2.8%
<b>Transfers and subsidies</b>	<b>268.9</b>	<b>288.1</b>	<b>306.8</b>	<b>323.5</b>	<b>6.4%</b>	<b>67.9%</b>	<b>320.2</b>	<b>338.4</b>	<b>354.0</b>	<b>3.0%</b>	<b>63.3%</b>
Departmental agencies and accounts	210.0	226.0	244.0	256.0	6.8%	53.5%	250.0	264.0	276.1	2.6%	49.6%
Foreign governments and international organisations	0.4	0.2	0.4	0.2	-13.5%	0.1%	0.3	0.3	0.3	5.5%	0.1%
Non-profit institutions	58.4	61.8	61.8	67.3	4.8%	14.3%	69.9	74.1	77.5	4.9%	13.7%
Households	0.1	-	0.6	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.8</b>	<b>0.4</b>	<b>4.8</b>	<b>5.6</b>	<b>94.9%</b>	<b>0.7%</b>	<b>1.9</b>	<b>2.0</b>	<b>2.1</b>	<b>-27.9%</b>	<b>0.5%</b>
Machinery and equipment	0.8	0.4	4.8	5.6	94.9%	0.7%	1.9	2.0	2.1	-27.9%	0.5%
<b>Total</b>	<b>375.9</b>	<b>399.2</b>	<b>449.1</b>	<b>525.0</b>	<b>11.8%</b>	<b>100.0%</b>	<b>513.1</b>	<b>525.7</b>	<b>545.7</b>	<b>1.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>	<b>0.5%</b>			<b>0.4%</b>	<b>0.4%</b>	<b>0.4%</b>		

**Table 19.10 Welfare Services Policy Development and Implementation Support (continued)**

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>210.0</b>	<b>226.0</b>	<b>244.0</b>	<b>256.0</b>	<b>6.8%</b>	<b>53.5%</b>	<b>250.0</b>	<b>264.0</b>	<b>276.1</b>	<b>2.6%</b>	<b>49.6%</b>
National Student Financial Aid Scheme	210.0	226.0	244.0	256.0	6.8%	53.5%	250.0	264.0	276.1	2.6%	49.6%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>58.4</b>	<b>61.8</b>	<b>61.8</b>	<b>67.3</b>	<b>4.8%</b>	<b>14.3%</b>	<b>69.9</b>	<b>74.1</b>	<b>77.5</b>	<b>4.9%</b>	<b>13.7%</b>
loveLife	41.0	43.5	43.4	45.6	3.6%	9.9%	48.1	51.0	53.3	5.4%	9.4%
Tshwane Leadership Foundation Trust	-	-	-	0.2	-	-	-	-	-	-100.0%	-
Service standards	1.0	1.4	1.7	1.6	14.4%	0.3%	1.6	1.7	1.8	5.2%	0.3%
Substance abuse	2.0	2.2	1.7	3.2	17.1%	0.5%	2.6	2.8	2.9	-3.0%	0.5%
Older persons	1.6	1.8	1.6	2.0	8.7%	0.4%	2.1	2.3	2.4	5.2%	0.4%
Disabilities	2.9	2.9	3.1	3.2	3.9%	0.7%	3.4	3.6	3.8	5.2%	0.7%
Children	5.5	5.7	6.0	6.5	5.5%	1.4%	6.8	7.2	7.6	5.2%	1.3%
Families	1.2	1.0	1.1	1.1	-2.5%	0.3%	1.2	1.3	1.3	5.4%	0.2%
Social crime prevention	2.8	3.1	2.5	3.5	7.7%	0.7%	3.7	3.9	4.1	5.2%	0.7%
Cape Town Child Welfare Society	-	-	0.4	-	-	-	-	-	-	-	-
National Association of People Living with HIV and AIDS	0.3	0.3	0.3	0.3	10.4%	0.1%	0.4	0.4	0.4	5.2%	0.1%
Foundation for Professional Development	0.1	-	-	-	-100.0%	-	-	-	-	-	-

## Personnel information

**Table 19.11 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate <sup>3</sup>			Medium-term expenditure estimate					Average growth rate (%)	Salary level/total: Average (%)						
		2011/12		2012/13			2013/14		2014/15		2015/16			2012/13 - 2015/16					
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost								
<b>Welfare Services Policy Development and Implementation Support</b>																			
Salary level	192	9	184	73.6	0.4	190	79.1	0.4	193	86.5	0.4	193	90.7	0.5	193	96.7	0.5	0.5%	100.0%
1 – 6	33	-	29	3.5	0.1	31	4.1	0.1	33	5.5	0.2	33	5.7	0.2	33	6.1	0.2	2.1%	16.9%
7 – 10	70	4	69	20.3	0.3	70	22.0	0.3	69	22.9	0.3	69	23.9	0.3	69	25.5	0.4	-0.5%	36.0%
11 – 12	67	3	64	32.7	0.5	67	34.4	0.5	67	38.3	0.6	67	40.3	0.6	67	43.0	0.6	-	34.9%
13 – 16	22	2	22	17.2	0.8	22	18.6	0.8	24	19.8	0.8	24	20.7	0.9	24	22.1	0.9	2.9%	12.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will continue to be on making transfer payments to loveLife, to increase the number of HIV and AIDS awareness prevention and management programmes it runs, and to the National Student Financial Aid Scheme through the *Social Worker Scholarships* subprogramme in order to increase the number of scholarships to social work students. 4 248 students will have been awarded scholarships by 2015/16. An increase in the number of social workers is essential for providing a standardised approach to social welfare services. The transfer to loveLife is a key part of government's HIV and AIDS prevention programme, with the focus on training 540 Groundbreakers and 2 700 Mpintshis each year over the medium term to implement social and behavioural change programmes.

Between 2009/10 and 2012/13, expenditure in the *Social Crime Prevention and Victim Empowerment* subprogramme increased significantly in giving effect to the new responsibilities created by the implementation of the Child Justice Act (2008). Similarly, expenditure in the *Substance Abuse* subprogramme increased in 2011/12 and 2012/13, to enhance the department's capacity to develop regulations for the Prevention and Treatment of Substance Abuse Act (2008). Expenditure on goods and services increased substantially in 2011/12 and 2012/13 mainly due to additional allocations for the early childhood development audit, and the establishment of systems to facilitate the rollout of the Isibindi model. The department embarked on a series of outreach programmes in those years to increase public awareness of its services. This resulted in increased spending on advertising, catering, travel and subsistence, and venues and facilities in these years.

Expenditure in the *Service Standards* subprogramme is expected to increase by 24 per cent in 2013/14, as the department begins a study to determine the state of welfare services in the country. Expenditure on consultants is expected to increase by 22 per cent in the same year as the study requires the appointment of commissioners identified as experts.

The programme has a funded staff establishment of 192 posts, 2 of which are expected to be vacant at the end of 2012/13. The number of people employed will reach 193 by 2015/16.

The 2013 Budget sets out additional allocations to this programme of R1.4 million in 2013/14, R1.8 million in 2014/15 and R3.2 million in 2015/16 for improved conditions of service.

Reductions of R65.4 million, as part of the Cabinet approved budget reductions, have been effected over the medium term in the *Social Worker Scholarships* programme, which funds the employment of social work graduates at provincial level.

### Subprogramme: Children

This subprogramme develops, supports and monitors the implementation of policies, legislation, and norms and standards for social welfare services to children. A key activity in 2013/14 will be the finalisation of the early childhood development audit.

### Expenditure estimates

Table 19.12 Children

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Current payments</b>	<b>24.2</b>	<b>26.0</b>	<b>33.8</b>	<b>69.2</b>	<b>41.9%</b>	<b>85.5%</b>	<b>57.9</b>	<b>43.8</b>	<b>44.4</b>	<b>-13.8%</b>	<b>87.3%</b>
Compensation of employees	18.0	19.5	21.3	22.3	7.4%	45.3%	26.4	28.0	29.9	10.3%	43.2%
Goods and services	6.2	6.5	12.5	46.9	96.2%	40.2%	31.5	15.8	14.5	-32.4%	44.1%
<i>of which:</i>											
<i>Consultants and professional services: Business and advisory services</i>	1.9	0.2	2.2	29.2	147.4%	18.7%	19.5	6.9	6.2	-40.4%	25.1%
<i>Operating leases</i>	0.4	0.0	0.0	0.1	-30.2%	0.4%	0.2	0.2	0.3	20.2%	0.4%
<i>Travel and subsistence</i>	1.9	2.9	2.9	3.8	26.3%	6.4%	3.0	3.0	2.7	-11.7%	5.1%
<i>Venues and facilities</i>	1.2	1.2	4.1	1.9	17.3%	4.7%	3.2	2.9	2.5	9.4%	4.2%



Table 19.12 Children (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Transfers and subsidies</b>	<b>5.7</b>	<b>5.7</b>	<b>6.4</b>	<b>6.7</b>	<b>5.4%</b>	<b>13.7%</b>	<b>7.0</b>	<b>7.4</b>	<b>7.8</b>	<b>5.2%</b>	<b>11.7%</b>
Foreign governments and international organisations	0.1	0.1	0.2	0.2	3.7%	0.3%	0.2	0.2	0.2	5.5%	0.3%
Non-profit institutions	5.5	5.7	6.0	6.5	5.5%	13.3%	6.8	7.2	7.6	5.2%	11.4%
Households	–	–	0.2	–	–	0.1%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.2</b>	<b>0.6</b>	<b>0.6</b>	<b>46.1%</b>	<b>0.8%</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>5.3%</b>	<b>1.0%</b>
Machinery and equipment	0.2	0.2	0.6	0.6	46.1%	0.8%	0.6	0.6	0.6	5.3%	1.0%
<b>Total</b>	<b>30.1</b>	<b>31.9</b>	<b>40.7</b>	<b>76.5</b>	<b>36.4%</b>	<b>100.0%</b>	<b>65.5</b>	<b>51.8</b>	<b>52.8</b>	<b>-11.6%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>8.0%</b>	<b>8.0%</b>	<b>9.1%</b>	<b>14.6%</b>			<b>12.8%</b>	<b>9.9%</b>	<b>9.7%</b>		

## Personnel information

Table 19.13 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate					Average growth rate (%)	Salary level/total: Average (%)					
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Children		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	59	3	55	21.3	0.4	60	22.3	0.4	60	26.4	0.4	60	28.0	0.5	60	29.9	0.5	–	100.0%
1–6	18	–	13	1.3	0.1	17	1.9	0.1	18	2.8	0.2	18	3.0	0.2	18	3.2	0.2	1.9%	29.6%
7–10	14	2	14	4.5	0.3	15	4.8	0.3	14	5.2	0.4	14	5.5	0.4	14	5.9	0.4	-2.3%	23.8%
11–12	22	–	22	10.9	0.5	22	11.0	0.5	22	13.2	0.6	22	14.1	0.6	22	15.0	0.7	–	36.7%
13–16	5	1	6	4.6	0.8	6	4.6	0.8	6	5.1	0.9	6	5.4	0.9	6	5.8	1.0	–	10.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus in the *Children* subprogramme over the medium term will be on reviewing the Children's Act (2005), rolling out the Isibindi model across the country, and developing a policy framework to facilitate increased access to early childhood development services. This focus is reflected mainly in increased spending on compensation of employees and on the consultants who will perform the audits of the early childhood development facilities.

Increases in expenditure between 2009/10 and 2012/13 are mainly related to the additional funding received for early childhood development (R24 million) and Isibindi (R6.7 million), which related to goods and services only. This subprogramme also continuously monitors the extent of access to early childhood development services by capturing the number of children accessing these services on its national database, and by keeping track of the number of registered early childhood development centres, which are set to increase to 29 239 by 2015/16.

Expenditure is expected to decline over the medium term due to once-off budget allocations for the audit of early childhood development facilities in South Africa in 2012/13 and 2013/14. To date, 5 487 early childhood development and partial care centres have been audited, and an additional 7 513 facilities will be audited in 2013/14. In addition, the early childhood development diagnostic review report was developed and finalised in 2012/13. The report, laying out the key recommendations from the early childhood development conference, was approved by Cabinet in October 2012. The implementation of the adoption policy framework and strategy,

which is expected to help increase the adoption rate by 10 per cent each year, was supported by capacity building in provinces, community dialogues, and the holding of a national adoption workshop.

The subprogramme had a funded staff establishment of 59 posts, with no vacancies, in 2012/13. The number of people employed over the medium term remains constant.

## **Programme 5: Social Policy and Integrated Service Delivery**

### **Objectives**

- Build research, evidence based policy making and social policy capacity and expertise in the department and in the social development sector by:
  - training 50 policy makers in government per year in social policy and social policy analysis
  - reviewing and developing at least 1 evidence based policy per year
  - developing a research coordination and management strategy by 2014.
- Coordinate the implementation of the social cluster public employment programmes such as the expanded public works programme by facilitating the creation of 255 000 job opportunities by 2013/14.
- Support and monitor the implementation of community development services and programmes by:
  - training 200 community development practitioners by March 2014
  - training 400 community based organisations on community development practice by March 2014.
- Facilitate and monitor the implementation of the Food For All campaign in South Africa by ensuring that 1.3 million people access the department's food security programmes in 2015/16.
- Improve efficiency in registering non-profit organisations by:
  - processing 95 per cent of all non-profit organisations' applications within 2 months of receiving them by 2015/16
  - establishing help desks in four provinces, to assist non-profit organisations with registration, by March 2014
  - training 2 500 non-profit organisations on governance and compliance with the Non-profit Organisations Act (1997) by March 2014.
- Promote implementation of government's population policy by:
  - increasing awareness and building capacity annually to integrate population factors into development plans and programmes
  - increasing understanding of the state of South Africa's population, by producing annual thematic reports on progress made with the implementation of the population policy.

### **Subprogrammes**

- *Social Policy Research and Development* provides strategic guidance on social policy development, coordination and evaluation; and supports the department's responsibilities in the United Nations (UN), the United Nations Educational, Scientific and Cultural Organisation (UNESCO), the African Union (AU) and the Southern African Development Community (SADC), in areas relating to social policy, research and evidence based policy making. This subprogramme had a staff complement of 4 in 2012/13.
- *Special Projects and Innovation* provides for the coordination, incubation and innovation of departmental and social cluster initiatives such as the expanded public works programme. 112 057 jobs were created in the social sector expanded public works programme between April and September 2012. Transfers of R1 million will be made in each of 2013/14 and 2014/15, and R1.1 million in 2015/16 to Soul City for the Kwanda television programme. This subprogramme had a staff complement of 9 in 2012/13.
- *Population Policy Promotion* supports, monitors and evaluates the implementation of population policy for South Africa by conducting research on population trends and dynamics, raising awareness on population and development concerns, and supporting and building technical capacity to implement the policy. By the end of 2011/12, 800 people were trained on HIV and AIDS, gender mainstreaming and local population trends. In 2013/14, the focus will be on completing the 15-year review of progress in implementing the

population policy, and finalising the framework strategy for national adolescent sexual and reproductive health and rights. This subprogramme had a staff complement of 38 in 2012/13.

- *Registration and Monitoring of Non-Profit Organisations* is discussed in more detail below.
- *Substance Abuse Advisory Services and Oversight* monitors the implementation of policies, legislation, and norms and standards for substance abuse; and monitors and provides support for implementing the national drug master plan through the Central Drug Authority, whose secretariat is the department's responsibility. A key output in 2012/13 was the finalisation of the national drug master plan, with monitoring of its implementation set to continue over the medium term. This subprogramme had a staff complement of 4 in 2012/13.
- *Community Development* develops and facilitates the implementation of policies, guidelines, and norms and standards to ensure the effective and efficient delivery of community development services and programmes. By 30 September 2012, 12 398 households had been profiled for community development services. The focus over the medium term will be on increasing household food security, social and community mobilisation for sustainable livelihoods, completing the community development strategy and policy, improving the capacity and competence of community development practitioners and community based organisations to provide relevant and appropriate community development services and programmes, and increasing the number of people accessing food through FoodBank South Africa to 1.5 million in 2015/16. This subprogramme had a staff complement of 27 in 2012/13.
- *National Development Agency* provides grants to civil society organisations through transfers to implement sustainable community driven projects that address food security, early childhood development and create employment and income opportunities. The agency also focuses on building capacity in non-profit organisations. This subprogramme has no staff complement.

## Expenditure estimates

**Table 19.14 Social Policy and Integrated Service Delivery**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Social Policy Research and Development	5.3	3.4	3.7	5.9	3.6%	2.1%	6.5	6.7	7.0	6.3%	2.2%
Special Projects and Innovation	6.4	6.7	11.7	7.0	2.9%	3.7%	7.8	8.4	8.5	7.0%	2.7%
Population Policy Promotion	20.4	19.1	24.7	22.4	3.2%	10.1%	24.5	26.3	25.4	4.3%	8.3%
Registration and Monitoring of Non-Profit Organisations	11.0	12.5	14.3	23.0	27.8%	7.1%	19.3	20.2	20.4	-3.9%	7.0%
Substance Abuse Advisory Services and Oversight	3.3	3.5	5.9	4.9	13.4%	2.0%	6.3	6.4	6.6	10.5%	2.0%
Community Development	17.4	14.5	21.6	28.9	18.4%	9.6%	50.6	60.9	71.5	35.2%	17.8%
National Development Agency	144.8	83.5	161.4	166.3	4.7%	64.6%	171.7	178.3	184.4	3.5%	59.0%
Programme Management	2.4	1.2	1.6	2.0	-6.6%	0.8%	3.0	3.0	3.2	17.6%	0.9%
<b>Total</b>	<b>211.0</b>	<b>144.3</b>	<b>244.9</b>	<b>260.3</b>	<b>7.2%</b>	<b>100.0%</b>	<b>289.7</b>	<b>310.2</b>	<b>327.0</b>	<b>7.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				9.2			27.1	33.6	37.7		
<b>Current payments</b>	<b>63.2</b>	<b>57.8</b>	<b>71.7</b>	<b>88.7</b>	<b>12.0%</b>	<b>32.7%</b>	<b>81.5</b>	<b>85.2</b>	<b>85.6</b>	<b>-1.2%</b>	<b>28.7%</b>
Compensation of employees	37.8	40.4	42.9	50.2	9.9%	19.9%	57.4	60.4	64.7	8.8%	19.6%
Goods and services	25.3	17.4	28.8	38.5	15.0%	12.8%	24.0	24.7	21.0	-18.3%	9.1%
<i>of which:</i>											
<i>Consultants and professional services: Business and advisory services</i>	6.0	3.5	2.0	11.4	23.8%	2.7%	5.3	4.1	4.3	-27.7%	2.1%
<i>Operating leases</i>	0.2	0.2	0.1	0.2	-7.2%	0.1%	0.2	0.2	0.2	15.0%	0.1%
<i>Travel and subsistence</i>	9.5	6.2	10.1	8.5	-3.3%	4.0%	4.6	5.7	2.8	-31.1%	1.8%
<i>Venues and facilities</i>	2.4	2.2	4.2	7.2	43.5%	1.9%	2.9	3.6	3.1	-24.4%	1.4%

**Table 19.14 Social Policy and Integrated Service Delivery (continued)**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Transfers and subsidies</b>	<b>147.6</b>	<b>86.1</b>	<b>172.5</b>	<b>170.3</b>	<b>4.9%</b>	<b>67.0%</b>	<b>207.5</b>	<b>224.3</b>	<b>240.6</b>	<b>12.2%</b>	<b>71.0%</b>
Departmental agencies and accounts	144.8	83.5	161.4	166.3	4.7%	64.6%	171.7	178.3	184.4	3.5%	59.0%
Foreign governments and international organisations	0.6	0.4	0.9	1.0	17.6%	0.3%	1.4	1.4	1.5	16.1%	0.4%
Non-profit institutions	2.2	1.9	10.2	3.0	11.6%	2.0%	34.4	44.5	54.7	161.9%	11.5%
Households	0.0	0.2	0.1	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.3</b>	<b>0.5</b>	<b>0.6</b>	<b>1.3</b>	<b>61.9%</b>	<b>0.3%</b>	<b>0.8</b>	<b>0.7</b>	<b>0.8</b>	<b>-16.2%</b>	<b>0.3%</b>
Machinery and equipment	0.3	0.5	0.6	1.3	61.9%	0.3%	0.8	0.7	0.8	-16.2%	0.3%
<b>Total</b>	<b>211.0</b>	<b>144.3</b>	<b>244.9</b>	<b>260.3</b>	<b>7.2%</b>	<b>100.0%</b>	<b>289.7</b>	<b>310.2</b>	<b>327.0</b>	<b>7.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>			<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>		

**Details of selected transfers and subsidies**

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	144.8	83.5	161.4	166.3	4.7%	64.6%	171.7	178.3	184.4	3.5%	59.0%
National Development Agency	144.8	83.5	161.4	166.3	4.7%	64.6%	171.7	178.3	184.4	3.5%	59.0%
Non-profit institutions											
Current	2.2	1.9	10.2	3.0	11.6%	2.0%	34.4	44.5	54.7	161.9%	11.5%
National Association of People Living with HIV and AIDS	-	0.2	0.5	0.5	-	0.1%	0.5	0.6	0.6	5.6%	0.2%
Soul City	1.0	1.0	4.5	1.0	-	0.9%	1.0	1.0	1.0	1.5%	0.3%
National Association of Burial Societies of South Africa	0.4	0.5	-	-	-100.0%	0.1%	1.1	1.1	1.2	-	0.3%
Africa Institute for Community Driven Development	0.8	0.3	0.2	0.5	-12.3%	0.2%	0.6	0.6	0.6	5.5%	0.2%
FoodBank South Africa	-	-	5.0	1.0	-	0.7%	31.0	41.0	51.0	271.0%	10.4%
Population Association of Southern Africa	-	-	-	-	-	-	0.2	0.2	0.2	-	0.1%

**Personnel information****Table 19.15 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	Unit		2012/13	Unit		2013/14		Unit		2014/15				Unit		2012/13 - 2015/16
<b>Social Policy and Integrated Service Delivery</b>			Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost		
Salary level	131	7	120	42.9	0.4	132	50.2	0.4	128	57.4	0.4	129	60.4	0.5	130	64.7	0.5	-0.5%	100.0%
1-6	25	6	26	4.1	0.2	31	5.1	0.2	31	5.7	0.2	31	6.0	0.2	31	6.4	0.2	-	23.9%
7-10	58	-	49	12.0	0.2	56	15.9	0.3	49	16.3	0.3	50	17.1	0.3	51	18.4	0.4	-3.1%	39.7%
11-12	31	-	30	14.5	0.5	30	16.1	0.5	30	17.6	0.6	30	18.5	0.6	30	19.8	0.7	-	23.1%
13-16	17	1	15	12.3	0.8	15	13.0	0.9	18	17.8	1.0	18	18.7	1.0	18	20.1	1.1	6.3%	13.3%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

The bulk of spending in this programme over the medium term comprises transfer payments made to the National Development Agency to implement sustainable community driven projects that address support to non-

profit organisations for food security, employment creation and income opportunities.

Between 2012/13 and 2015/16, expenditure is expected to increase due to an additional allocation of R120 million to FoodBank South Africa to strengthen the Food for All programme in the *Community Development* subprogramme. This allocation will result in 3 million people being fed through a network of food banks operated by FoodBank South Africa by 2015/16. In order to increase awareness of the services offered by the department to communities, a series of outreach programmes were implemented between 2011/12 and 2012/13, contributing to the growth in spending in the *Community Development* subprogramme. The significant increase in expenditure on consultants in 2012/13 relates to the review of the National Development Agency, also funded within the *Community Development* subprogramme. The review of the agency had to be an independent study, and consultants were therefore appointed.

Greater focus was placed on anti-substance abuse campaigns in 2011/12, resulting in increased expenditure on the *Substance Abuse Advisory Services and Oversight* subprogramme. This will continue over the medium term. The increases in expenditure on goods and services items such as catering, venues and advertising between 2009/10 and 2012/13 relate to the non-profit organisations summit and dialogues held in 2012/13. These increases also account for the increased spending in the *Registration and Monitoring of Non Profit Organisations* subprogramme for the same year.

The 2013/14 allocation also include reductions of R12 million from the National Development Agency, and R18.7 million from non-essential goods and services items, as part of the Cabinet approved budget reductions. The decrease in expenditure on goods and services over the medium term is also explained by these reductions.

The programme has a funded establishment of 131 posts. The position of deputy director general for the programme has been vacant for more than two years, but is in the process of being filled. Appointments for some posts have been approved and are awaiting the candidates' acceptance of offers, and the remaining posts are being advertised. By 2015/16 the programme will employ 130 people.

### Subprogramme: Registration and Monitoring of Non-Profit Organisations

This subprogramme provides for the registration of non-profit organisations in terms of the Non-Profit Organisations Act (1997). By July 2012, over 100 000 non-profit organisations were registered on the Non-Profit Organisations database. A key output in 2012/13 was the development of an online registration system for non-profit organisations. Over the medium term, the focus will be on creating efficiencies in registering these organisations and investigating the feasibility of establishing a regulatory body for them.

### Expenditure estimates

Table 19.16 Registration and Monitoring of Non-Profit Organisations

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>10.9</b>	<b>12.2</b>	<b>14.1</b>	<b>22.8</b>	<b>27.7%</b>	<b>98.7%</b>	<b>19.1</b>	<b>20.0</b>	<b>20.1</b>	<b>-4.0%</b>	<b>98.9%</b>
Compensation of employees	7.6	8.6	9.3	13.0	19.4%	63.5%	15.3	16.3	17.4	10.2%	74.8%
Goods and services	3.3	3.6	4.8	9.8	43.7%	35.3%	3.8	3.7	2.7	-34.7%	24.1%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>34.1%</b>	<b>1.3%</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>5.5%</b>	<b>1.1%</b>
Machinery and equipment	0.1	0.2	0.2	0.2	34.1%	1.3%	0.2	0.2	0.2	5.5%	1.1%
<b>Total</b>	<b>11.0</b>	<b>12.5</b>	<b>14.3</b>	<b>23.0</b>	<b>27.8%</b>	<b>100.0%</b>	<b>19.3</b>	<b>20.2</b>	<b>20.4</b>	<b>-3.9%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>5.2%</b>	<b>8.6%</b>	<b>5.8%</b>	<b>8.8%</b>			<b>6.7%</b>	<b>6.5%</b>	<b>6.2%</b>		

## Personnel information

Table 19.17 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost								
Registration and Monitoring of Non-Profit Organisations		47																			
Salary level		47		5	37	9	0.3	48	13	0.3	43	15	0.4	44	16	0.4	45	17	0.4	-2.1%	100.0%
1-6	12		5	12	2	0.2	17	3	0.2	17	3	0.2	17	3	0.2	17	4	0.2	-	37.8%	
7-10	27		-	20	4.4	0.2	26	7.2	0.3	19	6.6	0.3	20	7.0	0.3	21	7.5	0.4	-6.9%	47.8%	
11-12	4		-	3	1.1	0.4	3	1.4	0.5	3	1.7	0.6	3	1.8	0.6	3	1.9	0.6	-	6.7%	
13-16	4		-	2	1.7	0.8	2	1.7	0.9	4	3.8	0.9	4	4.0	1.0	4	4.3	1.1	26.0%	7.8%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on improving the current system for registration, developing an efficient process for compliance monitoring of non-profit organisations, as well as investigating the feasibility of establishing a regulatory body for these organisations. The increased expenditure will lead to 95 per cent of non-profit organisation applications for registration being processed within 90 days by 2015/16, and to the training of 2 500 non-profit organisations on aspects of governance in accordance with the Non-Profit Organisations Act (1997).

Expenditure on goods and services increased significantly in 2012/13 due to a once-off allocation for the non-profit organisations dialogues and summit held that year. These dialogues provided a platform for government and the non-profit sector to engage with each other.

The subprogramme has a funded staff establishment of 47 posts, with no vacancies at the end of 2012/13. In 2012/13, contract workers were hired to deal with the backlog of non-profit organisation registrations. The total number of people employed on the establishment will stabilise at 45 by 2015/16.

## Public entities and other agencies

### South African Social Security Agency

#### Mandate and goals

The South African Social Security Agency Act (2004) provides for the establishment of the South African Social Security Agency, whose objectives are to ensure the effective and efficient administration, management and payment of social assistance. The core business of the agency is to administer, finance and pay social assistance transfers.

The agency's strategic goals over the medium term are to:

- improve the effectiveness and efficiency of the administration of the social assistance programme
- ensure that eligible beneficiaries receive benefits due to them
- improve the quality of service delivery
- achieve a fully integrated and automated social assistance system
- ensure that the agency is optimally capacitated for service delivery; and to decrease the incidence of payment of fraudulent grants.

Other key focus areas over the medium term include improvements to the administration of social relief of distress; and to the management information system, the call centre, and the agency's infrastructure.

## Selected performance indicators

**Table 19.18 South African Social Security Agency**

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Average cost of administering social assistance (R/beneficiary) <sup>1</sup>	Grants administration and customer services	34.08	30.23	29.30	29.80	33.44	34.10	34.31
Administration cost as a percentage of social assistance transfers budget <sup>2</sup>	Grants administration and customer services	6.9% (R5bn)	5.9% (R5.2bn)	5.5% (R5.3bn)	5.5% (R5.7bn)	5.8% (R6.6bn)	5.6% (R6.9bn)	5.4% (R7.1bn)
Number of pay points improved <sup>3</sup>	Grants administration and customer services	- <sup>3</sup>	- <sup>3</sup>	300	310	310	310	310
Number of local offices improved <sup>4</sup>	Corporate services	- <sup>4</sup>	- <sup>4</sup>	- <sup>4</sup>	30	72	72	72

1. The historical figures may vary from the 2012 ENE due to revised numbers.

2. The historical figures may vary from the 2012 ENE due to revised numbers.

3. New project that started in 2011/12.

4. New project that started in 2012/13.

## Programmes/activities/objectives

**Table 19.19 South African Social Security Agency**

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Executive management	235.0	257.4	140.4	221.5	-2.0%	3.9%	229.4	240.8	251.9	4.4%	3.6%
Corporate services	739.3	699.4	698.5	850.7	4.8%	13.8%	1 011.6	1 097.0	1 059.6	7.6%	15.3%
Finance	2 770.0	2 539.4	2 518.4	2 430.1	-4.3%	47.4%	2 542.7	2 614.6	2 658.6	3.0%	39.2%
Information technology	472.5	347.4	379.9	446.5	-1.9%	7.6%	517.5	544.8	601.2	10.4%	8.0%
Grants administration and customer services	1 140.3	1 224.5	1 448.7	1 697.6	14.2%	25.4%	2 160.8	2 240.2	2 355.0	11.5%	32.1%
Strategy and business development	21.5	22.5	21.9	37.9	20.9%	0.5%	39.9	41.0	42.2	3.7%	0.6%
Internal audit	86.8	85.8	65.8	70.9	-6.5%	1.4%	74.5	77.6	80.5	4.3%	1.2%
<b>Total expense</b>	<b>5 465.5</b>	<b>5 176.3</b>	<b>5 273.7</b>	<b>5 755.2</b>	<b>1.7%</b>	<b>100.0%</b>	<b>6 576.3</b>	<b>6 855.9</b>	<b>7 049.2</b>	<b>7.0%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 19.20 South African Social Security Agency**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>13.3</b>	<b>7.7</b>	<b>16.0</b>	<b>1.1</b>	<b>-56.2%</b>	<b>0.2%</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>8.2%</b>	<b>0.0%</b>
Sale of goods and services other than capital assets	-	0.7	0.7	0.7	-	0.0%	0.7	0.8	0.8	8.1%	0.0%
of which:											
Sales by market establishment	-	0.7	0.7	0.7	-	0.0%	0.7	0.8	0.8	8.1%	0.0%
Other non-tax revenue	13.3	7.0	15.4	0.5	-67.3%	0.2%	0.5	0.6	0.6	8.2%	0.0%
<b>Transfers received</b>	<b>5 168.9</b>	<b>5 631.4</b>	<b>6 143.7</b>	<b>6 119.8</b>	<b>5.8%</b>	<b>99.8%</b>	<b>6 311.0</b>	<b>6 577.6</b>	<b>6 840.5</b>	<b>3.8%</b>	<b>100.0%</b>
<b>Total revenue</b>	<b>5 182.2</b>	<b>5 639.1</b>	<b>6 159.7</b>	<b>6 120.9</b>	<b>5.7%</b>	<b>100.0%</b>	<b>6 312.3</b>	<b>6 578.9</b>	<b>6 841.9</b>	<b>3.8%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>5 452.9</b>	<b>5 157.0</b>	<b>5 263.5</b>	<b>5 735.2</b>	<b>1.7%</b>	<b>99.7%</b>	<b>6 554.7</b>	<b>6 833.2</b>	<b>7 025.5</b>	<b>7.0%</b>	<b>99.7%</b>
Compensation of employees	1 563.5	1 623.5	1 781.6	2 018.1	8.9%	32.2%	2 385.4	2 526.1	2 664.4	9.7%	36.5%
Goods and services	3 835.7	3 472.3	3 417.2	3 651.5	-1.6%	66.4%	4 104.2	4 238.7	4 299.4	5.6%	62.2%
of which:											
Agency and support/outsourced services	100.7	86.6	94.1	92.7	-2.7%	1.7%	147.6	155.5	162.1	20.5%	2.3%
Consultants and professional services	64.8	68.5	49.3	78.3	6.5%	1.2%	71.8	89.3	97.1	7.4%	1.3%
Payment contractors	2 439.8	2 232.2	2 203.7	2 091.6	-5.0%	41.5%	2 040.0	2 074.0	2 157.0	1.0%	30.6%
Communication	103.1	102.0	90.7	93.5	-3.2%	1.8%	115.6	121.2	126.1	10.5%	1.8%
Computer services	255.2	254.5	202.2	387.0	14.9%	5.0%	496.2	522.0	544.6	12.1%	7.6%
Travel and subsistence	77.4	84.6	57.6	90.0	5.1%	1.4%	95.6	100.3	104.3	5.0%	1.5%
Depreciation	51.5	59.4	63.8	64.8	7.9%	1.1%	64.3	67.5	60.7	-2.1%	1.0%
Interest, dividends and rent on land	2.2	1.8	0.9	0.8	-27.7%	0.0%	0.9	0.9	0.9	4.8%	0.0%
<b>Transfers and subsidies</b>	<b>12.5</b>	<b>19.3</b>	<b>10.2</b>	<b>20.0</b>	<b>16.9%</b>	<b>0.3%</b>	<b>21.6</b>	<b>22.7</b>	<b>23.7</b>	<b>5.9%</b>	<b>0.3%</b>
<b>Total expenses</b>	<b>5 465.5</b>	<b>5 176.3</b>	<b>5 273.7</b>	<b>5 755.2</b>	<b>1.7%</b>	<b>100.0%</b>	<b>6 576.3</b>	<b>6 855.9</b>	<b>7 049.2</b>	<b>7.0%</b>	<b>100.0%</b>
<b>Surplus / (Deficit)</b>	<b>(283.0)</b>	<b>463.0</b>	<b>886.0</b>	<b>366.0</b>	<b>-209.0%</b>		<b>(264.0)</b>	<b>(277.0)</b>	<b>(207.0)</b>	<b>-182.7%</b>	

**Table 19.20 South African Social Security Agency (continued)**

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16			2012/13 - 2015/16
R million												
Carrying value of assets	508.2	450.6	476.5	442.0	-4.5%	53.0%	391.4	365.6	349.0	-7.6%	30.8%	
<i>of which:</i>												
<i>Acquisition of assets</i>	86.6	23.3	92.8	5.6	-59.9%	6.3%	5.6	5.6	5.6	-0.0%	0.5%	
Inventory	14.9	13.7	8.8	22.6	14.9%	1.6%	9.9	10.0	10.0	-23.7%	1.0%	
Receivables and prepayments	20.3	34.6	32.8	33.4	18.1%	3.2%	38.2	40.1	42.0	7.9%	3.2%	
Cash and cash equivalents	9.3	199.0	1 039.6	1 265.8	414.0%	42.2%	978.8	712.3	518.3	-25.7%	65.1%	
<b>Total assets</b>	<b>552.6</b>	<b>698.0</b>	<b>1 557.7</b>	<b>1 763.8</b>	<b>47.2%</b>	<b>100.0%</b>	<b>1 418.2</b>	<b>1 128.0</b>	<b>919.2</b>	<b>-19.5%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	(600.3)	(137.5)	748.4	1 114.1	-222.9%	-4.3%	850.0	573.0	365.7	-31.0%	53.4%	
Borrowings	310.8	-	-	-	-100.0%	14.1%	-	-	-	-	-	
Managed funds (e.g. poverty alleviation fund)	3.7	2.5	3.4	3.4	-2.4%	0.4%	3.5	3.6	3.6	1.7%	0.3%	
Trade and other payables	491.8	511.1	388.8	250.0	-20.2%	50.3%	122.5	109.8	106.9	-24.7%	11.0%	
Provisions	346.6	321.9	417.1	396.3	4.6%	39.5%	442.2	441.6	443.1	3.8%	35.2%	
<b>Total equity and liabilities</b>	<b>552.6</b>	<b>698.0</b>	<b>1 557.7</b>	<b>1 763.8</b>	<b>47.2%</b>	<b>100.0%</b>	<b>1 418.2</b>	<b>1 128.0</b>	<b>919.2</b>	<b>-19.5%</b>	<b>100.0%</b>	

## Personnel information

**Table 19.21 South African Social Security Agency**

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	9 727	385	8 437	781.6	0.2	9 342	018.1	0.2	9 910	2 385.4	0.2	9 910	2 525.6	0.3	9 910	2 664.3	0.3	2.0%	100.0%
1 – 6	6 491	341	5 326	793.3	0.1	6 150	759.9	0.1	6 674	1 120.1	0.2	6 674	1 186.4	0.2	6 674	1 266.6	0.2	2.8%	67.0%
7 – 10	2 552	39	2 458	613.5	0.2	2 513	842.3	0.3	2 552	771.8	0.3	2 552	817.0	0.3	2 552	851.5	0.3	0.5%	26.0%
11 – 12	478	4	458	233.7	0.5	474	259.9	0.5	478	286.6	0.6	478	303.5	0.6	478	320.5	0.7	0.3%	4.9%
13 – 16	206	1	195	141.1	0.7	205	156.0	0.8	206	206.9	1.0	206	218.6	1.1	206	225.6	1.1	0.2%	2.1%

1. Rand million.

## Expenditure trends

Both the spending and strategic focus of the South African Social Security Agency over the medium term remains the administration and payment of social grants. The bulk of the budget goes towards payments to cash contractors, who are hired by the agency to disburse social grants to beneficiaries. The second largest allocation on the budget is on personnel expenditure. These two items on average make up 37 per cent and 32 per cent of the total budget over the medium term. Included in the budget under goods and services are allocations for projects aimed at improving the manner in which services are provided to social grant beneficiaries. These include improvements to the condition of the infrastructure at pay points, and aim to ensure that grant beneficiaries are provided services under humane conditions. The target is to improve 310 pay points and 72 local offices each year. Other projects include automation, which aims to achieve efficiency in service delivery through the improvement of the turnaround time for grant approval. The aim is to process all new grant applications within 21 working days from the time of application. The agency also intends to strengthen the authentication and authorisation of social pension system personnel by implementing a biometrics system as an additional measure to reduce fraud. These interventions contribute to the expected growth in the IT programme over the medium term.



Expenditure in the grants administration and customer services programme over the medium term is largely driven by spending on personnel, and the statutory requirements that the agency is obliged to meet. The Social Assistance Act (2004) requires the agency to perform certain activities in relation to the administration of grants, such as the review of the status of grant beneficiaries. The purpose of reviews and life certifications is to ensure the continued eligibility of beneficiaries for social grants, and to ensure that they are still alive. Another significant allocation goes to the assessment fees that are paid to medical practitioners who are contracted to perform medical assessments on those intending to apply for disability related grants. These assessments are conducted to ensure that the persons who are approved to receive disability grants are indeed eligible for them. The budget also provides for an allocation that is focused on improving access to grants by citizens living in remote rural areas. This will be achieved under the integrated community registration outreach programme. All this expenditure is reflected under goods and services.

Spending in the finance programme mainly comprises payment of contractor fees for the payment of social grants. Expenditure decreases over the medium term as a result of the new payment contract. The cost of paying out social grants has been reduced from an average of R32 to a standard fee of R16. Linked to the new payment system is the re-registration of all social grants beneficiaries throughout the country on the agency's new payment system. This process involves capturing the personal data and biometric information of beneficiaries, including all 10 finger prints and a photograph, and issuing them with a South African Social Security Agency card. This new payment solution will enable the agency to have a solid database of all beneficiaries. An advantage for beneficiaries is that they will now also be able to receive their grants anywhere in the country, unlike in the past where they only had access to their grants at their local pay points. This project resulted in increased expenditure in goods and services in 2012/13.

The increases in spending on compensation of employees over the medium term are mainly the result of vacant critical posts being filled following a 2011/12 investigation, which revealed that the agency was experiencing service delivery problems as there was no standard capacity model for all local offices. The investigation revealed that a total of 648 critical posts will need to be filled over the medium term. The agency has a funded staff establishment of 9 727 posts. As at 30 December 2012, 9 342 posts were filled, resulting in 385 vacancies as a result of a moratorium the agency had placed on filling posts until its deficit had been cleared. Now that the agency has cleared the deficit and built up some savings, additional people will be employed. The vacant posts were prevalent in levels 1-6 and 7-10. The number of people employed will reach 9 910 in 2013/14. In this regard, R360.5 million is reprioritised from goods and services in 2013/14 to spend on compensation of employees for the planned acquisition of human capital, particularly at district and local offices. This will see the agency expand its services to remote rural areas and improve the delivery of services to grant beneficiaries in general. The agency has also taken a strategic decision that the ratio of support staff to line staff will be 1:4, meaning that the majority of posts to be filled will be at local offices that deal with the day-to-day administration of social grants.

The use of consultants accounts for 1 per cent of the total budget. Currently, consulting services are used in the area of enterprise resource planning, and over the medium term, consultants will be used for the development of the new payment model. An advisory panel will be established to do this, and will be paid from the budget item for consultants.

As a result of cost containment measures and other interventions, an accumulated overdraft of R839.4 million at the end of 2008/09 has now been cleared, and the agency had a net surplus of R747.8 million in 2011/12.

## **Other public entities and agencies**

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **National Development Agency** grants funds to civil society organisations for development projects for poor communities and for strengthening the institutional capacity of other civil society organisations that provide services to poor communities. It also promotes consultation and dialogue between civil society and the state, debates policy development and does research. The agency's total budget for 2013/14 is R180 million.



# Vote 20

## Sport and Recreation South Africa

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	124.4	122.1	0.1	2.2	131.3	137.1
Sport Support Services	214.6	55.4	159.2	–	228.7	239.2
Mass Participation	553.5	55.9	497.6	–	584.7	611.9
International Liaison and Events	171.8	15.8	156.0	–	13.7	14.4
Facilities Coordination	9.3	9.3	–	–	9.6	10.1
<b>Total expenditure estimates</b>	<b>1 073.5</b>	<b>258.4</b>	<b>812.9</b>	<b>2.2</b>	<b>968.0</b>	<b>1 012.7</b>

Executive authority Minister of Sport and Recreation South Africa  
 Accounting officer Director General of Sport and Recreation South Africa  
 Website address [www.srsa.gov.za](http://www.srsa.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Maximise access, development and excellence at all levels of participation in sport and recreation to improve social cohesion, nation building and the quality of life of all South Africans.*

### Mandate

The department is established in terms of the Public Service Act (1994). Its legal mandate is mainly derived from the National Sport and Recreation Act (1998), which requires it to oversee the development and management of sport and recreation in South Africa. The act also provides the framework for relationships between the department and its external clients. This includes the department's partnership with the South African Sports Confederation and Olympic Committee, which is key to improving South Africa's international ranking in selected sports. The act also ensures that South Africa contributes to sport, physical education and social development by legislating on sports participation as well as on sports infrastructure.

### Strategic goals

The department's key strategic goals over the medium term are to:

- increase citizens' access to sport and recreation activities
- oversee the transformation of the sport and recreation sector
- ensure that more athletes achieve international success
- develop enabling mechanisms to support sport and recreation
- ensure that sport and recreation are used as a tool to support social cohesion.

## Programme purposes

### Programme 1: Administration

**Purpose:** Management, strategic and administrative support services.

### Programme 2: Sport Support Services

**Purpose:** Support recognised sport and recreation bodies and public entities, and monitor and report on their performance.

### Programme 3: Mass Participation

**Purpose:** Create an enabling environment and provide support to increase the number of participants in sport and recreation in South Africa.

### Programme 4: International Liaison and Events

**Purpose:** Coordinate bilateral and multilateral sport and recreation relations with international partners, and support the hosting of identified major events and sports tourism.

### Programme 5: Facilities Coordination

**Purpose:** Facilitate the provision and management of sustainable sport and recreation facilities.

## Selected performance indicators

**Table 20.1 Sport and Recreation South Africa**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of sport and recreation bodies receiving financial support per year	Sport Support Services	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	62	61	54	70	60	60	60
Number of participants in sport promotion projects managed by Sport and Recreation South Africa per year <sup>1</sup>	Mass Participation		12 165	31 143	28 008	42 000	25 000	27 000	29 000
Number of South African schools national championships hosted	Mass Participation		1	1	1	1	1	1	1
Number of major international events receiving intra-governmental support per year	International Liaison and Events		9	9	9	10	5	5	5

*1. The targets for the MTEF period are significantly lower than the current and historical years, as this indicator currently measures both participants and spectators involved in the sport promotion projects. From 2013/14, it will only count participants.*

## The national development plan

The national development plan recognises that sport plays an important role in promoting nation building, social cohesion and a healthy lifestyle. The department will therefore continue to make participation opportunities and facilities available to all sectors of society in an effort to use sport and recreation to transform society and unite the country. Sport and recreation related opportunities will be provided indirectly through financial support to national federations, and directly by offering opportunities for participation in sport promotion projects managed by the department. Some of these are the national youth camp, the national indigenous games tournament, and the Active Aging and Sport for Social Change and Development events.

The plan specifically encourages school sport, which is viewed as an integral part of the holistic development of the learner. In partnership with the Department of Basic Education, the department has re-introduced school sport. The two departments continue to co-host the annual South African schools national championships in an updated format that focuses on the top performing schools and the most talented learners.

## Expenditure estimates

Table 20.2 Sport and Recreation South Africa

Programme	Audited outcome			Adjusted appropriation 2012/13	Revised estimate	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12					2013/14	2014/15	2015/16		
	R million											
Administration	80.1	90.8	101.8	108.1	98.6	7.2%	6.2%	124.4	131.3	137.1	11.6%	12.0%
Sport Support Services	122.7	109.2	178.1	189.8	189.8	15.7%	10.0%	214.6	228.7	239.2	8.0%	21.3%
Mass Participation	452.4	470.8	479.0	529.1	524.6	5.1%	32.2%	553.5	584.7	611.9	5.3%	55.5%
International Liaison and Events	7.6	14.5	47.7	230.9	230.9	212.6%	5.0%	171.8	13.7	14.4	-60.4%	10.5%
Facilities Coordination	5.9	7.2	4.0	5.3	3.5	-16.1%	0.3%	9.3	9.6	10.1	42.9%	0.8%
2010 FIFA World Cup Unit	2 197.9	559.6	-	-	-	-100.0%	46.1%	-	-	-	-	-
<b>Total</b>	<b>2 866.4</b>	<b>1 252.0</b>	<b>810.6</b>	<b>1 063.1</b>	<b>1 047.3</b>	<b>-28.5%</b>	<b>100.0%</b>	<b>1 073.5</b>	<b>968.0</b>	<b>1 012.7</b>	<b>-1.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				214.7	198.9			159.6	0.4	0.6		
<b>Economic classification</b>												
<b>Current payments</b>	<b>208.4</b>	<b>179.5</b>	<b>193.6</b>	<b>247.5</b>	<b>231.7</b>	<b>3.6%</b>	<b>13.6%</b>	<b>258.4</b>	<b>270.7</b>	<b>283.6</b>	<b>7.0%</b>	<b>25.5%</b>
Compensation of employees	61.3	70.6	73.1	88.6	74.7	6.8%	4.7%	97.9	103.0	106.9	12.7%	9.3%
Goods and services	147.0	108.9	120.5	158.9	157.0	2.2%	8.9%	160.5	167.6	176.7	4.0%	16.1%
of which:												
Contractors	50.0	25.7	28.7	56.3	55.5	3.6%	2.7%	59.1	61.7	60.5	2.9%	5.8%
Operating leases	1.8	4.9	6.6	9.0	9.0	71.8%	0.4%	17.2	19.0	19.5	29.4%	1.6%
Travel and subsistence	40.9	30.7	36.4	44.2	43.2	1.8%	2.5%	36.2	37.5	40.5	-2.1%	3.8%
Venues and facilities	7.6	8.5	12.2	12.1	12.1	16.8%	0.7%	9.5	10.1	12.7	1.8%	1.1%
Interest and rent on land	0.1	-	-	-	-	-100.0%	0.0%	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 653.1</b>	<b>1 067.3</b>	<b>615.8</b>	<b>812.7</b>	<b>812.7</b>	<b>-32.6%</b>	<b>86.2%</b>	<b>812.9</b>	<b>695.2</b>	<b>726.9</b>	<b>-3.7%</b>	<b>74.3%</b>
Provinces and municipalities	2 570.9	939.0	452.0	592.8	592.8	-38.7%	76.2%	617.6	525.6	549.8	-2.5%	55.7%
Departmental agencies and accounts	9.9	12.3	21.8	18.4	18.4	23.1%	1.0%	20.6	22.9	24.0	9.3%	2.1%
Foreign governments and international organisations	15.0	40.0	16.7	-	-	-100.0%	1.2%	-	-	-	-	-
Non-profit institutions	57.3	76.1	125.3	201.5	201.5	52.0%	7.7%	174.7	146.6	153.0	-8.8%	16.5%
Households	-	0.0	0.1	-	-	-	0.0%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>4.8</b>	<b>5.1</b>	<b>1.2</b>	<b>3.0</b>	<b>3.0</b>	<b>-14.8%</b>	<b>0.2%</b>	<b>2.2</b>	<b>2.2</b>	<b>2.3</b>	<b>-8.7%</b>	<b>0.2%</b>
Machinery and equipment	4.7	4.6	1.0	2.5	2.5	-19.0%	0.2%	2.2	2.2	2.3	-2.9%	0.2%
Heritage assets	0.2	-	-	0.5	0.5	49.4%	0.0%	-	-	-	-100.0%	0.0%
Software and other intangible assets	0.0	0.5	0.2	-	-	-100.0%	0.0%	-	-	-	-	-
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 866.4</b>	<b>1 252.0</b>	<b>810.6</b>	<b>1 063.1</b>	<b>1 047.3</b>	<b>-28.5%</b>	<b>100.0%</b>	<b>1 073.5</b>	<b>968.0</b>	<b>1 012.7</b>	<b>-1.1%</b>	<b>100.0%</b>

## Personnel information

Table 20.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
<b>Sport and Recreation South Africa</b>																			
<b>Salary level</b>	<b>208</b>	<b>34</b>	<b>168</b>	<b>73.1</b>	<b>0.4</b>	<b>198</b>	<b>84.9</b>	<b>0.4</b>	<b>240</b>	<b>94.2</b>	<b>0.4</b>	<b>239</b>	<b>99.3</b>	<b>0.4</b>	<b>239</b>	<b>103.5</b>	<b>0.4</b>	<b>6.5%</b>	<b>100.0%</b>
1 – 6	50	-	39	6.5	0.2	38	6.8	0.2	49	8.4	0.2	49	8.7	0.2	49	9.5	0.2	8.8%	20.2%
7 – 10	92	27	67	23.7	0.4	93	28.1	0.3	119	34.6	0.3	119	37.1	0.3	119	38.5	0.3	8.6%	49.1%
11 – 12	38	4	37	20.7	0.6	40	23.0	0.6	42	23.1	0.5	42	24.3	0.6	42	25.0	0.6	1.6%	18.1%
13 – 16	28	3	25	22.2	0.9	27	26.9	1.0	30	28.1	0.9	29	29.3	1.0	29	30.4	1.0	2.4%	12.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on making transfers of the mass participation and sport development grant to increase participation in various sporting codes, by supporting school sport, club development and sport hubs.

Expenditure decreased significantly in 2010/11 and 2011/12 after the completion of the 2010 FIFA World Cup stadiums in 2010/11 and the successful hosting of the tournament in June 2010. The 31 per cent increase in spending in 2012/13 was due to the once-off additional allocation for the 2013 Africa Cup of Nations.

As at 30 September 2012, the department had a funded establishment of 208 posts and 34 posts additional to the establishment, most of which are to assist with the establishment and maintenance of school sport leagues. The department had 43 vacancies, which it has delayed filling until the redeployment and re-skilling of support staff within the department to improve the current ratio of support to line function staff of 3:1 has been finalised. The vacant posts will be filled in 2013/14. Consultants are primarily used for the scientific support provided to athletes for the Olympics and Paralympics and the implementation of school sport programmes. Spending on consultants is equivalent to 3 per cent of compensation of employees in 2012/13. Expenditure on consultants is expected to increase due to an expected rise in activities related to school sport over the medium term.

The department receives additional allocations over the MTEF period of R160.9 million in 2013/14, R3 million in 2014/15, and R4.7 million in 2015/16:

- R2.5 million in 2013/14 to host the 2014 African Nations Championship
- R120 million in 2013/14 for the conditional grant to host cities for the 2014 African Nations Championship
- R36 million in 2013/14 for the 2014 African Nations Championship local organising committee
- R9.2 million over the medium term for improved conditions of service in the department
- R566 000 over the medium term for improved conditions of service for Boxing South Africa
- R319 000 over the medium term for improved conditions of service for the South African Institute for Drug Free Sport.

There is also a once-off allocation in 2012/13 for the hosting of the 2013 Africa Cup of Nations. This together with the allocations for the 2014 African Nations Championship account for the fluctuating trend in the *International Liaison and Events* programme.

The department has reprioritised R11.4 million over the medium term in efficiency savings in the *Administration* programme. A portion of this has been shifted internally within the programme to the internal audit function and the balance transferred to the *Sport Support Services* programme to increase support to sport federations and public entities. Cabinet approved baseline reductions of R8 million over the medium term are also made, the details of which are discussed in the relevant programmes.

## Departmental receipts

Table 20.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
<b>Departmental receipts</b>	<b>6 086</b>	<b>271</b>	<b>318</b>	<b>432</b>	<b>127</b>	<b>-72.5%</b>	<b>100.0%</b>	<b>277</b>	<b>331</b>	<b>385</b>	<b>44.7%</b>	<b>100.0%</b>
Sales of goods and services produced by department	55	56	54	60	55	-	3.2%	62	64	66	6.3%	22.1%
Other sales of which:	55	56	54	60	55	-	3.2%	62	64	66	6.3%	22.1%
Rental parking: Covered and open	55	56	54	60	55	-	3.2%	62	64	66	6.3%	22.1%
Transfers received	5 900	-	-	-	-	-100.0%	86.7%	-	-	-	-	-
Interest, dividends and rent on land	13	3	2	17	-	-100.0%	0.3%	5	6	7	-	1.6%
Interest	13	3	2	17	-	-100.0%	0.3%	5	6	7	-	1.6%
Sales of capital assets	54	-	-	60	-	-100.0%	0.8%	60	61	62	-	16.3%
Transactions in financial assets and liabilities	64	212	262	295	72	4.0%	9.0%	150	200	250	51.4%	60.0%
<b>Total</b>	<b>6 086</b>	<b>271</b>	<b>318</b>	<b>432</b>	<b>127</b>	<b>-72.5%</b>	<b>100.0%</b>	<b>277</b>	<b>331</b>	<b>385</b>	<b>44.7%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 20.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
Ministry	16.5	18.4	28.4	22.5	10.9%	22.6%	19.4	20.4	22.0	-0.7%	16.8%	
Management	3.8	6.1	7.7	8.8	32.5%	6.9%	8.7	9.2	9.7	3.3%	7.3%	
Strategic and Executive Support	3.3	4.5	5.0	4.8	13.4%	4.6%	6.3	6.6	7.0	13.3%	4.9%	
Corporate Services	37.0	36.2	35.7	40.2	2.8%	39.2%	44.7	46.4	47.7	5.8%	35.7%	
Office of the Chief Financial Officer	15.4	16.2	14.9	16.2	1.8%	16.5%	19.2	20.3	20.7	8.4%	15.3%	
Internal Audit	2.9	3.5	4.7	5.0	19.7%	4.2%	6.4	6.8	7.8	16.2%	5.2%	
Office Accommodation	1.2	6.0	5.4	10.5	108.3%	6.0%	19.6	21.7	22.2	28.4%	14.8%	
<b>Total</b>	<b>80.1</b>	<b>90.8</b>	<b>101.8</b>	<b>108.1</b>	<b>10.5%</b>	<b>100.0%</b>	<b>124.4</b>	<b>131.3</b>	<b>137.1</b>	<b>8.3%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(5.1)			(0.3)	(0.5)	(0.8)			
<b>Economic classification</b>												
<b>Current payments</b>	<b>77.9</b>	<b>88.9</b>	<b>100.5</b>	<b>105.5</b>	<b>10.6%</b>	<b>97.9%</b>	<b>122.1</b>	<b>129.1</b>	<b>134.7</b>	<b>8.5%</b>	<b>98.1%</b>	
Compensation of employees	41.8	48.5	53.9	60.5	13.1%	53.8%	66.7	70.1	72.2	6.1%	53.8%	
Goods and services	36.0	40.4	46.6	45.0	7.7%	44.1%	55.5	59.0	62.5	11.6%	44.3%	
of which:												
Contractors	1.8	2.9	2.5	1.2	-11.6%	2.2%	3.8	4.5	4.6	55.6%	2.8%	
Operating leases	1.8	4.9	6.6	9.0	72.0%	5.8%	17.2	19.0	19.5	29.4%	12.9%	
Travel and subsistence	10.2	11.2	17.9	12.7	7.4%	13.7%	10.1	11.9	11.5	-3.2%	9.2%	
Venues and facilities	0.8	0.6	0.6	1.0	6.5%	0.8%	1.0	1.1	1.4	13.7%	0.9%	
Interest and rent on land	0.1	-	-	-	-100.0%	-	-	-	-	-	-	
<b>Transfers and subsidies</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.1</b>	<b>4.3%</b>	<b>0.1%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>5.1%</b>	<b>0.1%</b>	
Departmental agencies and accounts	0.1	0.1	0.1	0.1	4.3%	0.1%	0.1	0.1	0.1	5.1%	0.1%	
Households	-	-	0.1	-	-	-	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>2.0</b>	<b>1.7</b>	<b>1.2</b>	<b>2.5</b>	<b>6.7%</b>	<b>1.9%</b>	<b>2.2</b>	<b>2.2</b>	<b>2.3</b>	<b>-2.9%</b>	<b>1.8%</b>	
Machinery and equipment	1.9	1.2	1.0	2.5	9.8%	1.7%	2.2	2.2	2.3	-2.9%	1.8%	
Heritage assets	0.2	-	-	-	-100.0%	-	-	-	-	-	-	
Software and other intangible assets	0.0	0.5	0.2	-	-100.0%	0.2%	-	-	-	-	-	
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>80.1</b>	<b>90.8</b>	<b>101.8</b>	<b>108.1</b>	<b>10.5%</b>	<b>100.0%</b>	<b>124.4</b>	<b>131.3</b>	<b>137.1</b>	<b>8.3%</b>	<b>100.0%</b>	
Proportion of total programme expenditure to vote expenditure	2.8%	7.3%	12.6%	10.2%			11.6%	13.6%	13.5%			

### Personnel information

Table 20.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Administration</b>																			
Salary level	151	4	118	53.9	0.5	118	57.0	0.5	155	63.0	0.4	155	66.9	0.4	155	69.4	0.4	9.5%	100.0%
1-6	40	-	30	4.9	0.2	29	5.5	0.2	40	6.4	0.2	40	6.7	0.2	40	7.3	0.2	11.3%	25.6%
7-10	65	2	45	17.1	0.4	45	16.3	0.4	67	20.8	0.3	67	22.8	0.3	67	23.6	0.4	14.2%	42.2%
11-12	27	-	26	15.8	0.6	26	16.6	0.6	27	15.8	0.6	27	16.4	0.6	27	16.9	0.6	1.3%	18.4%
13-16	19	2	17	16.1	0.9	18	18.5	1.0	21	20.1	1.0	21	20.9	1.0	21	21.7	1.0	5.3%	13.9%

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

2. Rand million.

3. As at 30 September 2012.

### Expenditure trends

The bulk of the programme's spending over the medium term goes towards spending on compensation of employees and operating leases in order to allow the programme to provide the administrative backbone the department needs to deliver on its mandate. Spending on operating leases increases significantly across the seven-year period, particularly between 2010/11 and 2012/13, as a result of an additional allocation for the increased lease fees for office accommodation. The programme's spending on travel and subsistence, which relates mainly to attendance at major international and national sport events and meetings, increased by

58.9 per cent in 2011/12. This was due to the costs for travel to events such as the 2011 Rugby World Cup in New Zealand and the 2011 All Africa Games in Mozambique.

Over the medium term, spending reductions of R5.8 million are made on compensation of employees as part of the Cabinet approved budget reductions.

The programme receives additional allocations of R6.3 million for salary adjustments for improved conditions of service. As a result, spending on compensation of employees is expected to increase marginally from R60.5 million to R72.2 million despite the department increasing its personnel posts over the medium term.

The programme had 37 vacancies as at 30 September 2012, which the department has delayed filling until the finalisation of the redeployment and re-skilling of support staff within the department to improve the current ratio of support to line function staff. The department expects to fill all critical vacant positions over the medium term, particularly the position of director of finance. Spending on consultants is equivalent to 1.7 per cent of expenditure on compensation of employees in 2012/13. Consultants mainly provide legal services, external auditing investigations, and audio visual services.

## **Programme 2: Sport Support Services**

### **Objectives**

- Increase active participation in sport and recreation to promote physical wellbeing, foster social cohesion and contribute to nation building by providing financial support to at least 60 identified sport and recreation bodies in 2013/14, and by monitoring the use of this financial support to ensure that the objectives are being achieved.
- Sustain sport promotion at community level by developing and implementing a club system in conjunction with national federations in 2013/14.
- Empower the sport and recreation human resource base by supporting at least 8 national federations to develop training programmes for administrators in 2013/14.
- Promote high performance sport by supporting, monitoring and evaluating services delivered by the South African Sports Confederation and Olympic Committee in preparing and delivering Team South Africa to be selected for multi-coded international events each year.
- Promote drug free sport by providing financial support to the South African Institute for Drug Free Sport annually to ensure that compliance with the World Anti-Doping Agency code is adhered to.

### **Subprogrammes**

- *Programme Management: Sport Support Services* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 3 in 2012/13.
- *Sport and Recreation Service Providers* transfers funds to sport and recreation bodies, most of which are national federations; monitors the use of these funds in line with service level agreements signed between the national federations and the department; oversees the implementation of transformation programmes in line with the sports transformation charter and scorecard; monitors governance and sports development; and administers transfers made to Boxing South Africa. In 2013/14, R97 million will be transferred to the national federations in two parts: guaranteed funding, which is mainly for administration; and conditional funding, which will constitute the bulk of the funding to address issues of governance, transformation and performance. This subprogramme had a staff complement of 5 in 2012/13.
- *Club Development and Support* facilitates the establishment and development of clubs in collaboration with selected sport federations by providing standardised documentation and expertise regarding club governance. In 2013/14, R6 million will be used for the development and implementation of a club system in which clubs are graded so that they can be supported accordingly. Key outputs in 2013 include: conducting a comprehensive audit of clubs in 17 of the 60 national federations supported, to determine what their primary needs are, developing a system to classify and grade clubs, and providing support and



development to clubs on the basis of an amended franchise system. This subprogramme had a staff complement of 3 in 2012/13.

- *Education and Training* contributes to the national priority of human empowerment through education and training, and aligns its objectives with the aims of the Culture, Arts, Tourism, Hospitality and Sport Sector Education and Training Authority to ensure the provision of quality skills development initiatives. In 2013/14, this component will lead the process of formulating and administering a sector skills framework for sport and recreation, assist in developing sports specific unit standards, and facilitate joint funding with the training authority for priority skills training. This subprogramme had a staff complement of 3 in 2012/13.
- *Scientific Support* supports the South African Sports Confederation and Olympic Committee to implement measures to assist athletes who succeed at the national competition level to develop into elite athletes. In 2013/14, programmes catering for the specific needs of athletes and coaches will be employed, supported by a comprehensive research programme where financial support will be provided to address identified research topics. Financial support will continue to be given to the South African Institute for Drug Free Sport to ensure compliance with the World Anti-Doping Agency code. A talent identification and development strategy will be developed and implemented over the medium term at a cost of R90 million. This will involve employing district mobile units for field testing and talent tracking in schools, supporting sport focus schools, and establishing a holistic academy system where talented athletes will be able to access medical, nutritional, psychological and sports science services to further their development. This subprogramme had a staff complement of 4 in 2012/13.

## Expenditure estimates

**Table 20.7 Sport Support Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million												
Programme Management: Sport Support Services	1.4	2.4	2.9	2.4	20.8%	1.5%	3.4	2.9	3.5	13.5%	1.4%	
Sport and Recreation Service Providers	64.3	68.6	128.7	121.9	23.8%	64.0%	141.8	151.1	159.4	9.3%	65.8%	
Club Development and Support	12.7	1.3	4.0	5.4	-24.7%	3.9%	6.2	7.5	7.0	9.0%	3.0%	
Education and Training	18.3	2.9	2.5	4.4	-37.8%	4.7%	4.7	4.9	4.1	-2.7%	2.1%	
Scientific Support	26.0	34.0	40.1	55.6	28.8%	26.0%	58.5	62.4	65.2	5.4%	27.7%	
<b>Total</b>	<b>122.7</b>	<b>109.2</b>	<b>178.1</b>	<b>189.8</b>	<b>15.7%</b>	<b>100.0%</b>	<b>214.6</b>	<b>228.7</b>	<b>239.2</b>	<b>8.0%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				2.5			0.6	0.4	(0.1)			
<b>Economic classification</b>												
<b>Current payments</b>	<b>55.5</b>	<b>35.9</b>	<b>41.1</b>	<b>53.9</b>	<b>-1.0%</b>	<b>31.1%</b>	<b>55.4</b>	<b>59.3</b>	<b>62.3</b>	<b>4.9%</b>	<b>26.5%</b>	
Compensation of employees	5.4	6.7	7.9	7.8	13.0%	4.6%	9.3	9.1	9.6	7.3%	4.1%	
Goods and services	50.2	29.1	33.2	46.2	-2.7%	26.4%	46.1	50.2	52.6	4.5%	22.4%	
of which:												
Contractors	35.8	20.5	24.1	30.9	-4.7%	18.6%	28.8	29.4	27.0	-4.4%	13.3%	
Travel and subsistence	11.3	4.7	4.7	7.3	-13.5%	4.7%	7.9	8.7	11.7	17.2%	4.1%	
Venues and facilities	0.7	2.0	1.4	3.0	66.5%	1.2%	3.6	4.3	5.3	21.2%	1.9%	
<b>Transfers and subsidies</b>	<b>67.1</b>	<b>73.3</b>	<b>137.0</b>	<b>135.9</b>	<b>26.5%</b>	<b>68.9%</b>	<b>159.2</b>	<b>169.5</b>	<b>177.0</b>	<b>9.2%</b>	<b>73.5%</b>	
Departmental agencies and accounts	9.8	12.3	21.7	18.3	23.2%	10.4%	20.6	22.8	24.0	9.4%	9.8%	
Non-profit institutions	57.3	61.1	115.3	117.5	27.0%	58.6%	138.7	146.6	153.0	9.2%	63.7%	
Payments for financial assets	0.0	-	-	-	-100.0%	-	-	-	-	-	-	
<b>Total</b>	<b>122.7</b>	<b>109.2</b>	<b>178.1</b>	<b>189.8</b>	<b>15.7%</b>	<b>100.0%</b>	<b>214.6</b>	<b>228.7</b>	<b>239.2</b>	<b>8.0%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>4.3%</b>	<b>8.7%</b>	<b>22.0%</b>	<b>17.9%</b>			<b>20.0%</b>	<b>23.6%</b>	<b>23.6%</b>			

Table 20.7 Sport Support Services (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	9.8	12.3	21.7	18.3	23.2%	10.4%	20.6	22.8	24.0	9.4%	9.8%
Boxing South Africa	3.1	2.2	10.1	5.1	18.3%	3.4%	6.6	7.9	8.4	17.8%	3.2%
South African Institute for Drug Free Sport	6.7	10.0	11.6	13.2	25.3%	6.9%	14.0	14.9	15.6	5.7%	6.6%
<b>Non-profit institutions</b>											
<b>Current</b>	57.3	61.1	115.3	117.5	27.0%	58.6%	138.7	146.6	153.0	9.2%	63.7%
loveLife	27.5	28.7	30.4	32.2	5.5%	19.8%	33.7	35.3	36.6	4.3%	15.8%
Sport federations	29.9	32.4	84.9	77.8	37.6%	37.5%	97.0	102.9	107.6	11.4%	44.2%
South African Sports Confederation and Olympic Committee	-	-	-	7.5	-	1.3%	8.0	8.4	8.8	5.5%	3.7%

## Personnel information

Table 20.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Sport Support Services	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)
			2011/12	Unit Cost		2012/13		Unit Cost		2013/14			2014/15			2015/16			
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>Sport Support Services</b>			21	7.9	0.4	20	7.8	0.4	20	9.2	0.5	20	9.1	0.5	20	9.6	0.5	-	100.0%
<b>Salary level</b>	21	1	21	7.9	0.4	20	7.8	0.4	20	9.2	0.5	20	9.1	0.5	20	9.6	0.5	-	100.0%
1-6	4	-	4	0.7	0.2	4	0.6	0.1	4	1.0	0.2	4	1.0	0.3	4	1.2	0.3	-	20.0%
7-10	10	-	10	2.9	0.3	10	2.4	0.2	10	3.5	0.3	10	3.2	0.3	10	3.4	0.3	-	50.0%
11-12	3	-	3	1.2	0.4	2	1.0	0.5	3	1.8	0.6	3	1.8	0.6	3	1.9	0.6	14.5%	13.8%
13-16	4	1	4	3.2	0.8	4	3.7	0.9	3	2.9	1.0	3	3.0	1.0	3	3.1	1.0	-9.1%	16.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the continued support of at least 60 identified sport and recreation bodies each year in the form of transfers and subsidies, which account for 44.2 per cent of the programme's expenditure in 2015/16. These bodies play a key role in supporting and implementing strategic priorities of the sector.

The growth in expenditure on transfers to non-profit institutions between 2009/10 and 2012/13 allowed the department to increase the number of sport and recreation bodies it supports from 62 in 2009/10 to 70 in 2012/13. However, to ensure that these funds are used more efficiently, national federations will be graded according to their ability to meet set strategic objectives, and funding will be modified accordingly. This will see the number of federations supported declining from 70 in 2012/13 to 60 in 2013/14.

Expenditure in the *Scientific Support* subprogramme increased significantly in 2012/13 to support high performance institutes to train athletes more intensively in preparation for the 2012 Olympic Games and Paralympic Games. Furthermore, a transfer to the South African Sports Confederation and Olympic Committee was introduced in 2012/13 to support high performance sport.

As at 30 September 2012, 20 people were employed in this programme and compensation of employees constituted 4.6 per cent of total expenditure. The programme had 1 vacancy at the end of September 2012, which the department has delayed filling until it has finalised the re-skilling and redeployment of support staff within the department to improve the current ratio of support to line function staff. This programme receives additional allocations of R1.7 million over this period for improved conditions of service.

Spending on consultants is equivalent to 20.1 per cent of the total expenditure on compensation of employees in 2012/13. Consultants are mainly used in the preparation of athletes for major international events such as the 2012 Olympics and Paralympics.

As part of the Cabinet approved budget reductions, the department will reduce the transfer to loveLife by R2.2 million over the medium term, where efficiency savings in the administration function will be effected.

## Programme 3: Mass Participation

### Objectives

- Encourage active lifelong participation in sport by delivering sustainable sport and recreation programmes to 25 000 South Africans annually, with an emphasis on women, youth, persons with disabilities, senior citizens and rural communities, over the MTEF period.
- Promote the development of sport at school level annually by hosting a national school sport championship in an updated format, focusing on the top schools and the most talented learners.
- Facilitate sport and recreation participation and empowerment in partnership with provincial departments through the effective management of the 2013/14 sport and recreation development conditional grant by:
  - ensuring that provincial grant business plans are aligned to grant objectives
  - monitoring the delivery of outputs to ensure that these are being done in line with the approved business plans
  - providing advice and direction where these are not taking place as planned.

### Subprogrammes

- *Programme Management: Mass Participation* manages delegated administrative and financial responsibilities, and coordinates all monitoring and evaluation functions. This subprogramme had a staff complement of 3 in 2012/13.
- *Community Mass Participation* delivers sport promotion programmes by focusing on increasing the number of participants in sport and recreation with an emphasis on disadvantaged and rural communities, and monitors the delivery of the mass participation and sport development grant by provincial departments. In 2012/13, R469.6 million was transferred to provinces for the mass participation and sport development grant. By the end of the financial year, 42 000 people will have taken part in mass participation events. In 2013/14, the subprogramme will oversee the loveLife programme focused on using sport and recreation to build an HIV and Aids free future. This subprogramme had a staff complement of 6 in 2012/13.
- *School Sport* supports the delivery of sport programmes to learners in conjunction with the Department of Basic Education, focusing on integrating 16 priority sporting codes and indigenous games into the school sport system by 2016. In addition, an oversight role is carried out regarding the support offered to schools by provinces funded from the sport and recreation development grant. This includes verifying the data submitted by the provinces. In 2013/14, the subprogramme will host the annual South African Schools National Championships. This subprogramme had a staff complement of 8 in 2012/13.

### Expenditure estimates

**Table 20.9 Mass Participation**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R million											
Programme Management: Mass Participation	0.5	1.6	0.4	2.2	60.5%	0.2%	2.3	2.6	3.4	14.8%	0.5%
Community Mass Participation	423.6	445.2	466.5	484.2	4.6%	94.2%	509.0	537.6	562.5	5.1%	91.8%
School Sport	28.2	23.9	12.2	42.7	14.8%	5.5%	42.1	44.4	46.1	2.6%	7.7%
<b>Total</b>	<b>452.4</b>	<b>470.8</b>	<b>479.0</b>	<b>529.1</b>	<b>5.4%</b>	<b>100.0%</b>	<b>553.5</b>	<b>584.7</b>	<b>611.9</b>	<b>5.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				3.7			0.4	0.3	1.2		

**Table 20.9 Mass Participation (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)		
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16	2012/13 - 2015/16
	R million												
<b>Current payments</b>	<b>50.1</b>	<b>29.4</b>	<b>24.2</b>	<b>59.5</b>	<b>5.9%</b>	<b>8.4%</b>	<b>55.9</b>	<b>59.0</b>	<b>62.1</b>	<b>1.5%</b>	<b>10.4%</b>		
Compensation of employees	5.5	5.9	6.2	14.7	38.9%	1.7%	16.2	17.3	18.1	7.1%	2.9%		
Goods and services	44.6	23.5	18.0	44.7	0.1%	6.8%	39.7	41.7	44.0	-0.6%	7.5%		
of which:													
Contractors	7.3	1.1	1.2	22.4	45.5%	1.7%	20.4	21.5	22.2	-0.3%	3.8%		
Operating leases	0.0	-	-	-	-100.0%	-	-	-	-	-	-		
Travel and subsistence	16.9	9.5	7.1	14.9	-4.0%	2.5%	12.8	13.4	14.0	-2.1%	2.4%		
Venues and facilities	4.3	1.5	4.0	4.1	-1.9%	0.7%	2.7	2.6	2.9	-11.0%	0.5%		
<b>Transfers and subsidies</b>	<b>402.3</b>	<b>441.4</b>	<b>454.9</b>	<b>469.6</b>	<b>5.3%</b>	<b>91.6%</b>	<b>497.6</b>	<b>525.6</b>	<b>549.8</b>	<b>5.4%</b>	<b>89.6%</b>		
Provinces and municipalities	402.3	426.4	452.0	469.6	5.3%	90.6%	497.6	525.6	549.8	5.4%	89.6%		
Non-profit institutions	-	15.0	2.9	-	-	0.9%	-	-	-	-	-		
Households	-	-	0.0	-	-	-	-	-	-	-	-		
Payments for financial assets	0.0	0.0	0.0	-	-100.0%	-	-	-	-	-	-		
<b>Total</b>	<b>452.4</b>	<b>470.8</b>	<b>479.0</b>	<b>529.1</b>	<b>5.4%</b>	<b>100.0%</b>	<b>553.5</b>	<b>584.7</b>	<b>611.9</b>	<b>5.0%</b>	<b>100.0%</b>		
Proportion of total programme expenditure to vote expenditure	15.8%	37.6%	59.1%	49.8%			51.6%	60.4%	60.4%				

**Details of selected transfers and subsidies**

Non-profit institutions											
Current											
	-	15.0	2.9	-	-	0.9%	-	-	-	-	-
Sport federations	-	15.0	2.9	-	-	0.9%	-	-	-	-	-
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
<b>Current</b>	<b>402.3</b>	<b>426.4</b>	<b>452.0</b>	<b>469.6</b>	<b>5.3%</b>	<b>90.6%</b>	<b>497.6</b>	<b>525.6</b>	<b>549.8</b>	<b>5.4%</b>	<b>89.6%</b>
Mass participation and sport development grant	402.3	426.4	452.0	469.6	5.3%	90.6%	497.6	525.6	549.8	5.4%	89.6%

**Personnel information**

**Table 20.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Mass Participation	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
Salary level	22	29	16	6.2	0.4	47	14.5	0.3	51	16.3	0.3	50	16.9	0.3	50	17.5	0.4	2.1%	100.0%
1-6	4	-	3	0.6	0.2	3	0.4	0.1	3	0.7	0.2	3	0.6	0.2	3	0.6	0.2	-	6.1%
7-10	11	25	7	2.2	0.3	33	8.1	0.2	36	8.5	0.2	36	8.9	0.2	36	9.2	0.3	2.9%	71.2%
11-12	4	4	4	1.9	0.5	8	3.2	0.4	8	3.5	0.4	8	3.7	0.5	8	3.8	0.5	-	16.2%
13-16	3	-	2	1.5	0.8	3	2.8	0.9	4	3.5	0.9	3	3.7	1.2	3	3.9	1.3	-	6.6%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

The spending focus over the medium term will be on promoting mass participation in sport and recreation through the mass participation and sport development grant, which provides support to school sport, club development and sporting hubs. The grant makes up 89.6 per cent of the programme's total expenditure in 2015/16 and is the reason that the *Community Mass Participation* subprogramme makes up 94 per cent of total programme expenditure in 2012/13. The allocations will support the participation of 141 000 people in sport and recreation activities over the medium term.

Spending in the *School Sport* subprogramme increased significantly in 2012/13 and this trend is set to continue over the medium term, as the department has placed greater emphasis on supporting the delivery of sport programmes to learners and on empowering educators in code specific coaching, technical officiating, team management and sport administration. The focus will be on the 16 priority sporting codes, including soccer, cricket and netball. The greater emphasis placed on school sport also accounts for the increased expenditure on contractors, who provide the support to promote school sport.

The programme receives additional allocations of R1.5 million over the medium term for compensation of employees for improved conditions of service. As at 30 September 2012, this programme had 22 funded posts of which 4 were vacant. The vacancies were due to natural attrition, and to the department's delay in filling them until it finalised the re-skilling and redeployment of support staff to improve the current ratio of support to line function staff. The department plans to fill these vacancies over the medium term. Additional contract employees will also be employed over this period to assist with the establishment and maintenance of school sport leagues.

## Programme 4: International Liaison and Events

### Objectives

- Build and strengthen international bilateral relationships to support sport and recreation development in South Africa by facilitating 5 exchange programmes with international partners in 2013/14.
- Support international travel for sports people by facilitating all their requests for assistance in acquiring visas and passports in 2013/14 and over the medium term.
- Encourage the staging of major sport events in South Africa by providing event bidding and hosting support services for 5 events in 2013/14 in accordance with the approved events calendar.
- Promote sport tourism to South Africa by using at least 1 international event to showcase the country in 2013/14.

### Subprogrammes

- *International Liaison* will continue to build and strengthen international bilateral relationships to support sport and recreation development in South Africa. This entails executing exchange programmes with international partners. Key bilateral agreements anticipated in 2013/14 include one with the United Kingdom to assist in delivering school sport programmes in South Africa; and an exchange programme with Serbia that focuses on tennis, basketball and soccer. Bilateral sport ties will continue to be strengthened with African countries that are emerging from conflict. This subprogramme had a staff complement of 4 in 2012/13.
- *Major Events* coordinates and manages government's support services for hosting major sport events in South Africa; and promotes South Africa as a sport tourist destination at selected national and international sporting events, exhibitions or conferences. In 2013, the following international events will be hosted in South Africa: the Orange African Cup of Nations, the Soweto Tennis Open, the World Transplant Games, the Gym for Life Challenge, the Union Cycliste Internationale Mountain Bike and Trials World Championships, and the World Anti-Doping Agency Congress in November. Institutional and intra-governmental support will be provided to these and other approved events to ensure that they are successfully hosted. This subprogramme had a staff complement of 2 in 2012/13.

### Expenditure estimates

**Table 20.11 International Liaison and Events**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
International Liaison	3.2	3.0	4.6	4.3	10.8%	5.0%	3.4	3.4	3.5	-6.3%	3.4%
Major Events	4.4	11.5	43.1	226.6	271.8%	95.0%	168.3	10.3	10.9	-63.7%	96.6%
<b>Total</b>	<b>7.6</b>	<b>14.5</b>	<b>47.7</b>	<b>230.9</b>	<b>212.6%</b>	<b>100.0%</b>	<b>171.8</b>	<b>13.7</b>	<b>14.4</b>	<b>-60.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				217.0			158.9	0.1	0.2		

Table 20.11 International Liaison and Events (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million	7.6	14.5	23.9	23.3	45.5%	23.0%	15.8	13.7	14.4	-14.8%	15.6%
<b>Current payments</b>	<b>7.6</b>	<b>14.5</b>	<b>23.9</b>	<b>23.3</b>	<b>45.5%</b>	<b>23.0%</b>	<b>15.8</b>	<b>13.7</b>	<b>14.4</b>	<b>-14.8%</b>	<b>15.6%</b>
Compensation of employees	2.5	2.7	2.8	3.1	7.3%	3.7%	3.4	3.7	3.9	7.9%	3.3%
Goods and services	5.0	11.8	21.1	20.1	58.8%	19.3%	12.4	10.0	10.5	-19.6%	12.3%
<i>of which:</i>											
Contractors	1.9	0.8	0.5	0.6	-29.9%	1.3%	1.1	1.1	0.9	10.7%	0.9%
Travel and subsistence	0.9	3.1	5.7	7.9	105.2%	5.8%	3.9	2.3	2.3	-33.6%	3.8%
Venues and facilities	1.4	4.4	6.1	4.0	43.1%	5.3%	2.2	2.0	3.1	-8.5%	2.6%
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>23.7</b>	<b>207.1</b>	<b>-</b>	<b>76.8%</b>	<b>156.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>84.3%</b>
Provinces and municipalities	-	-	-	123.1	-	41.0%	120.0	-	-	-100.0%	56.4%
Foreign governments and international organisations	-	-	16.7	-	-	5.5%	-	-	-	-	-
Non-profit institutions	-	-	7.1	84.0	-	30.3%	36.0	-	-	-100.0%	27.9%
<b>Payments for capital assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.5</b>	<b>-</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>
Heritage assets	-	-	-	0.5	-	0.2%	-	-	-	-100.0%	0.1%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7.6</b>	<b>14.5</b>	<b>47.7</b>	<b>230.9</b>	<b>212.6%</b>	<b>100.0%</b>	<b>171.8</b>	<b>13.7</b>	<b>14.4</b>	<b>-60.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	0.3%	1.2%	5.9%	21.7%			16.0%	1.4%	1.4%		
<b>Details of transfers and subsidies</b>											
<b>Non-profit institutions</b>											
<b>Current</b>	-	-	7.1	84.0	-	30.3%	36.0	-	-	-100.0%	27.9%
Sport federations	-	-	7.1	-	-	2.4%	-	-	-	-	-
2013 Africa Cup of Nations: local organising committee	-	-	-	84.0	-	27.9%	-	-	-	-100.0%	19.5%
2014 African Nations Championship local organising committee	-	-	-	-	-	-	36.0	-	-	-	8.4%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	-	-	-	123.1	-	41.0%	120.0	-	-	-100.0%	56.4%
2013 Africa Cup of Nations host city operating grant	-	-	-	123.1	-	41.0%	-	-	-	-100.0%	28.6%
2014 African Nations Championship Host City Operating Grant	-	-	-	-	-	-	120.0	-	-	-	27.9%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	-	-	16.7	-	-	5.5%	-	-	-	-	-
Federation Internationale de Football Association	-	-	16.7	-	-	5.5%	-	-	-	-	-

## Personnel information

Table 20.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2011/12	Unit Cost	2012/13	2012/13	Unit Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16		
International Liaison and Events	8	-	7	2.8	0.4	7	3.1	0.4	8	3.4	0.4	8	3.7	0.5	8	3.9	0.5	4.6%	100.0%
Salary level																			
1 - 6	1	-	1	0.1	0.1	1	0.1	0.1	1	0.2	0.2	1	0.2	0.2	1	0.3	0.3	-	12.9%
7 - 10	4	-	3	1.1	0.4	3	0.9	0.3	4	1.3	0.3	4	1.4	0.4	4	1.5	0.4	10.1%	48.4%
11 - 12	2	-	2	0.9	0.5	2	1.1	0.6	2	1.1	0.6	2	1.2	0.6	2	1.3	0.6	-	25.8%
13 - 16	1	-	1	0.6	0.6	1	1.0	1.0	1	0.8	0.8	1	0.8	0.8	1	0.9	0.9	-	12.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on building and strengthening international bilateral relationships to support sport and recreation development in South Africa by supporting major events such as the 2014 African Nations Championship.

Spending increased significantly between 2009/10 and 2012/13, mainly due to the once-off allocations for the hosting of the 2013 Africa Cup of Nations soccer tournament in 2012/13 and the value added tax refunds on

2010 FIFA World Cup tickets in 2011/12. These allocations also account for the increased transfers in these years.

The department receives a once-off allocation of R158.5 million for the hosting of the 2014 African Nations Championships in 2013/14, of which R120 million is to support the host cities and R36 million for the local organising committee. Despite the decrease in spending over the medium term, the number of events supported is expected to increase from 12 in 2012/13 to 19 in 2015/16, as the department's approach to providing support to major international events is to be revised in 2013/14. The new approach will see the department provide comprehensive support to five major events and only approval, endorsement and technical support to other events over the medium term, in line with the bidding and hosting of international sport and recreational events regulations contained in the National Sport and Recreation Act (1998).

This programme receives additional allocations of R325 000 over the medium term for compensation of employees for improved conditions of service. As at 30 September 2012, there were 8 funded posts in this programme of which 1 was vacant due to natural attrition. Spending on consultants is equivalent to 1.8 per cent of the expenditure on compensation of employees in 2012/13. Consultants are mainly used for the promotion, organisation and management of events that encourage sport tourism.

## **Programme 5: Facilities Coordination**

### **Objectives**

- Improve the provision of sport facilities by:
  - establishing a geographical information system detailing the location of all existing sport and recreation facilities by September 2013
  - conducting a comprehensive audit of all existing sport and recreation facilities by March 2014
  - finalising the national facilities plan in 2013/14
  - maintaining and updating the national facilities database on an ongoing basis.
- Improve stadium maintenance by producing 2 reports in 2013/14 in which recommendations are made on the upkeep and usage of all 10 stadiums built or refurbished for the 2010 FIFA World Cup.

### **Subprogrammes**

- *Planning and Advocacy* lobbies for, facilitates and coordinates the provision of sport and recreation facilities by municipalities and other relevant institutions. In 2013/14, the lobbying of municipalities and other key stakeholders (including the departments of human settlements, basic education, and the South African Sports Confederation and Olympic Committee) for the establishment of a sports precinct in each of the 52 districts defined by the Municipal Demarcation Board, will be concluded. If successful, municipalities will be allowed to pool resources and build facilities catering for outdoor sports, multidisciplinary sports codes, and education and training. The subprogramme will work closely with the Department of Cooperative Governance and Traditional Affairs, the South African Local Government Association and municipalities, to maximise the use of the portion of the municipal infrastructure grant earmarked for building sport facilities. This subprogramme had a staff complement of 4 in 2012/13.
- *Technical Support* provides technical assistance to local authorities and other relevant stakeholders for constructing and managing sport facilities to ensure compliance with national standards. In 2013/14, the grading and classification framework will be used to inform the updating of the current facility norms and standards, which will be gazetted to ensure compliance. Together with the German Development Bank, the department will continue to implement the Youth Development against Violence through Sport programme, as part of the diverse sport for social change and development programme. This subprogramme had a staff complement of 1 in 2012/13.

## Expenditure estimates

**Table 20.13 Facilities Coordination**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16			
R million												
Planning and Advocacy	2.0	2.2	2.5	2.6	8.9%	41.4%	2.8	2.6	2.8	3.2%	31.5%	
Technical Support	3.9	5.0	1.5	2.7	-11.4%	58.6%	6.5	7.0	7.3	39.3%	68.5%	
<b>Total</b>	<b>5.9</b>	<b>7.2</b>	<b>4.0</b>	<b>5.3</b>	<b>-3.5%</b>	<b>100.0%</b>	<b>9.3</b>	<b>9.6</b>	<b>10.1</b>	<b>24.2%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(3.4)			0.1	0.0	0.1			
<b>Economic classification</b>												
<b>Current payments</b>	<b>3.1</b>	<b>3.8</b>	<b>4.0</b>	<b>5.3</b>	<b>19.6%</b>	<b>72.3%</b>	<b>9.3</b>	<b>9.6</b>	<b>10.1</b>	<b>24.2%</b>	<b>100.0%</b>	
Compensation of employees	1.8	2.0	2.3	2.5	10.6%	38.4%	2.4	2.9	3.0	7.2%	31.5%	
Goods and services	1.3	1.8	1.7	2.8	30.8%	33.9%	6.9	6.7	7.1	36.1%	68.5%	
of which:												
Contractors	0.5	0.3	0.5	1.1	35.3%	10.7%	5.0	5.2	5.7	72.1%	49.6%	
Operating leases	-	-	-	-	-	-	-	-	-	-	-	
Travel and subsistence	0.6	1.0	1.1	1.4	29.2%	18.4%	1.5	1.1	1.0	-11.0%	14.6%	
Venues and facilities	-	0.0	-	-	-	-	-	-	-	-	-	
<b>Payments for capital assets</b>	<b>2.8</b>	<b>3.4</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>27.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Machinery and equipment	2.8	3.4	-	-	-100.0%	27.7%	-	-	-	-	-	
<b>Total</b>	<b>5.9</b>	<b>7.2</b>	<b>4.0</b>	<b>5.3</b>	<b>-3.5%</b>	<b>100.0%</b>	<b>9.3</b>	<b>9.6</b>	<b>10.1</b>	<b>24.2%</b>	<b>100.0%</b>	
Proportion of total programme expenditure to vote expenditure	0.2%	0.6%	0.5%	0.5%			0.9%	1.0%	1.0%			

## Personnel information

**Table 20.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2011/12	Unit Cost	2012/13	2012/13	Unit Cost	2013/14	2013/14	Unit Cost	2014/15	2014/15	Unit Cost			2015/16	2015/16	Unit Cost
Facilities Coordination			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	6	-	6	2.3	0.4	6	2.5	0.4	6	2.4	0.4	6	2.9	0.5	6	3.0	0.5	-	100.0%
1-6	1	-	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	1	0.2	0.2	-	16.7%
7-10	2	-	2	0.4	0.2	2	0.4	0.2	2	0.5	0.3	2	0.7	0.4	2	0.8	0.4	-	33.3%
11-12	2	-	2	0.9	0.4	2	1.1	0.5	2	0.9	0.4	2	1.1	0.6	2	1.2	0.6	-	33.3%
13-16	1	-	1	0.8	0.8	1	0.8	0.8	1	0.9	0.9	1	0.9	0.9	1	0.9	0.9	-	16.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on developing a credible information system on sport infrastructure. This will be provided for from funds earmarked for sport infrastructure in the municipal infrastructure grant since 2011/12. Spending is thus focused on the development and maintenance of a sports facilities database grounded in a geographical information system that will inform a national facilities plan. The database will be updated on an ongoing basis as more information becomes available, until its completion in 2013/14. This facilities' database is budgeted for under contractors, which accounts for the significant increase in expenditure of this item over the medium term.

This programme receives additional allocations of R257 000 over the medium term for improved conditions of service. As at 30 September 2012, there were 6 funded posts in this programme, all of which are filled.

## Programme 6: 2010 FIFA World Cup Unit

This programme was set up to coordinate government's functions in relation to the 2010 FIFA World Cup, and also to provide oversight for the building and upgrading of stadiums and preparing host cities for the event. The programme was phased out in 2010/11 and the personnel employed have been absorbed into other programmes in the department.



## Expenditure estimates

Table 20.15 2010 FIFA World Cup Unit

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Technical	2 171.2	512.6	-	-	-100.0%	97.3%	-	-	-	-	-
Non-Technical	26.6	47.0	-	-	-100.0%	2.7%	-	-	-	-	-
<b>Total</b>	<b>2 197.9</b>	<b>559.6</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Change to 2012 Budget estimate				-			-	-	-		
<b>Economic classification</b>											
<b>Current payments</b>	<b>14.2</b>	<b>7.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Compensation of employees	4.2	4.7	-	-	-100.0%	0.3%	-	-	-	-	-
Goods and services	10.0	2.3	-	-	-100.0%	0.4%	-	-	-	-	-
of which:											
Contractors	2.9	0.0	-	-	-100.0%	0.1%	-	-	-	-	-
Travel and subsistence	1.0	1.2	-	-	-100.0%	0.1%	-	-	-	-	-
Venues and facilities	0.4	-	-	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 183.7</b>	<b>552.6</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>99.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Provinces and municipalities	2 168.7	512.6	-	-	-100.0%	97.2%	-	-	-	-	-
Foreign governments and international organisations	15.0	40.0	-	-	-100.0%	2.0%	-	-	-	-	-
<b>Total</b>	<b>2 197.9</b>	<b>559.6</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>76.7%</b>	<b>44.7%</b>									
<b>Details of selected transfers and subsidies</b>											
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>2 168.7</b>	<b>512.6</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>97.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
2010 FIFA World Cup stadiums development grant	1 661.1	302.3	-	-	-100.0%	71.2%	-	-	-	-	-
2010 World Cup host city operating grant	507.6	210.3	-	-	-100.0%	26.0%	-	-	-	-	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>15.0</b>	<b>40.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>2.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Federation Internationale de Football Association	15.0	40.0	-	-	-100.0%	2.0%	-	-	-	-	-

## Other public entities and agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- **Boxing South Africa** administers professional boxing, recognises amateur boxing, creates synergy between professional and amateur boxing, and promotes interaction between associations of boxers, managers, promoters and trainers. The organisation's total budget for 2013/14 is R9.2 million.
- **The South African Institute for Drug-Free Sport** promotes participation in sport without the use of prohibited performance enhancing substances and methods, and educates sportspeople on fair play and the harmful effects of doping. The institute's total budget for 2013/14 is R15.7 million

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11		2013/14	2014/15	2015/16
<b>R million</b>									
<b>Infrastructure transfers to other spheres, agencies and departments</b>									
2010 FIFA World Cup stadiums development grant	Monitored the construction and upgrading of all the nine stadiums for compliance with FIFA standards. All stadiums completed before June 2010	Handed over	11.5	1.7	0.3	-	-	-	-
2010 FIFA World Cup host city operating grant	Assisted host cities with constructing fan parks and viewing areas, and developing stadiums precincts	Handed over	0.7	0.5	0.2	-	-	-	-
<b>Total</b>			<b>12.2</b>	<b>2.2</b>	<b>0.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Vote 21

## Correctional Services

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	5 250.7	4 987.2	15.8	247.6	5 474.0	5 851.5
Incarceration	10 021.5	9 143.1	61.0	817.5	10 567.7	11 051.8
Rehabilitation	1 092.4	1 047.0	0.1	45.3	1 144.3	1 208.7
Care	1 582.2	1 577.0	0.5	4.6	1 676.5	1 768.3
Social Reintegration	801.3	799.8	0.2	1.4	858.6	915.0
<b>Total expenditure estimates</b>	<b>18 748.1</b>	<b>17 554.0</b>	<b>77.6</b>	<b>1 116.5</b>	<b>19 721.1</b>	<b>20 795.3</b>

Executive authority Minister of Correctional Services  
Accounting officer National Commissioner of Correctional Services  
Website address [www.dcs.gov.za](http://www.dcs.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Contribute to maintaining and protecting a just, peaceful and safe society by enforcing court imposed sentences, detaining inmates in safe custody while maintaining their human dignity and developing their sense of social responsibility, and promoting the general development of all inmates and persons subject to community corrections.*

### Mandate

The mandate of the Department of Correctional Services is derived from the Correctional Services Act (1998), the Correctional Matters Amendment Act (2011), the Criminal Procedure Act (1977) and the 2005 White Paper on Corrections. The legislation requires the department to contribute to maintaining and promoting a just, peaceful and safe society by correcting offending behaviour in a safe, secure and humane environment, thus facilitating optimal rehabilitation and reduced repeat offending.

### Strategic goals

The department's strategic goals over the medium term are to ensure that: sentenced offenders are held in safe, secure and humane custody, have correctional sentence plans, are healthy and have their literacy, education and skills competencies improved; remand detainees are held in safe, secure and humane conditions, have access to court processes, are healthy, and have their social and family needs supported; and parolees, probationers and offenders sentenced under community correctional supervision are rehabilitated, monitored and accepted back into communities. In this way, the department contributes to ensuring that all people in South Africa are and feel safe (outcome 3).

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide the administrative, management, financial, information and communication technology, research, policy coordination and good governance support functions necessary for all service delivery by the department and in support of the functions of the ministry.

### Programme 2: Incarceration

**Purpose:** Provide appropriate services and well maintained physical infrastructure that support safe and secure conditions of detention consistent with the human dignity of inmates, personnel and the public; and provide for the profiling of inmates and the compilation of needs based correctional sentence plans, administration and interventions.

### Programme 3: Rehabilitation

**Purpose:** Provide offenders with needs based programmes and interventions to facilitate their rehabilitation and enable their social reintegration.

### Programme 4: Care

**Purpose:** Provide needs based care services aimed at maintaining the personal wellbeing of all inmates in the department's custody.

### Programme 5: Social Reintegration

**Purpose:** Provide services focused on offenders' preparation for release, the effective supervision of offenders placed under the system of community corrections and the facilitation of their social reintegration into communities.

## Selected performance indicators

Table 21.1 Correctional Services

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage of inmates who escape from correctional centres/remand detention facilities per year	Incarceration	Outcome 3: All people in South Africa are and feel safe	0.03%	0.065% (106/161 021) <sup>1</sup>	0.03% (41/160 103)	0.034% (54/157 410)	0.032% (50/155 836)	0.03% (46/154 278)	0.027% (42/152 735)
Percentage of inmates assaulted in correctional centres/remand detention facilities per year	Incarceration		1.38% (2 240/162 861)	3.1% (5 043/161 021) <sup>2</sup>	3.3% (5 284/160 103)	2.2% (3 463/157 410)	2% (3 117/155 836)	1.9% (2 931/154 278)	1.7% (2 597/152 375)
Percentage of overcrowding in correctional centres/remand detention facilities per year in excess of official capacity	Incarceration		40.4% (46 824/115 827)	34.9% (41 240/118 165)	35.6% (42 481/118 154)	32% (37 865/119 578)	30% (36 015/120 049)	28% (33 709/120 391)	26% (31 832/122 432)
Percentage of offenders serving sentences longer than 24 months who have correctional sentence plans (cumulative)	Incarceration		– <sup>3</sup>	– <sup>3</sup>	93.9% (93 339/99 400)	97% (86 905/89 718)	98% (92 742/94 635)	100% (93 688/93 688)	100% (92 753/92 753)

**Table 21.1 Correctional Services (continued)**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage of eligible offenders who participate in skills training and further education and training programmes as per their correctional sentence plans (non-cumulative) <sup>5</sup>	Rehabilitation	Outcome 3: All people in South Africa are and feel safe	– <sup>4</sup>	14.16% (5 036/35 571)	18.92% (7 058/37 303)	19.98% (7 603/38 049)	20.33% (7 801/38 381)	20.67% (8 005/38 720)	21.02% (8 214/39 065)
Percentage of inmates on antiretroviral therapy (cumulative)	Care		91.4% (7 640/8 361)	98.9% (8 091/8 178)	69% (6 095/8 819) <sup>6</sup>	93% (14 382/15 316)	94% (16 577/17 636)	95% (19 158/20 166)	96% (21 788/22 696)
Percentage of parolees without violations per year	Social Reintegration		71.9% (27 045/37 609)	74.9% (28 169/37 609)	76.1% (35 819/47 095)	78.5% (35 075/44 682)	79.6% (38 768/48 703)	80% (42 469/53 086)	81% (44 845/55 364)

1. The increase in 2010/11 can be attributed to mass escapes, negligence and non-adherence to security procedures.
2. The increase in 2010/11 can be attributed to the department identifying the problem of under reporting and the development of a data capturing tool to address the matter. This led to the increase in the number of reported assaults in 2010/11.
3. As this indicator changed from non-cumulative to cumulative in 2011/12, the figures for 2009/10 and 2010/11 are no longer comparable. Historical numbers have therefore been replaced with a dash.
4. A figure for 2009/10 is not available as the indicator had been reviewed, shifting focus from the number of training sessions per inmate to the number of inmates trained.
5. This indicator will change from 2013/14 to include both skills training, and further education and training programmes.
6. In 2011/12, this indicator only covered inmates with CD4 counts below 250. The number increased in 2012/13 because the CD4 count threshold is now below 350.

## The national development plan

One of the elements of Vision 2030, as declared in the national development plan, is that people living in South Africa must feel safe at home, school and work, and must enjoy an active community life free of fear. The plan outlines an integrated and interdepartmental approach to building safety, including increasing the rehabilitation of prisoners and thus improving their reintegration into society and reducing recidivism. The department is committed to enhancing public safety through the effective management of remand detention, reducing reoffending through offender management and rehabilitation interventions, and facilitating the social reintegration of offenders through effective management of noncustodial sentences and parole. Working together with other departments in the justice, crime prevention and security cluster, the department will continue to encourage the use of alternative dispute resolution mechanisms for minor crimes.

## Expenditure estimates

**Table 21.2 Correctional Services**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15			2015/16
R million													
Administration	3 501.7	4 089.1	4 882.0	4 653.7	4 551.7	9.1%	27.4%	5 250.7	5 474.0	5 851.5	8.7%	27.5%	
Incarceration	7 622.1	7 848.8	8 448.3	9 462.4	9 429.4	7.4%	53.6%	10 021.5	10 567.7	11 051.8	5.4%	53.5%	
Rehabilitation	665.2	752.7	808.2	966.8	911.8	11.1%	5.0%	1 092.4	1 144.3	1 208.7	9.9%	5.7%	
Care	1 349.5	1 416.9	1 483.0	1 871.9	1 871.9	11.5%	9.8%	1 582.2	1 676.5	1 768.3	-1.9%	9.0%	
Social Reintegration	549.0	591.3	655.4	745.5	745.5	10.7%	4.1%	801.3	858.6	915.0	7.1%	4.3%	
<b>Total</b>	<b>13 687.3</b>	<b>14 698.8</b>	<b>16 276.8</b>	<b>17 700.3</b>	<b>17 510.3</b>	<b>8.6%</b>	<b>100.0%</b>	<b>18 748.1</b>	<b>19 721.1</b>	<b>20 795.3</b>	<b>5.9%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(31.9)	(221.9)			(15.7)	(179.6)	(20.9)			

### Economic classification

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16
<b>Current payments</b>	<b>12 638.6</b>	<b>13 518.4</b>	<b>15 376.4</b>	<b>16 583.5</b>	<b>16 495.5</b>	<b>9.3%</b>	<b>93.3%</b>	<b>17 554.0</b>
Compensation of employees	9 065.5	9 506.7	10 851.8	11 550.3	11 495.3	8.2%	65.8%	12 452.1
Goods and services	3 573.0	4 011.8	4 524.6	5 033.1	5 000.1	11.9%	27.5%	5 102.0
of which:								
Inventory: Food and food supplies	342.6	321.8	332.2	558.2	558.2	17.7%	2.5%	591.6
Inventory: Other consumables	261.8	252.3	311.9	260.8	260.8	-0.1%	1.7%	355.6
Operating leases	1 139.0	1 319.9	1 432.8	1 638.4	1 638.4	12.9%	8.9%	1 656.6
Property payments	465.8	807.3	730.7	711.8	711.8	15.2%	4.4%	828.5

Table 21.2 Correctional Services (continued)

R million	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure total: Average (%)
	2009/10	2010/11	2011/12					2012/13				
<b>Transfers and subsidies</b>	<b>47.3</b>	<b>64.5</b>	<b>72.5</b>	<b>74.9</b>	<b>74.9</b>	<b>16.6%</b>	<b>0.4%</b>	<b>77.6</b>	<b>75.4</b>	<b>79.5</b>	<b>2.0%</b>	<b>0.4%</b>
Provinces and municipalities	2.2	2.5	4.3	5.9	5.9	38.2%	0.0%	5.8	6.5	6.8	4.9%	0.0%
Departmental agencies and accounts	–	10.1	6.2	5.7	5.7		0.0%	8.4	8.8	9.3	17.6%	0.0%
Public corporations and private enterprises	0.2	–	–	–	–	-100.0%	0.0%	–	–	–		
Households	44.8	51.9	61.9	63.2	63.2	12.2%	0.4%	63.4	60.1	63.4	0.1%	0.3%
<b>Payments for capital assets</b>	<b>990.4</b>	<b>1 110.6</b>	<b>824.3</b>	<b>1 042.0</b>	<b>940.0</b>	<b>-1.7%</b>	<b>6.2%</b>	<b>1 116.5</b>	<b>986.4</b>	<b>988.3</b>	<b>1.7%</b>	<b>5.3%</b>
Buildings and other fixed structures	910.5	699.6	753.6	811.4	811.4	-3.8%	5.1%	798.9	800.6	801.1	-0.4%	4.2%
Machinery and equipment	44.2	401.7	69.5	230.6	128.6	42.8%	1.0%	286.4	184.4	185.6	13.0%	1.0%
Biological assets	0.2	1.1	1.2	0.0	0.0	-41.2%	0.0%	1.2	1.4	1.6	265.5%	0.0%
Software and other intangible assets	35.5	8.2	–	–	–	-100.0%	0.1%	30.0	–	–		0.0%
<b>Payments for financial assets</b>	<b>11.2</b>	<b>5.3</b>	<b>3.6</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>		
<b>Total</b>	<b>13 687.3</b>	<b>14 698.8</b>	<b>16 276.8</b>	<b>17 700.3</b>	<b>17 510.3</b>	<b>8.6%</b>	<b>100.0%</b>	<b>18 748.1</b>	<b>19 721.1</b>	<b>20 795.3</b>	<b>5.9%</b>	<b>100.0%</b>

## Personnel information

Table 21.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total Average (%)			
			2011/12	2011/12	Unit	2012/13	2012/13	Unit	2013/14	2013/14	Unit	2014/15	2014/15	Unit			2015/16	2015/16	Unit
<b>Correctional Services</b>			<b>Number</b>	<b>Cost</b>	<b>Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Cost</b>		
<b>Salary level</b>	<b>41 911</b>	<b>1 507</b>	<b>40 013</b>	<b>10 851.8</b>	<b>0.3</b>	<b>41 860</b>	<b>11 550.3</b>	<b>0.3</b>	<b>42 006</b>	<b>12 502.1</b>	<b>0.3</b>	<b>42 006</b>	<b>13 375.6</b>	<b>0.3</b>	<b>42 006</b>	<b>14 183.3</b>	<b>0.3</b>	<b>0.1%</b>	<b>100.0%</b>
1 – 6	22 414	1 479	22 108	4 972.5	0.2	22 873	4 782.0	0.2	23 369	5 136.4	0.2	23 319	5 475.5	0.2	23 409	5 792.4	0.2	0.8%	55.4%
7 – 10	18 172	9	16 845	5 297.2	0.3	17 876	6 085.9	0.3	17 384	6 601.1	0.4	17 434	7 055.4	0.4	17 344	7 470.2	0.4	-1.0%	41.7%
11 – 12	1 068	11	889	427.7	0.5	931	504.9	0.5	1 038	562.1	0.5	1 038	620.1	0.6	1 038	673.9	0.6	3.7%	2.4%
13 – 16	257	8	171	154.3	0.9	180	177.5	1.0	215	202.5	0.9	215	224.7	1.0	215	246.8	1.1	6.1%	0.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on improving the management of offenders and remand detainees, implementing rehabilitation programmes and strengthening the parole system. Using funds allocated to the *Incarceration*, *Rehabilitation* and *Social Reintegration* programmes over the medium term, the department plans to reduce the percentage of escapes from a projected 0.034 per cent in 2012/13 to 0.027 per cent in 2015/16, ensure that 74.1 per cent of offenders with sentence plans participate in the education and training programmes in 2015/16, and ensure that the correctional supervision and parole boards in 2014/15 consider 96 per cent of eligible cases compared to 76 per cent in 2011/12.

The bulk of the department's spending goes towards compensation of employees and goods and services mainly as a result of the labour intensive nature of its two largest programmes, *Administration* and *Incarceration*. The increases in expenditure in the *Administration*, *Incarceration* and *Social Reintegration* programmes between 2009/10 and 2012/13 were mainly due to additional allocations for improved conditions of service and the implementation of the occupation specific dispensation for correctional officials, as required by resolution 1 of 2007 of the Public Service Coordinating Bargaining Council. Over the same period, significant growth was evident in spending on the *Rehabilitation* and *Care* programmes due to allocations for improved conditions of service, and price and tariff increases on food and materials for production workshops and agricultural activities. The latter also explains the significant increase in overall expenditure on goods and services between 2009/10 and 2012/13.

Over the medium term, expenditure is expected to increase due to additional allocations for improved conditions of service, the upgrading of IT infrastructure and higher municipal charges. The bulk of spending will continue to be in the *Administration* and *Incarceration* programmes, while expenditure in the *Care* programme is expected to decrease between 2012/13 and 2015/16 due to the special remission of sentences in 2012, which reduced the number of offenders in custody. The significant increase in expenditure on contractors in 2012/13 was due to increased estimations for maintenance on infrastructure.

The decrease in expenditure on buildings and other fixed structures in both periods is due to Cabinet approved budget reductions as a result of continued underspending on capital works projects. Expenditure on consultant services decreased between 2009/10 and 2012/13 due to cost cutting measures, but is expected to increase over the medium term. Spending on consultant services mainly caters for the upgrading of IT infrastructure and maintaining information systems. Provision is also made for the payment of legal, external and internal audit, as well as for laboratory fees.

The 2013 Budget sets out additional allocations of R222 million in 2013/14, R278.4 million in 2014/15 and R483.6 million in 2015/16 for improved conditions of service. The baseline allocation also includes spending reductions of R237.6 million in 2013/14, R458 million in 2014/15 and R504.5 million in 2015/16 as part of the Cabinet approved budget reductions. These reductions are to be effected mostly in spending on compensation of employees and non-core goods and services items, and to a lesser extent on buildings and other fixed structures, and machinery and equipment in 2014/15 and 2015/16.

The department had a funded establishment of 41 911, of which 1 562 posts were vacant as at 30 September 2012. These vacancies are the result of natural attrition and the length of time it takes to finalise recruitment processes. The vacancy levels are expected to drop in 2013/14 due to plans to absorb newly trained correctional officials, who are currently appointed in posts that are additional to the approved establishment, into vacant entry level posts, as well as the advertising of posts, mainly within salary levels 7 to 10. In addition, the department's establishment is expected to increase to 42 006 posts from 2013/14 to provide for the creation of facilities posts at both the head office and regional level for the management of municipal services budgets and accounts. The ratio of support staff to line staff is 1:8.

### Infrastructure spending

Spending on infrastructure decreased from R833.6 million in 2009/10 to R755.8 million in 2012/13, and is expected to decrease further to R819.9 million in 2015/16. This is due to spending reductions, as part of the Cabinet approved budget reductions, on buildings and other fixed structures as a result of consistent underspending on capital works projects.

#### *Large projects*

The department has allocated R416 million in 2013/14, R378.2 million in 2014/15 and R280 million in 2015/16 for large projects. Over the medium term, 13 correctional facilities will be upgraded and 3 464 additional bed spaces will be created as follows: 610 bed spaces at Ceres and Vanrhynsdorp in 2012/13; 471 bed spaces at Tzaneen, Pretoria C-Max and Matatiele in 2013/14; 342 bed spaces at Estcourt and Mapumulo in 2014/15; and 2 041 bed spaces at Standerton, Nongoma, Nkandla, Lichtenburg, Parys and Burgersdorp in 2015/16. In addition, in 2012/13, 814 added bed spaces were registered through the verification of existing bed spaces. These additional bed spaces will increase overall bed capacity from 118 154 in 2011/12 to 122 432 in 2015/16.

#### *Small projects*

The department has allocated R188 million in 2013/14, R227.6 million in 2014/15 and R323.2 million in 2015/16 for several small projects to be implemented over the medium term, including: the upgrading of various structures at correctional facilities; the installation of security fencing, access gates and visitors' waiting rooms; the installation of standby generators; and the replacement of kitchen equipment, boilers, incinerators, and power, water and sewerage facilities.

## Departmental receipts

Table 21.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
<b>Departmental receipts</b>	<b>108 478</b>	<b>115 418</b>	<b>146 882</b>	<b>126 421</b>	<b>126 421</b>	<b>5.2%</b>	<b>100.0%</b>	<b>131 087</b>	<b>135 738</b>	<b>149 990</b>	<b>5.9%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>40 769</b>	<b>41 095</b>	<b>44 252</b>	<b>44 541</b>	<b>44 541</b>	<b>3.0%</b>	<b>34.3%</b>	<b>47 290</b>	<b>49 939</b>	<b>55 182</b>	<b>7.4%</b>	<b>36.3%</b>
Sales by market establishments	21 942	24 981	26 431	26 541	26 541	6.5%	20.1%	27 900	29 325	32 404	6.9%	21.4%
of which:												
Rental: Dwellings	21 228	24 014	25 467	26 191	26 191	7.3%	19.5%	27 500	28 875	31 907	6.8%	21.1%
Rental: Non residential	600	672	761	350	350	-16.4%	0.5%	400	450	497	12.4%	0.3%
Sale of wool/skin	114	295	203	-	-	-100.0%	0.1%	-	-	-	-	-
Other sales	18 827	16 114	17 821	18 000	18 000	-1.5%	14.2%	19 390	20 614	22 778	8.2%	14.9%
of which:												
Services rendered: Commission	8 449	9 545	10 659	13 800	13 800	17.8%	8.5%	14 490	15 214	16 811	6.8%	11.1%
Government motor transport	617	240	302	4 200	4 200	89.5%	1.1%	4 900	5 400	5 967	12.4%	3.8%
Sales: Agricultural products	4 552	1 616	1 774	-	-	-100.0%	1.6%	-	-	-	-	-
Services rendered: Boarding services	142	101	147	-	-	-100.0%	0.1%	-	-	-	-	-
Other	5 067	4 612	4 939	-	-	-100.0%	2.9%	-	-	-	-	-
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>1 791</b>	<b>2 090</b>	<b>3 292</b>	<b>2 042</b>	<b>2 042</b>	<b>4.5%</b>	<b>1.9%</b>	<b>2 148</b>	<b>2 249</b>	<b>2 485</b>	<b>6.8%</b>	<b>1.6%</b>
of which:												
Condemned linen	24	13	8	-	-	-100.0%	-	-	-	-	-	-
Kitchen refuse	104	117	128	-	-	-100.0%	0.1%	-	-	-	-	-
Scrap	1 639	1 930	3 127	2 042	2 042	7.6%	1.8%	2 148	2 249	2 485	6.8%	1.6%
Waste paper	24	30	29	-	-	-100.0%	-	-	-	-	-	-
Transfers received	143	-	3	-	-	-100.0%	-	-	-	-	-	-
Fines, penalties and forfeits	15 694	16 071	18 129	20 105	20 105	8.6%	14.1%	21 110	22 165	24 492	6.8%	16.2%
Interest, dividends and rent on land	753	1 224	654	493	493	-13.2%	0.6%	517	543	600	6.8%	0.4%
Interest	753	1 224	654	493	493	-13.2%	0.6%	517	543	600	6.8%	0.4%
Sales of capital assets	1 402	768	23 187	1 500	1 500	2.3%	5.4%	1 500	1 500	1 658	3.4%	1.1%
Transactions in financial assets and liabilities	47 926	54 170	57 365	57 740	57 740	6.4%	43.7%	58 522	59 342	65 573	4.3%	44.4%
<b>Total</b>	<b>108 478</b>	<b>115 418</b>	<b>146 882</b>	<b>126 421</b>	<b>126 421</b>	<b>5.2%</b>	<b>100.0%</b>	<b>131 087</b>	<b>135 738</b>	<b>149 990</b>	<b>5.9%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 21.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Total</b>	<b>3 501.7</b>	<b>4 089.1</b>	<b>4 882.0</b>	<b>4 653.7</b>	<b>9.9%</b>	<b>100.0%</b>	<b>5 250.7</b>	<b>5 474.0</b>	<b>5 851.5</b>	<b>7.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(270.3)			(85.3)	(157.7)	5 851.5		

#### Economic classification

<b>Current payments</b>	<b>3 420.4</b>	<b>3 686.4</b>	<b>4 812.9</b>	<b>4 442.0</b>	<b>9.1%</b>	<b>95.5%</b>	<b>4 987.2</b>	<b>5 312.8</b>	<b>5 686.0</b>	<b>8.6%</b>	<b>96.2%</b>
Compensation of employees	1 716.8	1 698.7	2 444.1	2 191.1	8.5%	47.0%	2 370.0	2 535.5	2 766.8	8.1%	46.5%
Goods and services	1 703.6	1 987.7	2 368.7	2 251.0	9.7%	48.5%	2 617.2	2 777.2	2 919.2	9.1%	49.8%
of which:											
Inventory: Food and food supplies	21.4	0.0	13.8	5.0	-38.5%	0.2%	71.1	78.6	80.5	152.8%	1.1%
Inventory: Other consumables	71.2	30.0	43.2	7.7	-52.3%	0.9%	61.7	48.0	57.4	95.2%	0.8%
Operating leases	586.9	719.2	782.7	886.3	14.7%	17.4%	890.2	941.9	989.3	3.7%	17.5%
Property payments	415.6	686.4	695.4	709.8	19.5%	14.6%	814.0	873.6	914.6	8.8%	15.6%
<b>Transfers and subsidies</b>	<b>7.8</b>	<b>19.6</b>	<b>22.3</b>	<b>13.9</b>	<b>21.2%</b>	<b>0.4%</b>	<b>15.8</b>	<b>17.0</b>	<b>17.9</b>	<b>8.9%</b>	<b>0.3%</b>
Provinces and municipalities	2.2	2.5	4.3	5.9	38.2%	0.1%	5.8	6.5	6.8	4.9%	0.1%
Departmental agencies and accounts	-	10.1	6.1	5.7	-	0.1%	8.4	8.8	9.3	17.6%	0.2%
Public corporations and private enterprises	0.2	-	-	-	-100.0%	-	-	-	-	-	-
Households	5.3	7.0	11.9	2.2	-25.1%	0.2%	1.6	1.7	1.8	-7.1%	-



Table 21.5 Administration (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Payments for capital assets</b>	<b>67.8</b>	<b>380.3</b>	<b>43.4</b>	<b>197.8</b>	<b>42.9%</b>	<b>4.0%</b>	<b>247.6</b>	<b>144.2</b>	<b>147.6</b>	<b>-9.3%</b>	<b>3.5%</b>
Machinery and equipment	32.2	371.5	43.2	197.8	83.1%	3.8%	217.6	144.2	147.6	-9.3%	3.3%
Biological assets	-	0.6	0.1	-	-	-	-	-	-	-	-
Software and other intangible assets	35.5	8.2	-	-	-100.0%	0.3%	30.0	-	-	-	0.1%
<b>Payments for financial assets</b>	<b>5.7</b>	<b>2.8</b>	<b>3.4</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>3 501.7</b>	<b>4 089.1</b>	<b>4 882.0</b>	<b>4 653.7</b>	<b>9.9%</b>	<b>100.0%</b>	<b>5 250.7</b>	<b>5 474.0</b>	<b>5 851.5</b>	<b>7.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>25.6%</b>	<b>27.8%</b>	<b>30.0%</b>	<b>26.3%</b>			<b>28.0%</b>	<b>27.8%</b>	<b>28.1%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	-	10.1	6.1	5.7	-	0.1%	8.4	8.8	9.3	17.6%	0.2%
Safety and Security Sector Education and Training Authority	-	10.1	6.1	5.7	-	0.1%	8.4	8.8	9.3	17.6%	0.2%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	5.3	7.0	11.9	2.2	-25.1%	0.2%	1.6	1.7	1.8	-7.1%	-
Employee social benefits	5.3	7.0	11.9	2.2	-25.1%	0.2%	1.6	1.7	1.8	-7.1%	-
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	2.2	2.5	4.3	5.9	38.2%	0.1%	5.8	6.5	6.8	4.9%	0.1%
Vehicle licences	2.2	2.5	4.3	5.9	38.2%	0.1%	5.8	6.5	6.8	4.9%	0.1%

## Personnel information

Table 21.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
<b>Administration</b>			<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>		
<b>Salary level</b>	<b>6 151</b>	<b>1 382</b>	<b>5 631</b>	<b>2 444.1</b>	<b>0.4</b>	<b>6 875</b>	<b>2 191.1</b>	<b>0.3</b>	<b>6 151</b>	<b>2 420.0</b>	<b>0.4</b>	<b>6 151</b>	<b>2 595.5</b>	<b>0.4</b>	<b>6 151</b>	<b>2 836.8</b>	<b>0.5</b>	<b>-3.6%</b>	<b>100.0%</b>
1 - 6	1 397	1 365	1 867	960.4	0.5	3 148	495.2	0.2	1 945	542.8	0.3	1 945	580.4	0.3	1 945	664.5	0.3	-14.8%	35.5%
7 - 10	4 089	7	3 276	1 150.3	0.4	3 243	1 298.6	0.4	3 642	1 429.9	0.4	3 642	1 539.9	0.4	3 642	1 642.7	0.5	3.9%	55.9%
11 - 12	430	2	340	206.3	0.6	327	242.3	0.7	379	271.4	0.7	379	287.7	0.8	379	322.5	0.9	5.0%	5.8%
13 - 16	235	8	148	127.2	0.9	157	154.9	1.0	185	175.9	1.0	185	187.5	1.0	185	207.1	1.1	5.6%	2.8%

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

<sup>2</sup> Rand million.

<sup>3</sup> As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on building capacity to improve service delivery, professionalising the department, and providing ICT services using international security standards. A fully functional annual performance plan data capturing tool will be implemented and all the tool's indicator information will be available for reporting purposes in 2013/14.

The bulk of spending goes towards compensation of employees and goods and services, while the programme's two largest subprogrammes are *Office Accommodation* and *Corporate Services*. Spending grew significantly in the *Management* subprogramme between 2009/10 and 2012/13, due to additional funding as the department upgraded its ICT infrastructure and implemented a departmental master information systems plan, which covers systems development, the upgrading of network and backup systems, and the integration of information with other departments in the criminal justice system. These additional allocations also explain the increase in expenditure on computer services between 2009/10 and 2012/13.

The decrease in expenditure in the *Finance* subprogramme in 2012/13 was due to the department deferring the implementation of a prior decision to bring currently outsourced catering services in-house, while the significant increase in this subprogramme over the medium term is for the planned self-provision of food services in

centres where it is currently outsourced. The decrease in expenditure in the *Residential Accommodation* subprogramme in 2010/11 was due to the phasing out of private leased accommodation for members, and expenditure on this subprogramme is expected to decrease further to R1 million for the same reason.

Over the medium term, expenditure on compensation of employees is expected to increase due to additional allocations for improved conditions of service, while expenditure on goods and services, specifically operating leases and property payments, is expected to increase mainly because of additional allocations for escalating accommodation charges and municipal services. The significant increase in expenditure on travel and subsistence in 2013/14 provides for above average increases in transport costs, while the increase in expenditure on food and food supplies from 2013/14 provides for the planned self-provision of food services in centres where it is currently outsourced. Expenditure in the *Corporate Services* subprogramme is expected to increase over the medium term to provide for improved conditions of service and training for personnel.

As part of the Cabinet approved budget reductions, the department will reduce spending by R55.2 million in 2013/14, R220.4 million in 2014/15 and R216 million in 2015/16. These reductions will be effected on compensation of employees and non-essential goods and services items such as assets whose value is below the capitalisation threshold, consumables, stationery and printing, and machinery and equipment.

The programme has a funded establishment of 6 151 posts, of which 658 were vacant as at 30 September 2012. These vacancies can be attributed to natural attrition and the length of time it takes to finalise recruitment processes. The department expects to reduce the vacancies in 2013/14 by absorbing newly trained correctional service officials, who are currently appointed additional to the approved establishment, into vacant entry level posts, and advertising the other posts mainly within salary levels 7 to 10. Spending on consultants decreased from R109.1 million in 2009/10 to R91.9 million in 2012/13, and is expected to increase to R102.5 million in 2015/16. Consultant services are used mainly for IT support and technical services procured through the State Information Technology Agency.

## **Programme 2: Incarceration**

### **Objectives**

- Enhance safety and security in correctional centres and remand detention facilities by:
  - improving access security control using body scanning machines, implemented at 50% of the identified high security risk centres in 2013/14
  - establishing a gang management unit that will be fully operational by 2014/15
  - implementing an electronic inmate tracking system at 25% of correctional centres by 2014/15 to monitor the movement of offenders, thus:
    - reducing the percentage of escapes from a projected 0.034 per cent (54/157 410) in 2012/13 to 0.027 per cent (42/152 735) in 2015/16
    - reducing the percentage of inmate assaults from a projected 2.2 per cent (3 463/157 410) in 2012/13 to 1.7 per cent (2 597/152 735) in 2015/16
    - reducing the percentage of unnatural deaths from a projected 0.028 per cent (44/157 410) in 2012/13 to 0.024 per cent (37/152 735) in 2015/16.
- Provide facilities that will contribute to humane incarceration by:
  - reducing the level of overcrowding from 35.6 per cent (42 481/118 154) in 2011/12 to 26 per cent (31 832/122 432) in 2015/16
  - upgrading at least 13 facilities and creating 3 464 new bed spaces by 2015/16, increasing the total bed spaces available in the department from 118 154 in 2011/12 to 121 618 in 2015/16
  - furnishing 46 kitchens with new equipment in 2013/14
  - completing one school facility at the Tzaneen correctional centre in 2013/14, thereby increasing youth offenders' access to education.
- Reduce the average period that remand detainees spend in correctional facilities from a baseline that will be established at the end of 2012/13 by 12 days per year.

- Facilitate offenders' effective rehabilitation by ensuring that 100 per cent of offenders serving sentences of longer than 24 months have correctional sentence plans by 2014/15, compared to 93.9 per cent (93 339/99 400) in 2011/12.

## Subprogrammes

- Security Operations* funds activities aimed at providing safe and secure conditions for all incarcerated persons, consistent with human dignity; and provides protection for personnel and the public. Key activities include security operations and the maintaining, upgrading and acquisition of security technology systems and equipment. There are 241 correctional facilities across the country, with a daily average inmate population of 157 410. As at 30 September 2012, the number of escapes and inmates assaulted stood at 24 and 3 132, against annual targets of 54 and 3 463. This subprogramme had a staff complement of 20 416 in 2012/13.
- Facilities* funds the construction, upgrading, replacement and maintenance of facilities to support the safe custody and humane conditions of inmates. As at 30 September 2012, the stages of completion for the upgrading of 3 facilities in Western Cape were as follows: Brandvlei (100 per cent), Ceres (84 per cent) and Vanrhynsdorp (99 per cent). These facilities are set to open in 2013/14. This subprogramme had a staff complement of 508 in 2012/13.
- Remand Detention* funds the development of a remand detention system and aims to improve the management of remand detainees. Activities include: incarcerating and safeguarding remand detainees in remand detention facilities; ensuring court appearances of remand detainees; developing remand detention policies; and liaising with departments in the justice, crime prevention and security cluster on case flow management. As at 30 September 2012, there were 45 172 remand detainees in remand detention facilities across the country. In 2012/13, this subprogramme had a staff complement of 9 at head office. 2 686 posts must still be converted on the PERSAL system from the *Security Operations* subprogramme as this is a newly created subprogramme.
- Offender Management* is discussed in more detail below.

## Expenditure estimates

Table 21.7 Incarceration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Security Operations	4 261.2	4 389.7	4 742.6	5 551.0	9.2%	56.8%	5 831.1	6 223.9	6 494.4	5.4%	58.6%
Facilities	1 629.0	1 523.4	1 605.5	1 862.3	4.6%	19.8%	1 941.4	1 977.3	2 039.0	3.1%	19.0%
Remand Detention	567.4	597.3	600.0	617.8	2.9%	7.1%	699.1	713.8	759.7	7.1%	6.8%
Offender Management	1 164.5	1 338.4	1 500.2	1 431.2	7.1%	16.3%	1 550.0	1 652.8	1 758.7	7.1%	15.6%
<b>Total</b>	<b>7 622.1</b>	<b>7 848.8</b>	<b>8 448.3</b>	<b>9 462.4</b>	<b>7.5%</b>	<b>100.0%</b>	<b>10 021.5</b>	<b>10 567.7</b>	<b>11 051.8</b>	<b>5.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				5.2			65.6	(33.5)	11 051.8		
<b>Economic classification</b>											
<b>Current payments</b>	<b>6 667.9</b>	<b>7 102.8</b>	<b>7 648.3</b>	<b>8 582.7</b>	<b>8.8%</b>	<b>89.9%</b>	<b>9 143.1</b>	<b>9 700.8</b>	<b>10 180.5</b>	<b>5.9%</b>	<b>91.5%</b>
Compensation of employees	5 892.9	6 230.0	6 709.6	7 378.7	7.8%	78.5%	7 947.3	8 498.3	8 916.6	6.5%	79.7%
Goods and services	775.0	872.9	938.7	1 204.1	15.8%	11.4%	1 195.8	1 202.6	1 263.9	1.6%	11.8%
of which:											
Inventory: Food and food supplies	0.5	0.2	2.2	0.5	-1.1%	–	0.9	0.9	0.9	21.4%	–
Inventory: Other consumables	25.0	34.0	35.7	37.7	14.7%	0.4%	43.0	44.4	46.1	6.9%	0.4%
Operating leases	534.6	576.9	624.9	721.4	10.5%	7.4%	741.0	786.7	838.2	5.1%	7.5%
Property payments	49.9	120.5	34.7	1.1	-72.3%	0.6%	0.7	0.8	0.8	-9.3%	–
<b>Transfers and subsidies</b>	<b>36.1</b>	<b>42.0</b>	<b>43.1</b>	<b>60.5</b>	<b>18.8%</b>	<b>0.5%</b>	<b>61.0</b>	<b>57.6</b>	<b>60.8</b>	<b>0.2%</b>	<b>0.6%</b>
Households	36.1	42.0	43.1	60.5	18.8%	0.5%	61.0	57.6	60.8	0.2%	0.6%
<b>Payments for capital assets</b>	<b>912.8</b>	<b>701.8</b>	<b>756.8</b>	<b>819.2</b>	<b>-3.5%</b>	<b>9.6%</b>	<b>817.5</b>	<b>809.3</b>	<b>810.4</b>	<b>-0.4%</b>	<b>7.9%</b>
Buildings and other fixed structures	910.5	699.6	753.6	811.4	-3.8%	9.5%	798.8	800.5	801.0	-0.4%	7.8%
Machinery and equipment	2.1	2.2	2.8	7.8	54.4%	–	17.7	7.6	8.0	0.6%	0.1%
Biological assets	0.2	0.0	0.4	–	-100.0%	–	1.0	1.2	1.4	–	–
<b>Payments for financial assets</b>	<b>5.3</b>	<b>2.1</b>	<b>0.1</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>7 622.1</b>	<b>7 848.8</b>	<b>8 448.3</b>	<b>9 462.4</b>	<b>7.5%</b>	<b>100.0%</b>	<b>10 021.5</b>	<b>10 567.7</b>	<b>11 051.8</b>	<b>5.3%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	55.7%	53.4%	51.9%	53.5%			53.5%	53.6%	53.1%		

Table 21.7 Incarceration (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Details of transfers and subsidies											
Households											
Social benefits											
Current	17.2	21.7	23.4	43.6	36.4%	0.3%	44.8	40.7	43.1	-0.4%	0.4%
Employee social benefits	17.2	21.7	23.4	43.6	36.4%	0.3%	44.8	40.7	43.1	-0.4%	0.4%
Households											
Other transfers to households											
Current	18.9	20.3	19.7	16.8	-3.7%	0.2%	16.2	17.0	17.7	1.7%	0.2%
Prisoner gratuity	18.9	20.3	19.7	16.8	-3.7%	0.2%	16.2	17.0	17.7	1.7%	0.2%

## Personnel information

Table 21.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Incarceration	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	29 670	106	28 610	6 709.6	0.2	29 379	7 378.7	0.3	29 765	7 947.3	0.3	29 765	8 498.3	0.3	29 765	8 916.6	0.3	0.4%	100.0%
1 – 6	19 447	106	18 642	3 662.9	0.2	18 230	3 909.4	0.2	19 854	4 187.6	0.2	19 804	4 460.5	0.2	19 894	4 666.2	0.2	3.0%	65.5%
7 – 10	10 092	–	9 855	2 957.3	0.3	11 021	3 382.7	0.3	9 751	3 657.5	0.4	9 801	3 895.5	0.4	9 711	4 107.5	0.4	-4.1%	33.9%
11 – 12	123	–	105	74.4	0.7	120	76.0	0.6	144	88.6	0.6	144	118.8	0.8	144	117.8	0.8	6.3%	0.5%
13 – 16	8	–	8	14.9	1.9	8	10.6	1.3	16	13.6	0.8	16	23.6	1.5	16	25.1	1.6	26.0%	0.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing facilities that contribute to humane incarceration by reducing overcrowding, the number of escapes, assaults and unnatural deaths, and the period that remand detainees spend in correctional facilities. Over the medium term, 13 facilities will be upgraded to increase total bed capacity by 3 464 new bed spaces, resulting in the level of overcrowding decreasing to 26 per cent in 2015/16. In addition, the number of escapes will be maintained at 42 and the average period that remand detainees spend in correctional facilities will be reduced by 12 days per year from 2013/14.

The bulk of spending in this programme goes towards compensation of employees, mainly due to the labour intensive nature of the *Security Operations* subprogramme. The increase in expenditure in this subprogramme between 2009/10 and 2012/13 was due to additional funding for improved conditions of service and the implementation of the occupation specific dispensation for correctional officials as required by resolution 1 of 2007 of the Public Service Coordinating Bargaining Council. Using funds allocated to this subprogramme between 2009/10 and 2011/12, the department managed to reduce the number of escapes from 56 to 41 and reduced overcrowding from 40.4 per cent to 36.6 per cent.

Growth in expenditure in the *Facilities* subprogramme between 2012/13 and 2015/16 provides for improved security in correctional centres and operational costs for the Brandvlei, Ceres and Van Rhynsdorp correctional centres, which are set to open in 2012/13. Over the same period, the increase in expenditure on the *Offender Management* subprogramme will provide for improved work of case management committees. This is discussed in more detail in the section that follows.

Expenditure on operating leases and contractors, and consequently expenditure on goods and services, increased significantly between 2009/10 and 2012/13, mainly due to increased expenditure on service fees for the two public private partnership correctional facilities and maintenance expenditure on correctional facilities. Over the same period, spending on payments for capital assets decreased at an average annual rate of 3.5 per cent and is expected to decrease by an average annual rate of 0.4 per cent, due to the reductions on expenditure on buildings and other fixed structures resulting from underspending on capital works projects.

The programme has a funded establishment of 29 670 posts, 397 of which were vacant at 30 September 2012. These vacancies can be attributed to natural attrition and the length of time it takes to finalise recruitment processes. It is expected that the vacancy level will be reduced in 2013/14 by newly trained correctional service officials being absorbed into vacant entry level posts and other posts, mainly within salary levels 1 to 6, being advertised. Expenditure on consultant services decreased between 2009/10 and 2012/13 due to cost cutting measures, but is expected to increase over the medium term due to new maintenance contracts for the department's access control systems and control rooms, as well as security detection fence systems, which still require specifications and costing.

## Subprogramme: Offender Management

This subprogramme funds correctional services administrative activities and operations that create an environment that is supportive of the rehabilitation and safety of offenders. These include: risk and profile management; the work of case management committees, which are responsible for ensuring that offenders with sentences longer than 24 months have correctional sentence plans and that the plans are reviewed and updated, and for making parole placement recommendations to correctional supervision and parole boards; and offenders employed in work opportunities based on their skills. As at 30 September 2012, overcrowding in correctional centres and remand detention facilities stood at 24.9 per cent and correctional sentence plans were developed for 97 per cent of offenders serving sentences longer than 24 months.

## Expenditure estimates

Table 21.9 Offender Management

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
	R million										
<b>Current payments</b>	<b>1 145.2</b>	<b>1 317.8</b>	<b>1 480.2</b>	<b>1 413.3</b>	<b>7.3%</b>	<b>98.6%</b>	<b>1 532.5</b>	<b>1 634.6</b>	<b>1 739.7</b>	<b>7.2%</b>	<b>98.9%</b>
Compensation of employees	1 124.7	1 295.8	1 457.9	1 384.0	7.2%	96.8%	1 502.9	1 605.8	1 709.4	7.3%	97.0%
Goods and services	20.4	22.0	22.3	29.3	12.8%	1.7%	29.6	28.8	30.3	1.1%	1.8%
<b>Transfers and subsidies</b>	<b>18.9</b>	<b>20.3</b>	<b>19.7</b>	<b>16.8</b>	<b>-3.7%</b>	<b>1.4%</b>	<b>16.2</b>	<b>17.0</b>	<b>17.7</b>	<b>1.7%</b>	<b>1.1%</b>
Households	18.9	20.3	19.7	16.8	-3.7%	1.4%	16.2	17.0	17.7	1.7%	1.1%
<b>Payments for capital assets</b>	<b>0.4</b>	<b>0.3</b>	<b>0.3</b>	<b>1.2</b>	<b>41.5%</b>	<b>-</b>	<b>1.3</b>	<b>1.2</b>	<b>1.3</b>	<b>3.6%</b>	<b>0.1%</b>
Machinery and equipment	0.4	0.3	0.3	1.2	41.5%	-	1.3	1.2	1.3	3.6%	0.1%
<b>Total</b>	<b>1 164.5</b>	<b>1 338.4</b>	<b>1 500.2</b>	<b>1 431.2</b>	<b>7.1%</b>	<b>100.0%</b>	<b>1 550.0</b>	<b>1 652.8</b>	<b>1 758.7</b>	<b>7.1%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>15.3%</b>	<b>17.1%</b>	<b>17.8%</b>	<b>15.1%</b>			<b>15.5%</b>	<b>15.6%</b>	<b>15.9%</b>		

## Personnel information

Table 21.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number								
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)							
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16										
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
<b>Offender Management</b>		<b>6 112</b>		<b>7</b>	<b>5 980</b>	<b>1 457.9</b>	<b>0.2</b>	<b>5 760</b>	<b>1 384.0</b>	<b>0.2</b>	<b>6 112</b>	<b>1 502.9</b>	<b>0.2</b>	<b>6 112</b>	<b>1 605.8</b>	<b>0.3</b>	<b>6 112</b>	<b>1 709.4</b>	<b>0.3</b>	<b>2.0%</b>	<b>100.0%</b>	
<b>Salary level</b>																						
1 - 6	3 014	7	2 972	576.4	0.2	2 760	538.0	0.2	3 014	584.2	0.2	3 014	624.5	0.2	3 014	664.1	0.2	3 014	664.1	0.2	3.0%	49.0%
7 - 10	3 014	-	2 936	844.8	0.3	2 913	799.5	0.3	3 014	868.2	0.3	3 014	928.0	0.3	3 014	987.0	0.3	3 014	987.0	0.3	1.1%	49.6%
11 - 12	82	-	70	35.1	0.5	85	44.8	0.5	82	48.6	0.6	82	51.4	0.6	82	56.2	0.7	82	56.2	0.7	-1.2%	1.4%
13 - 16	2	-	2	1.6	0.8	2	1.7	0.8	2	1.8	0.9	2	1.9	0.9	2	2.0	1.0	2	2.0	1.0	-	-

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on ensuring that all offenders serving sentences longer than 24 months have correctional sentence plans. Using funds allocated to this subprogramme over the medium term,

from a baseline of 93.9 per cent in 2011/12, the department aims to ensure that sentence plans are developed for 100 per cent of offenders serving sentences longer than 24 months from 2014/15 onwards.

Because of its labour intensive nature, the bulk of this subprogramme's spending goes towards compensation of employees. The increase in expenditure on this item across the seven-year period is mainly due to additional allocations for improved conditions of service.

The largest spending items in goods and services are communications and travel and subsistence. Expenditure on goods and services increased significantly between 2009/10 and 2012/13, mainly due to the improved provision of correctional sentence plans to offenders. This includes the assessment, profiling, classification and reclassification of offenders. Over the same period, the increase in expenditure on payments for capital assets is due to the purchasing of security equipment for the three newly upgraded correctional centres in Brandvlei, Vanrhynsdorp and Ceres in 2012/13.

This subprogramme has a funded establishment of 5 760 posts, 359 of which were vacant as at 30 September 2012. These vacancies can be attributed to natural attrition and the length of time it takes to finalise recruitment processes. It is expected that the vacancy level will be reduced in 2013/14 by absorbing newly trained correctional service officials into vacant entry level posts and advertising the other posts, which are mainly within salary levels 1 to 6.

## **Programme 3: Rehabilitation**

### **Objectives**

- Facilitate the effective rehabilitation of offenders by:
  - ensuring that 80 per cent of offenders with correctional sentence plans complete correctional programmes in 2015/16, compared to 23.9 per cent in 2011/12
  - ensuring that 100 per cent of offenders with approved parole dates complete pre-release programmes as from 2013/14 onwards, compared to 20.5 per cent in 2011/12.
- Enhance the level of literacy, education and skills competency among offenders by:
  - increasing the percentage of offenders who participate in adult education and training programmes, as stipulated in their sentence plans, from 65.4 per cent in 2011/12 to 74.1 per cent in 2015/16
  - increasing the percentage of offenders who participate in further education training mainstream programmes, as stipulated in their sentence plans, from 1.4 per cent in 2011/12 to 1.6 per cent in 2015/16
  - increasing the percentage of offenders who participate in skills training and further education and training college programmes, as stipulated in their sentence plans, from 18.92 per cent in 2011/12 to 21.02 per cent in 2015/16.
- Enhance the social functioning and reintegration of offenders into the community by ensuring that the percentage of offenders with access to social work services increases from 54 per cent (40 469/75 517) in 2011/12 to 67 per cent (119 635/178 560) in 2015/16.
- Enhance the capacity of inmates to make moral decisions by increasing the number of offenders participating in spiritual care services from 49.5 per cent in 2011/12 to 56 per cent in 2015/16.

### **Subprogrammes**

- *Correctional Programmes* provides needs based correctional programmes in line with correctional sentence plans, which entail targeting all elements associated with offending behaviour, focusing on the offences for which persons are incarcerated; sources, researches and develops new correctional programmes; and monitors and evaluates the implementation of programmes by correctional intervention officials. As at 30 September 2012, 50.0 per cent of eligible offenders were participating in correctional programmes against a target of 30.0 per cent for 2012/13. This subprogramme had a staff complement of 82 in 2012/13.
- *Offender Development* provides programmes and services aimed at developing competencies by providing opportunities for skills and social development. Outputs and services include technical training and education. As at 30 September 2012, 58 per cent of eligible offenders were participating in adult education and training programmes, 1.6 per cent in further education and training mainstream programmes

and 34.7 per cent in further education and training college programmes against 2012/13 targets of 64 per cent, 1.4 per cent and 13.4 per cent. This subprogramme had a staff complement of 1 150 in 2012/13.

- *Psychological, Social and Spiritual Services* provides needs based programmes and services aimed at maintaining the personal wellbeing of incarcerated persons by facilitating social functioning and spiritual, moral and psychological wellbeing. As at 30 September 2012, 11 per cent of inmates were involved in psychological services, 53 per cent benefited from social work services against a 2012/13 target of 46 per cent and 36.6 per cent gained from spiritual care services against a 2012/13 target of 50 per cent. No target was set for psychological services in 2012/13 as the department is in the process of establishing a baseline for psychological services. This subprogramme had a staff complement of 729 in 2012/13.

## Expenditure estimates

Table 21.11 Rehabilitation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Correctional Programmes	24.3	22.6	26.4	54.7	31.0%	4.0%	58.7	62.6	66.4	6.7%	5.5%
Offender Development	441.5	512.7	535.7	585.0	9.8%	65.0%	674.2	697.7	733.6	7.8%	61.0%
Psychological, Social and Spiritual Services	199.4	217.5	246.0	327.2	18.0%	31.0%	359.5	383.9	408.8	7.7%	33.5%
<b>Total</b>	<b>665.2</b>	<b>752.7</b>	<b>808.2</b>	<b>966.8</b>	<b>13.3%</b>	<b>100.0%</b>	<b>1 092.4</b>	<b>1 144.3</b>	<b>1 208.7</b>	<b>7.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(5.2)			73.1	64.4	1 208.7		
<b>Economic classification</b>											
<b>Current payments</b>	<b>656.1</b>	<b>725.4</b>	<b>786.9</b>	<b>948.8</b>	<b>13.1%</b>	<b>97.6%</b>	<b>1 047.0</b>	<b>1 116.8</b>	<b>1 184.1</b>	<b>7.7%</b>	<b>97.4%</b>
Compensation of employees	504.0	548.9	583.4	733.6	13.3%	74.2%	803.9	858.6	914.7	7.6%	75.0%
Goods and services	152.1	176.5	203.4	215.2	12.3%	23.4%	243.0	258.2	269.4	7.8%	22.3%
of which:											
<i>Inventory: Food and food supplies</i>	0.7	0.7	1.8	0.6	-6.3%	0.1%	0.8	0.8	0.9	12.2%	0.1%
<i>Inventory: Other consumables</i>	71.2	90.3	98.4	64.8	-3.1%	10.2%	113.0	117.8	122.8	23.7%	9.5%
<i>Operating leases</i>	0.6	0.4	0.5	0.6	-1.4%	0.1%	0.8	0.9	0.9	16.9%	0.1%
<i>Property payments</i>	0.3	0.3	0.4	0.5	17.3%	-	0.3	0.3	0.3	-9.5%	-
<b>Transfers and subsidies</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>	<b>0.0</b>	<b>-68.2%</b>	<b>0.1%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>5.4%</b>	<b>-</b>
Households	1.5	1.4	1.4	0.0	-68.2%	0.1%	0.1	0.1	0.1	5.4%	-
<b>Payments for capital assets</b>	<b>7.6</b>	<b>25.8</b>	<b>19.9</b>	<b>17.9</b>	<b>33.3%</b>	<b>2.2%</b>	<b>45.3</b>	<b>27.4</b>	<b>24.6</b>	<b>11.1%</b>	<b>2.6%</b>
Buildings and other fixed structures	-	-	-	-	-	-	0.1	0.1	0.1	-	-
Machinery and equipment	7.6	25.4	19.3	17.9	33.2%	2.2%	45.0	27.1	24.3	10.7%	2.6%
Biological assets	-	0.4	0.7	0.0	-	-	0.2	0.2	0.2	85.6%	-
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>665.2</b>	<b>752.7</b>	<b>808.2</b>	<b>966.8</b>	<b>13.3%</b>	<b>100.0%</b>	<b>1 092.4</b>	<b>1 144.3</b>	<b>1 208.7</b>	<b>7.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>4.9%</b>	<b>5.1%</b>	<b>5.0%</b>	<b>5.5%</b>			<b>5.8%</b>	<b>5.8%</b>	<b>5.8%</b>		

### Details of selected transfers and subsidies

Households											
<b>Social benefits</b>											
<b>Current</b>	<b>1.5</b>	<b>1.4</b>	<b>1.4</b>	<b>0.0</b>	<b>-68.2%</b>	<b>0.1%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>5.4%</b>	<b>-</b>
Employee social benefits	1.5	1.4	1.4	0.0	-68.2%	0.1%	0.1	0.1	0.1	5.4%	-

## Personnel information

**Table 21.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
Number of funded posts	Number of posts additional to the establishment	Rehabilitation Salary level	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
2 242	8		2 042	583.4	0.3	1 961	733.6	0.4	2 242	803.9	0.4	2 242	858.6	0.4	2 242	914.7	0.4	4.6%	100.0%
1 - 6	450	7	439	95.6	0.2	387	107.0	0.3	450	117.6	0.3	450	125.8	0.3	450	133.4	0.3	5.2%	20.0%
7 - 10	1 418	-	1 275	391.0	0.3	1 208	508.2	0.4	1 418	556.3	0.4	1 418	595.4	0.4	1 418	631.3	0.4	5.5%	62.9%
11 - 12	364	1	319	89.7	0.3	357	110.2	0.3	364	121.0	0.3	364	127.9	0.4	364	139.8	0.4	0.6%	16.7%
13 - 16	10	-	9	7.2	0.8	9	8.3	0.9	10	9.1	0.9	10	9.5	1.0	10	10.1	1.0	3.6%	0.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on addressing factors that lead to offending behaviour, providing offenders with opportunities for personal development; and providing psychological, social work and spiritual care services. The department aims to increase the percentage of offenders eligible to participate in further education and training college programmes from 13 per cent in 2011/12 to 14.9 per cent in 2015/16. The allocation over the medium term also provides for workshops on offender education for the development of educators on latest policy and curriculum developments within the departments of basic education and higher education and training.

The bulk of spending in this programme goes towards compensation of employees, due to the labour intensive nature of its largest subprogramme, *Offender Development*. Spending on compensation of employees over the seven-year period increases, mainly due to the filling of vacant posts and additional funding for the implementation of the occupation specific dispensation for correctional officials, educators and artisans, and improved conditions of service as required by resolution 1 of 2007 of the Public Service Coordinating Bargaining Council. Using funds allocated to this programme between 2009/10 and 2011/12, the department increased the percentage of offenders eligible to participate in skills development programmes from 14.16 per cent to 19.98 per cent.

The significant increase in expenditure in the *Psychological, Social and Spiritual Services* subprogramme in 2012/13 was due to an increase in the number of offenders using the services this subprogramme offers and the intensification of awareness programmes at correctional centres. The increase in expenditure in the *Correctional Programmes* subprogramme between 2009/10 and 2012/13 was as a result of the department prioritising increased offender involvement in programmes for literacy, adult education and training, and further education and training to improve their employability upon release. Expenditure on goods and services increased over this period to provide for the purchase of additional material, supplies, transport costs and fuel for processing items and products in departmental production workshops and agricultural activities. Payments for capital assets also increased as a result of replacing equipment in production workshops countrywide.

The programme has a funded establishment of 2 242 posts, 285 of which were vacant as at 30 September 2012. These vacancies can be attributed to natural attrition and the length of time it takes to finalise recruitment processes. It is expected that the vacancy level will decrease in 2013/14, with the appointment of newly trained correctional service officials into vacant entry level posts and the advertising of other posts, mainly within salary levels 1 to 6 and 7 to 10. Spending on consultants is expected to increase significantly over the medium term to cover costs incurred to train educators on the latest policy and curriculum developments within the departments of basic and higher education and training, as well as training in computer literacy as the educational administration becomes more digitised.



## Programme 4: Care

### Objectives

- Improve nutritional services to inmates by providing food service units with adequate human resources, equipment and facilities, increasing the number of units annually to reach 100 per cent by 2015/16.
- Maintain the health and personal wellbeing of offenders by:
  - increasing the number of offenders on antiretroviral therapy from 69 per cent in 2011/12 to 96 per cent in 2015/16
  - increasing access to treatment for inmates diagnosed with mental illness from 98.8 per cent in 2011/12 to 100 per cent from 2013/14 onwards
  - increasing the tuberculosis cure rate from 75 per cent in 2011/12 to 85 per cent in 2015/16.

### Subprogrammes

- *Nutritional Services* funds the provision of appropriate nutritional services to inmates within correctional centres and remand detention facilities according to the prescripts of the Department of Health. Key activities include ensuring adherence to applicable legislation, policies, guidelines, norms and standards for nutritional services; facilitating the training of food service officials on the relevant departmental policies, procedures, and norms and standards; and monitoring the provision of the required resources in the food service units for the provision of food services. As at 30 September 2012, the target of providing 80 food service units with adequate human resources, equipment and facilities was not achieved due to vacant posts and a lack of trained personnel. This subprogramme had a staff complement of 626 in 2012/13.
- *Health Services* funds the provision of primary health care services in line with the prescripts of the Department of Health, and access to appropriate health care services for inmates within correctional centres and remand detention facilities. Key activities include ensuring adherence to applicable legislation, policies, guidelines, and norms and standards for primary health care services and pharmaceutical services; and facilitating the development of health care professionals. As at 30 September 2012, 96 per cent of HIV positive inmates who qualify were on antiretroviral treatment, and 97 per cent of inmates diagnosed with mental illnesses were placed under appropriate treatment, against 2012/13 targets of 75 per cent and 97 per cent. This subprogramme had a staff complement of 1 107 in 2012/13.
- *Hygienic Services* funds the creation of a hygienic environment and the promotion of inmates' personal hygiene in correctional centres and remand detention facilities in line the prescripts of the Department of Health. Key activities include ensuring adherence to applicable legislation, policies, guidelines, and norms and standards for personal and environmental hygiene services; and facilitating training of environmental hygiene officials on the relevant departmental policies, procedures, and norms and standards. As at 30 September 2012, norms, standards and guidelines were developed for the contracting of health care waste services and regions were orientated on these. This subprogramme had a staff complement of 10 in 2012/13.

### Expenditure estimates

Table 21.13 Care

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R million						2009/10 - 2012/13					2012/13 - 2015/16	
Nutritional Services	774.3	815.9	828.8	1 101.0	12.4%	57.5%	775.8	823.9	875.0	-7.4%	51.8%	
Health Services	485.3	507.7	518.9	638.3	9.6%	35.1%	672.2	712.0	753.2	5.7%	40.2%	
Hygienic Services	89.8	93.3	135.3	132.6	13.8%	7.4%	134.2	140.6	140.0	1.8%	7.9%	
<b>Total</b>	<b>1 349.5</b>	<b>1 416.9</b>	<b>1 483.0</b>	<b>1 871.9</b>	<b>11.5%</b>	<b>100.0%</b>	<b>1 582.2</b>	<b>1 676.5</b>	<b>1 768.3</b>	<b>-1.9%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				241.4			(82.5)	(75.1)	1 768.3			

Table 21.13 Care (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million	1 345.5	1 413.0	1 477.0	1 866.2	11.5%	99.7%	1 577.0	1 671.8	1 763.4	-1.9%	99.7%
<b>Current payments</b>											
Compensation of employees	452.2	495.8	532.2	579.3	8.6%	33.6%	620.8	664.6	707.6	6.9%	37.3%
Goods and services	893.3	917.2	944.8	1 286.8	12.9%	66.0%	956.2	1 007.2	1 055.8	-6.4%	62.4%
of which:											
Inventory: Food and food supplies	319.9	320.9	314.4	552.1	19.9%	24.6%	518.8	560.1	594.6	2.5%	32.3%
Inventory: Other consumables	93.5	97.4	133.7	148.9	16.8%	7.7%	136.3	142.2	141.6	-1.7%	8.2%
Operating leases	0.4	0.3	0.2	0.5	10.9%	-	0.4	0.5	0.5	-1.7%	-
Property payments	0.0	0.1	0.3	0.5	128.2%	-	0.6	0.6	0.6	9.8%	-
<b>Transfers and subsidies</b>	<b>1.9</b>	<b>1.3</b>	<b>2.2</b>	<b>0.3</b>	<b>-45.7%</b>	<b>0.1%</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>22.5%</b>	<b>-</b>
Departmental agencies and accounts	-	-	0.1	-	-	-	-	-	-	-	-
Households	1.9	1.3	2.0	0.3	-45.7%	0.1%	0.5	0.5	0.6	22.5%	-
<b>Payments for capital assets</b>	<b>2.1</b>	<b>2.5</b>	<b>3.8</b>	<b>5.4</b>	<b>37.5%</b>	<b>0.2%</b>	<b>4.6</b>	<b>4.1</b>	<b>4.3</b>	<b>-7.2%</b>	<b>0.3%</b>
Machinery and equipment	2.1	2.5	3.8	5.4	37.5%	0.2%	4.6	4.1	4.3	-7.2%	0.3%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 349.5</b>	<b>1 416.9</b>	<b>1 483.0</b>	<b>1 871.9</b>	<b>11.5%</b>	<b>100.0%</b>	<b>1 582.2</b>	<b>1 676.5</b>	<b>1 768.3</b>	<b>-1.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>9.9%</b>	<b>9.6%</b>	<b>9.1%</b>	<b>10.6%</b>			<b>8.4%</b>	<b>8.5%</b>	<b>8.5%</b>		

## Details of selected transfers and subsidies

Households											
<b>Social benefits</b>											
<b>Current</b>	<b>1.9</b>	<b>1.3</b>	<b>2.0</b>	<b>0.3</b>	<b>-45.7%</b>	<b>0.1%</b>	<b>0.5</b>	<b>0.5</b>	<b>0.6</b>	<b>22.5%</b>	<b>-</b>
Employee social benefits	1.9	1.3	2.0	0.3	-45.7%	0.1%	0.5	0.5	0.6	22.5%	-

## Personnel information

Table 21.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Care	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
Salary level			2011/12		2012/13			2013/14		2014/15			2015/16			2012/13 - 2015/16			
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	1 843	10	1 752	532.2	0.3	1 743	579.3	0.3	1 843	620.8	0.3	1 843	664.6	0.4	1 843	707.6	0.4	1.9%	100.0%
1 - 6	370	1	373	76.5	0.2	372	82.7	0.2	370	88.1	0.2	370	94.6	0.3	370	100.6	0.3	-0.2%	20.4%
7 - 10	1 408	1	1 326	427.0	0.3	1 310	458.8	0.4	1 408	492.0	0.3	1 408	527.0	0.4	1 408	560.0	0.4	2.4%	76.1%
11 - 12	62	8	50	26.0	0.5	58	35.0	0.6	62	37.7	0.6	62	39.8	0.6	62	43.5	0.7	2.2%	3.4%
13 - 16	3	-	3	2.7	0.9	3	2.8	0.9	3	3.1	1.0	3	3.2	1.1	3	3.4	1.1	-	0.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing personal hygiene and health services to inmates and improving treatment for mental illnesses. The health and personal wellbeing of offenders will be improved by increasing the number of offenders on antiretroviral treatment from 69 per cent in 2011/12 to 96 per cent in 2015/16.

The bulk of spending in the programme goes towards goods and services, and its two largest subprogrammes are *Nutritional Services* and *Health Services*. The largest goods and services items are agency and support services, and food and food supplies inventory for outsourced catering services.

The increase in expenditure in the *Health Services* subprogramme between 2009/10 and 2012/13 was due to additional funding for antiretroviral therapy for offenders. Using funds allocated to this subprogramme over this period, the department substantially increased the percentage of inmates who qualify for antiretroviral therapy, from 91.4 per cent in 2009/10 to a projected 93 per cent in 2012/13.

The increase in expenditure on compensation of employees between 2009/10 and 2012/13 was due to additional funding for the implementation of the occupation specific dispensation for correctional officials, nurses and social workers as required by resolution 1 of 2007 of the Public Service Coordinating Bargaining Council.

As part of the Cabinet approved budget reductions, the department will reduce spending by R49.8 million in 2013/14, R62.2 million in 2014/15 and R64.6 million in 2015/16. The reductions will be effected in spending on goods and services items such as inventories, and agency and support services. A large part of these reductions are as a result of savings realised from the 2012 special remission of sentences, which reduced the number of offenders in custody.

The programme has a funded establishment of 1 843 posts, 110 of which were vacant as at 30 September 2012. These vacancies can be attributed to natural attrition and the length of time it takes to finalise recruitment processes. It is expected that the vacancy level will decrease in 2013/14 as a result with the appointment of newly trained correctional service officials into vacant entry level posts and the advertising of the other posts, which are mainly within salary levels 7 to 10. Spending on consultants is expected to increase significantly over the medium term to process the higher number of medical tests of offenders.

## Programme 5: Social Reintegration

### Objectives

- Improve the effectiveness of the parole system by:
  - ensuring that 96 per cent of eligible cases are considered by the correctional supervision and parole boards in 2014/15, compared to 76 per cent in 2011/12
  - increasing the number of victims of crime who make representations at parole hearings from 684 in 2011/12 to 1 272 in 2015/16.
- Facilitate the social acceptance and effective reintegration of offenders on parole by increasing the percentage of parolees without violations from 76.1 per cent in 2011/12 to 81 per cent in 2015/16.
- Facilitate the reintegration of offenders into society by implementing the halfway house policy framework plan in 2013/14, and increasing the number of halfway houses managed by the department and non-profitable organisations from 1 in 2011/12 to 12 in 2015/16.

### Subprogrammes

- *Parole Administration* funds the activities of correctional supervision and parole boards, and ensures that eligible offenders are considered for parole. As at 30 September 2012, 395 victims of crime made representations at parole hearings, and correctional supervision and parole boards considered 80.7 per cent of eligible cases against a target of 91 per cent for 2012/13. This subprogramme had a staff complement of 137 in 2012/13.
- *Supervision* funds the effective administration and supervision of offenders placed under correctional and parole supervision. There are 209 community corrections offices and a countrywide daily average supervision caseload of 63 054 offenders. As at 30 September 2012/13, 79.1 per cent of parolees were without parole violations against a 2012/13 target of 78.5 per cent. This subprogramme had a staff complement of 1 702 in 2012/13.
- *Community Reintegration* funds the reintegration of offenders into society, as well as stakeholder management in relation to community reintegration. As at 30 September 2012, a draft policy framework on halfway houses was developed and distributed for input and comments from regions and branches for final drafting, and is expected by the end of 2013/14. This subprogramme had a staff complement of 63 in 2012/13.
- *Office Accommodation: Community Corrections* funds the provision of community corrections offices to enhance community reintegration. Key activities include maintaining community corrections offices lease agreements and procuring additional offices. As at 30 September 2012, baseline information on the cost of lease agreements for community corrections offices and the determination of office requirements was obtained. A concept document on the decentralisation of community corrections offices will be developed in

2013/14. This subprogramme had no staff complement in 2012/13 as its functions were carried out by members in the *Supervision* subprogramme.

## Expenditure estimates

**Table 21.15 Social Reintegration**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
Parole Administration	66.0	58.4	64.9	106.4	17.2%	11.6%	109.6	116.9	124.3	5.3%	13.8%	
Supervision	448.2	492.5	546.1	586.3	9.4%	81.6%	626.5	668.5	711.2	6.6%	78.1%	
Community Reintegration	19.4	18.6	21.3	25.0	8.7%	3.3%	30.2	32.2	34.3	11.2%	3.7%	
Office Accommodation: Community Corrections	15.3	21.9	23.0	27.8	21.9%	3.5%	35.0	41.0	45.2	17.6%	4.5%	
<b>Total</b>	<b>549.0</b>	<b>591.3</b>	<b>655.4</b>	<b>745.5</b>	<b>10.7%</b>	<b>100.0%</b>	<b>801.3</b>	<b>858.6</b>	<b>915.0</b>	<b>7.1%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(3.0)			13.3	22.3	915.0			
<b>Economic classification</b>												
<b>Current payments</b>	<b>548.7</b>	<b>590.8</b>	<b>651.4</b>	<b>743.7</b>	<b>10.7%</b>	<b>99.7%</b>	<b>799.8</b>	<b>857.1</b>	<b>913.5</b>	<b>7.1%</b>	<b>99.8%</b>	
Compensation of employees	499.6	533.3	582.5	667.6	10.1%	89.8%	710.0	758.7	807.7	6.6%	88.7%	
Goods and services	49.0	57.5	68.9	76.1	15.8%	9.9%	89.7	98.4	105.8	11.6%	11.1%	
of which:												
Inventory: Other consumables	0.9	0.6	0.9	1.6	22.5%	0.2%	1.6	1.6	1.7	2.7%	0.2%	
Operating leases	16.5	23.0	24.4	29.6	21.6%	3.7%	24.1	25.3	26.6	-3.6%	3.2%	
Property payments	-	-	-	-	-	-	12.9	17.8	20.8	-	1.6%	
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>0.2</b>	<b>3.5</b>	<b>0.2</b>	<b>109.8%</b>	<b>0.2%</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>5.6%</b>	<b>-</b>	
Households	0.0	0.2	3.5	0.2	109.8%	0.2%	0.2	0.2	0.2	5.6%	-	
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.2</b>	<b>0.5</b>	<b>1.6</b>	<b>114.1%</b>	<b>0.1%</b>	<b>1.4</b>	<b>1.3</b>	<b>1.4</b>	<b>-4.6%</b>	<b>0.2%</b>	
Machinery and equipment	0.2	0.2	0.5	1.6	114.1%	0.1%	1.4	1.3	1.4	-4.6%	0.2%	
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>549.0</b>	<b>591.3</b>	<b>655.4</b>	<b>745.5</b>	<b>10.7%</b>	<b>100.0%</b>	<b>801.3</b>	<b>858.6</b>	<b>915.0</b>	<b>7.1%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>	<b>4.2%</b>			<b>4.3%</b>	<b>4.4%</b>	<b>4.4%</b>			
<b>Details of selected transfers and subsidies</b>												
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>	<b>0.0</b>	<b>0.2</b>	<b>3.5</b>	<b>0.2</b>	<b>109.8%</b>	<b>0.2%</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>5.6%</b>	<b>-</b>	
Employee social benefits	0.0	0.2	3.5	0.2	109.8%	0.2%	0.2	0.2	0.2	5.6%	-	

## Personnel information

**Table 21.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
<b>Social Reintegration</b>																			
<b>Salary level</b>	<b>2 005</b>	<b>1</b>	<b>1 978</b>	<b>582.5</b>	<b>0.3</b>	<b>1 902</b>	<b>667.6</b>	<b>0.4</b>	<b>2 005</b>	<b>710.0</b>	<b>0.4</b>	<b>2 005</b>	<b>758.7</b>	<b>0.4</b>	<b>2 005</b>	<b>807.7</b>	<b>0.4</b>	<b>1.8%</b>	<b>100.0%</b>
1 - 6	750	-	787	177.1	0.2	736	187.6	0.3	750	200.3	0.3	750	214.2	0.3	750	227.8	0.3	0.6%	37.7%
7 - 10	1 165	1	1 113	371.7	0.3	1 094	437.8	0.4	1 165	465.3	0.4	1 165	497.6	0.4	1 165	528.7	0.5	2.1%	58.0%
11 - 12	89	-	75	31.3	0.4	69	41.4	0.6	89	43.5	0.5	89	46.0	0.5	89	50.2	0.6	8.9%	4.2%
13 - 16	1	-	3	2.3	0.8	3	0.9	0.3	1	0.9	0.9	1	0.9	0.9	1	1.0	1.0	-30.7%	0.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the effective supervision of offenders placed under the system of community corrections and the facilitation of their social reintegration into communities. As a result, the percentage of parolees without violations is projected to decrease from 76.1 per cent in 2011/12 to 81 per cent in 2015/16 and the number of halfway houses managed by the department and non-profitable organisations will be increased from 1 in 2011/12 to 12 in 2015/16.

The bulk of this programme's spending goes towards compensation of employees due to the labour intensive nature of its largest subprogramme, *Supervision*. The increase in expenditure in this subprogramme over the seven-year period is due to additional funding for the implementation of the occupation specific dispensation for correctional officers and improved conditions of service as required by resolution 1 of 2007 of the Public Service Coordinating Bargaining Council. These allocations also explain the growth in expenditure on compensation of employees over the seven-year period.

Expenditure in the *Parole Administration* subprogramme increased by R40.4 million between 2009/10 and 2012/13, due to the appointment of members of correctional supervision and parole boards. The significant increase in expenditure on goods and services over this period was due to increased activities arising from the appointment of correctional supervision and parole board members in 2012/13. Expenditure on communication decreased significantly between 2009/10 and 2012/13 due to vacancies at correctional supervision and parole boards, and is expected to increase over the medium term as more cases will be considered by correctional supervision and parole boards. Spending on travel and subsistence is also expected to increase as a result of the appointment of correctional supervision and parole board members.

The increase in expenditure in the *Community Reintegration* subprogramme over the medium term provides for an expected increase in the number of persons under parole and correctional supervision and the implementation of integration programmes, such as the halfway house project to reintegrate released offenders into society.

The programme has a funded establishment of 2 005 posts, 103 of which were vacant as at 30 September 2012. These vacancies can be attributed to natural attrition and the period it takes to finalise recruitment processes. It is expected that the vacancy level will decrease in 2013/14 as newly trained correctional service officials are appointed into vacant entry level posts, and the advertising of the other posts, which are mainly within salary levels 7 to 10.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate						
				2009/10	2010/11	2011/12		2012/13	2013/14	2014/15	2015/16			
<b>R million</b>														
<b>Departmental infrastructure</b>														
Kimberley minimum security prison	3 000 beds, support amenities, development and care facilities, offices, and clinic provided	Hand over	961.5	163.8	0.0	3.1	–	–	–	–	–	–	–	–
Worcester, Brandvlei	346 additional beds in permanent structures to replace temporary structures and support amenities, development and care facilities, and clinic provided	Hand over	386.8	172.6	139.7	32.1	19.7	–	–	–	–	–	–	–
Vanrhynsdorp prison	328 additional beds, support amenities, administration and visitation block provided	Construction	278.5	93.2	75.0	49.9	13.7	–	–	–	–	–	–	–
Ceres, Wambokkeveld	282 additional beds, support amenities and development and care facilities provided, existing dilapidated structures upgraded	Construction	231.6	77.0	66.0	30.9	23.6	–	–	–	–	–	–	–
Burgersdorp	500 additional beds, support amenities and development and care facilities provided, existing dilapidated structures upgraded	Design	298.0	0.8	–	–	–	–	–	1.0	38.1	75.0	–	–
Estcourt	309 additional beds and support facilities provided	Construction	230.0	4.1	9.0	10.8	19.7	92.5	92.5	–	–	–	–	–
Tzaneen	435 additional beds, support amenities and development and care facilities provided	Construction	264.0	9.3	56.0	65.6	63.0	2.2	–	–	–	–	–	–
Ingwavuma complex	226 additional beds and support facilities for males provided, old structures refurbished	Design	278.0	0.0	3.0	0.2	0.5	0.5	10.0	45.0	–	–	–	–
Zeerust	119 additional beds and support facilities provided	Design	230.0	1.2	2.5	0.5	–	–	–	9.9	20.0	–	–	–
Nongoma	191 additional beds and support facilities provided, heritage building restored	Design	219.0	0.0	3.0	6.6	0.5	70.0	50.5	20.0	–	–	–	–
Nkandla	153 additional beds and support facilities provided, heritage building restored	Design	225.0	–	3.0	0.1	0.8	34.5	50.0	20.0	–	–	–	–
Maphumulo	33 additional beds and support facilities provided, heritage parts of existing building restored	Design	89.0	–	–	1.1	0.5	31.1	30.0	–	–	–	–	–
Mekhado, Alteridgeville	Dilapidated structures replaced	Identification	293.9	–	–	–	–	–	–	–	–	–	–	–
Standerfont	787 additional beds and support facilities provided	Tender	328.0	0.0	13.9	23.3	5.0	80.4	94.4	100.0	–	–	–	–
Pretoria: C-Max	12 additional beds and support facilities provided and security upgraded	Construction	131.0	3.6	9.2	31.9	15.0	48.7	1.0	–	–	–	–	–
Kimberley	Integrated IT installed throughout new prison	Hand over	25.0	25.0	1.5	–	–	–	–	–	–	–	–	–
Independent Development Trust	Perimeter security fencing and intercoms installed, and immovable asset management audits conducted	Construction	513.0	–	–	86.0	327.3	72.0	–	–	–	–	–	–
Parole board offices	48 offices completed, 3 in construction and 2 in planning	Various	140.2	–	18.7	7.0	4.2	–	–	–	–	–	–	–
Odi	Construction of a new access control gate and visitors' waiting rooms provided	Construction	9.8	–	3.8	6.9	0.8	–	–	–	–	–	–	–
Qalabusha, Pietermaritzburg	Integrated security system provided	Various	71.0	–	40.0	29.8	0.8	–	–	–	–	–	–	–
Parys	176 additional beds, support amenities and development and care facilities provided, existing dilapidated structures upgraded	Design	94.4	–	27.1	–	1.8	30.0	35.5	10.0	–	–	–	–
Various centres: Standby generators	Installation of a standby generators	Various	18.0	–	2.0	10.5	4.7	–	–	–	–	–	–	–
Remand detention feasibility studies	Feasibility studies for remand detention prison completed	Various	30.0	–	10.0	–	–	16.0	13.0	–	–	–	–	–
Audit of facilities	Prison facilities audited in compliance with Government Immovable Asset Management Act (2007)	Various	15.0	–	1.0	–	14.0	–	–	–	–	–	–	–
Various centres: Replacement of equipment	Kitchen equipment, boilers, incinerators, power, water and sewerage systems replaced, in compliance with Occupational Health and Safety Act (1993)	Various	343.0	–	68.0	59.0	63.3	–	–	–	–	–	–	–
Head office	Feasibility study for a new head office building	Identification	3.0	–	1.0	0.1	–	–	–	–	–	–	–	–
Kimberley, Brandvlei, Ceres, Vanrhynsdorp	Installation of an integrated IT system completed	Design	63.0	–	7.0	–	2.0	–	–	–	–	–	–	–
Goedemoed	Water channel upgraded	Construction	70.6	20.5	8.5	15.5	1.8	–	–	–	–	–	–	–
Bergville	Prison upgraded, including 6 cells erected (29 additional beds) and support facilities provided	Design	39.0	–	–	0.8	0.5	–	–	–	–	–	–	–
Matatiele	Prison upgraded, including 10 cells erected (24 additional beds) and support facilities provided, heritage parts of existing building restored	Construction	60.7	0.4	5.5	3.0	9.5	22.5	19.9	–	–	–	–	–
Other small grouped projects	Integrated security systems for Klerksdorp, Potchefstroom, replacement of kitchen equipment, replacement of boilers, installation of generators, upgrade of water and sewerage plants	Various	1 342.2	218.4	190.6	83.8	95.1	66.7	66.7	43.3	–	–	–	–

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate					
				2009/10	2010/11	2011/12		2012/13	2013/14	2014/15	2015/16		
R million													
Leeuwkop	Correctional facilities for 3 000 inmates built	Identification	900.0	-	-	-	2012/13	2013/14	2014/15	2015/16			
King Williamstown	Prison upgraded	Identification	6.0	-	-	-	-	-	-	6.0			
Various centres: School facilities	Construction of new school facilities completed	Identification	135.0	-	-	-	-	1.0	10.0	20.0			
Newcastle	186 additional beds and support facilities provided	Identification	100.0	-	-	-	-	-	0.5	-			
Mthunzini	Prison upgraded	Identification	3.2	-	-	-	-	2.2	1.0	-			
Lichtenburg	Prison upgraded, including 234 additional beds provided	Identification	220.0	-	-	-	5.2	20.0	77.2	70.0			
<b>Maintenance</b>													
Other small grouped projects	Structures repaired and maintained – repair to prison facilities and planning for facilities such as Rustenburg, Brandvlei, Brits etc.	Construction	450.0	43.7	186.0	3.4	1.0	110.5	82.0	21.7			
North End Prison	Structures repaired and maintained – major repair and renovation to entire prison and offices	Construction	111.7	-	-	15.8	40.0	30.7	20.0	-			
Rustenburg	Structures repaired and maintained – major repair and renovation to entire prison, offices and staff housing	Tender	160.0	-	-	-	2.0	32.8	30.2	55.0			
Kokstad Civil Works	Replacement of water and sewerage pipes and other civil works	Construction	90.0	-	-	10.5	20.0	15.0	15.0	5.0			
Brandvlei Prison: Repairs	Structures repaired and maintained	Feasibility	140.0	-	-	-	-	10.0	60.0	25.0			
Durban Westville	Structures repaired and maintained – total repairs to the entire prison complex including civil works and buildings.	Identification	450.0	-	-	-	-	-	-	40.0			
Johannesburg	Structures repaired and maintained – total repairs to the entire prison complex including civil works and buildings.	Identification	450.0	-	-	3.3	-	-	-	40.0			
St Albans	Structures repaired and maintained – total repairs to the entire prison complex including civil works and buildings.	Identification	270.0	-	-	1.0	-	-	-	30.0			
<b>Total</b>			<b>10 768.2</b>	<b>833.6</b>	<b>950.9</b>	<b>592.4</b>	<b>755.8</b>	<b>800.2</b>	<b>813.0</b>	<b>819.9</b>			





# Vote 22

## Defence and Military Veterans

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	4 434.6	4 020.4	385.6	28.6	4 778.4	5 096.3
Force Employment	3 283.9	2 896.8	170.5	216.6	3 423.2	3 647.5
Landward Defence	13 853.8	10 440.6	3 209.8	203.4	13 992.8	15 145.6
Air Defence	6 250.2	4 654.1	1 581.6	14.5	7 210.3	7 483.7
Maritime Defence	3 171.1	2 756.3	394.8	20.0	3 651.5	3 719.3
Military Health Support	3 642.5	3 589.9	26.0	26.6	3 791.3	3 904.5
Defence Intelligence	762.4	313.2	445.6	3.5	789.9	825.8
General Support	4 844.8	3 536.7	1 141.1	167.1	5 058.1	5 298.8
<b>Total expenditure estimates</b>	<b>40 243.3</b>	<b>32 207.9</b>	<b>7 355.0</b>	<b>680.5</b>	<b>42 695.5</b>	<b>45 121.5</b>
Executive authority	Minister of Defence and Military Veterans					
Accounting officer	Secretary for Defence					
Website address	www.dod.mil.za					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Defend and protect the Republic of South Africa, its territorial integrity and its people, in accordance with the Constitution and the principles of international law regulating the use of force. Provide for military veterans' benefits.*

### Mandate

The Department of Defence derives its mandate from the Defence Act (2002), as amended by the Defence Amendment Act (2010), as well as the 1996 White Paper on Defence and the 1998 Defence Review. The department is required to provide, manage and employ defence capabilities that are commensurate with the needs of South Africa.

### Strategic goals

The department's strategic goals over the medium term are to:

- deliver on ordered defence commitments in accordance with government policy and strategy
- prepare mission ready defence capabilities
- achieve greater civil control of the national defence function to ensure compliance with regulatory frameworks.

### Programme purposes

#### Programme 1: Administration

**Purpose:** Develop policy, and manage and administer the Department of Defence; and provide for military veterans' benefits through the Department of Military Veterans.

## Programme 2: Force Employment

**Purpose:** Provide and employ defence capabilities, including an operational capability, to successfully conduct all operations as well as joint, interdepartmental and multinational military exercises.

## Programme 3: Landward Defence

**Purpose:** Provide prepared and supported landward defence capabilities for the defence and protection of South Africa.

## Programme 4: Air Defence

**Purpose:** Provide prepared and supported air defence capabilities for the defence and protection of South Africa.

## Programme 5: Maritime Defence

**Purpose:** Provide prepared and supported maritime defence capabilities for the defence and protection of South Africa.

## Programme 6: Military Health Support

**Purpose:** Provide prepared and supported health capabilities and services for the defence and protection of South Africa.

## Programme 7: Defence Intelligence

**Purpose:** Provide defence intelligence and counter intelligence capability.

## Programme 8: General Support

**Purpose:** Provide general support capabilities and services to the department.

## Selected performance indicators

Table 22.1 Defence

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total number of defence attaché offices	Administration	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	37	37	39	40	40	40	40
Number of military skills development members in the system per year	Landward Defence	Outcome 5: A skilled and capable workforce to support an inclusive growth path	8 874	8 662	11 213	6 801	4 208	4 420	4 807
Number of active reserves utilised per year	Landward Defence	Outcome 3: All people in South Africa are and feel safe	13 352	12 362	15 316	12 900	24 243	23 491	22 882
Percentage compliance with the South African Development Community standby force agreement and South African Pledge <sup>1,2</sup>	Force Employment	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	– <sup>1</sup>	– <sup>1</sup>	100% <sup>2</sup>	100% <sup>2</sup>	100% <sup>2</sup>	100% <sup>2</sup>	100% <sup>2</sup>
Percentage compliance with number of ordered commitments (external operations) <sup>3</sup>	Force Employment		– <sup>3</sup>	100% (4)	100% 3	100% (4)	100% (6) <sup>3</sup>	100% (6)	100% (6)
Number of internal operations per year <sup>4</sup>	Force Employment	Outcome 3: All people in South Africa are and feel safe	5	5	4	5	4	4	4
Number of joint, interdepartmental and military exercises conducted per year	Force Employment	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	8	8	6	8	9	8	8
Number of landward sub-units deployed on border safeguarding per year <sup>5</sup>	Force Employment	Outcome 3: All people in South Africa are and feel safe	– <sup>5</sup>	– <sup>5</sup>	7	11	13	14	19
Number of force employment hours flown per year	Air Defence		112 754	8 279	11 256	10 500	6 500	6 500	6 500
Number of hours at sea per year <sup>6</sup>	Maritime Defence		12 945	8 286	14 088	35 000	22 000	22 000	22 000

1. This indicator was introduced in 2011/12.

2. 100 per cent means full compliance subject to and commensurate with resources allocation.

3. This indicator was introduced in 2010/11. Previously read as "Number of external operations". External operations include peace support operations and general military assistance operations.

4. Internal operations include border safeguarding and operations in support of other government departments.

5. This indicator was introduced in 2011/12.

6. The number of hours at sea per year includes force preparation and force employment both in the South African maritime zones as well as in international waters.

## Expenditure estimates

Table 22.2 Defence And Military Veterans

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12			2009/10 - 2012/13	2012/13 - 2015/16		2013/14	2014/15	2015/16			
	2012/13	2012/13	2013/14			2014/15	2015/16		2012/13 - 2015/16	2012/13 - 2015/16				
R million														
Administration	2 914.1	3 452.9	3 747.1	3 820.7	3 820.7	9.4%	10.4%	4 434.6	4 778.4	5 096.3	10.1%	10.9%		
Force Employment	1 886.5	2 265.5	2 358.5	2 748.2	2 748.2	13.4%	6.9%	3 283.9	3 423.2	3 647.5	9.9%	7.9%		
Landward Defence	9 042.2	9 295.6	10 962.2	12 313.7	12 313.7	10.8%	31.1%	13 853.8	13 992.8	15 145.6	7.1%	33.3%		
Air Defence	8 643.8	5 489.1	6 527.7	7 118.7	7 118.7	-6.3%	20.7%	6 250.2	7 210.3	7 483.7	1.7%	16.9%		
Maritime Defence	1 997.5	2 349.9	2 574.7	2 862.3	2 862.3	12.7%	7.3%	3 171.1	3 651.5	3 719.3	9.1%	8.1%		
Military Health Support	2 608.1	3 150.1	3 400.1	3 496.5	3 496.5	10.3%	9.4%	3 642.5	3 791.3	3 904.5	3.7%	8.9%		
Defence Intelligence	594.7	633.9	653.1	712.1	712.1	6.2%	1.9%	762.4	789.9	825.8	5.1%	1.9%		
General Support	3 637.3	3 805.4	4 107.9	4 816.4	4 816.4	9.8%	12.2%	4 844.8	5 058.1	5 298.8	3.2%	12.1%		
<b>Total</b>	<b>31 324.2</b>	<b>30 442.4</b>	<b>34 331.4</b>	<b>37 888.5</b>	<b>37 888.5</b>	<b>6.5%</b>	<b>100.0%</b>	<b>40 243.3</b>	<b>42 695.5</b>	<b>45 121.5</b>	<b>6.0%</b>	<b>100.0%</b>		
Change to 2012 Budget estimate				395.6	395.6			298.7	363.9	842.9				
<b>Economic classification</b>														
<b>Current payments</b>	<b>20 774.9</b>	<b>25 547.0</b>	<b>27 237.4</b>	<b>31 031.2</b>	<b>31 031.2</b>	<b>14.3%</b>	<b>78.1%</b>	<b>32 207.9</b>	<b>33 217.2</b>	<b>35 008.8</b>	<b>4.1%</b>	<b>79.2%</b>		
Compensation of employees	12 705.6	16 597.1	17 569.0	19 346.1	19 346.1	15.0%	49.4%	20 863.8	21 763.3	23 225.3	6.3%	51.3%		
Goods and services	8 069.3	8 949.9	9 668.5	11 685.1	11 685.1	13.1%	28.6%	11 344.0	11 453.9	11 783.5	0.3%	27.9%		
of which:														
Computer services	841.4	856.4	861.2	1 036.1	1 036.1	7.2%	2.7%	888.8	976.4	914.1	-4.1%	2.3%		
Contractors	2 834.3	3 322.2	3 619.5	4 380.1	4 380.1	15.6%	10.6%	2 230.3	2 211.6	2 459.8	-17.5%	6.8%		
Property payments	485.5	580.9	761.6	758.3	758.3	16.0%	1.9%	2 960.1	3 028.7	3 161.8	61.0%	6.0%		
Travel and subsistence	703.0	728.5	733.2	557.8	557.8	-7.4%	2.0%	642.6	649.4	629.1	4.1%	1.5%		
<b>Transfers and subsidies</b>	<b>9 363.4</b>	<b>3 888.0</b>	<b>5 877.8</b>	<b>6 078.9</b>	<b>6 078.9</b>	<b>-13.4%</b>	<b>18.8%</b>	<b>7 355.0</b>	<b>8 724.0</b>	<b>9 661.9</b>	<b>16.7%</b>	<b>19.2%</b>		
Departmental agencies and accounts	8 629.1	3 024.7	4 877.9	4 966.1	4 966.1	-16.8%	16.0%	6 192.6	7 490.5	8 358.4	19.0%	16.3%		
Public corporations and private enterprises	603.6	737.5	890.7	974.9	974.9	17.3%	2.4%	1 021.3	1 091.4	1 162.5	6.0%	2.6%		
Non-profit institutions	4.3	5.2	6.3	6.2	6.2	12.7%	0.0%	6.9	7.3	7.6	7.1%	0.0%		
Households	126.4	120.6	102.8	131.6	131.6	1.4%	0.4%	134.3	134.8	133.3	0.4%	0.3%		
<b>Payments for capital assets</b>	<b>1 136.3</b>	<b>840.4</b>	<b>977.5</b>	<b>630.3</b>	<b>630.3</b>	<b>-17.8%</b>	<b>2.7%</b>	<b>680.5</b>	<b>754.2</b>	<b>450.9</b>	<b>-10.6%</b>	<b>1.5%</b>		
Buildings and other fixed structures	599.1	251.2	279.7	111.1	111.1	-43.0%	0.9%	115.6	117.3	122.2	3.2%	0.3%		
Machinery and equipment	537.1	581.4	697.1	468.6	468.6	-4.4%	1.7%	510.9	587.7	267.4	-17.1%	1.1%		
Specialised military assets	-	7.6	-	49.5	49.5		0.0%	40.5	45.3	60.5	6.9%	0.1%		
Biological assets	0.0	0.1	0.6	-	-	-100.0%	0.0%	0.2	0.2	0.2		0.0%		
Software and other intangible assets	0.1	0.1	0.1	1.0	1.0	95.7%	0.0%	13.4	3.8	0.6	-17.2%	0.0%		
<b>Payments for financial assets</b>	<b>49.6</b>	<b>167.0</b>	<b>238.7</b>	<b>148.1</b>	<b>148.1</b>	<b>44.0%</b>	<b>0.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>		
<b>Total</b>	<b>31 324.2</b>	<b>30 442.4</b>	<b>34 331.4</b>	<b>37 888.5</b>	<b>37 888.5</b>	<b>6.5%</b>	<b>100.0%</b>	<b>40 243.3</b>	<b>42 695.5</b>	<b>45 121.5</b>	<b>6.0%</b>	<b>100.0%</b>		

## Personnel information

Table 22.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16								
			Number	Cost	Number	Cost	Number	Cost	Number	Cost	Number	Cost							
Defence And Military Veterans	80 380	-	79 384	17 556.7	0.2	80 380	19 346.1	0.2	78 010	20 863.8	0.3	76 724	21 763.3	0.3	73 724	23 225.3	0.3	-2.8%	100.0%
Salary level																			
1 - 6	56 247	-	55 775	9 595.2	0.2	56 244	10 590.2	0.2	53 798	11 251.7	0.2	52 803	11 763.8	0.2	51 889	12 676.9	0.2	-2.7%	69.5%
7 - 10	22 628	-	22 249	7 054.7	0.3	22 623	7 686.4	0.3	22 639	8 384.6	0.4	22 346	8 716.3	0.4	20 297	9 147.1	0.5	-3.6%	28.5%
11 - 12	1 206	-	1 050	629.0	0.6	1 209	777.3	0.6	1 268	904.1	0.7	1 275	952.2	0.7	1 258	1 048.3	0.8	1.3%	1.6%
13 - 16	299	-	310	277.9	0.9	304	292.2	1.0	305	323.4	1.1	300	331.0	1.1	280	353.0	1.3	-2.7%	0.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the MTEF period will be on border safeguarding and anti-piracy measures, which accounts for the increased expenditure of the *Landward Defence*, *Maritime Defence* and *Force Employment* programmes.

The significant increase in expenditure on compensation of employees between 2009/10 and 2012/13 is mainly due to the implementation of the military salary dispensation for regular and reserve force members, and the additional personnel required to strengthen border safeguarding. The department also received additional

allocations over this period for border safeguarding, deployment in foreign countries and the maritime security strategy for the fight against piracy in the Indian Ocean. The noticeable increase in departmental personnel from 79 384 in 2011/12 to 80 380 in 2012/13 is attributed to the increased enlistment of military skills development system graduates into the South African National Defence Force. As a result, the related expenditure on goods and services items, such as inventory of food, fuel and other consumables, increased over the same period.

The significant decrease in transfer payments between 2009/10 and 2012/13 was due to the strategic defence procurement programme reaching its finalisation stage, while the decrease in the payment of capital assets was due to the completion of the new runway at the Air Force Base Waterkloof in 2012/13. The finalisation of the defence procurement programme is also responsible for the decrease in expenditure in the *Air Defence* programme over the same period. The increase in spending in the *Maritime Defence* programme between 2009/10 and 2012/13 was due to the appointment of personnel with scarce skills such as divers, technicians and engineers.

The increase in expenditure in the *Administration* programme projected over the medium term is mainly related to increases in spending on office accommodation, allocations to military veterans' benefits and the establishment of operational law structures. Over the same period, expenditure in the *Force Employment* programme is expected to increase due to the allocation of an additional R715 million for border safeguarding and deployment in foreign countries, while the increase expected in expenditure in the *Maritime Defence* programme over the same period is due to the implementation of the maritime security strategy.

As part of Cabinet approved budget reductions of R485 million, reductions in expenditure on contractors will be effected across five programmes: *Force Employment*, *Landward Defence*, *Air Defence*, *Military Health Support* and *General Support*. Funds have also been reprioritised from contractors in the same programmes towards the financing of peacekeeping commitments in the Central African Republic, on which R200 million will be spent in 2013/14, and R215 million in 2014/15. The reduced spending on contractors is absorbed by the department using its own capacity to implement repair and maintenance projects rather than using contractors through the Department of Public Works.

The department has a funded establishment of 80 380 posts. The ratio of support staff to line function staff is 1:8. Personnel numbers are projected to decrease to 73 724 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces.

R334.5 million was spent on consultants in 2009/10. This decreased to R212.7 million in 2012/13 and remains relatively constant over the medium term, with R214.9 million allocated for spending on consultants in 2015/16. Consultants and professional services are used mostly to provide operational research services and development, laboratory services, and advice with regard to information based warfare, business processes and performance information.

### Infrastructure spending

Spending on infrastructure increased from R862 million in 2009/10 to R1.2 billion in 2012/13, and is expected to decrease to R980.2 million over the medium term based on the milestones of the refurbishment projects and the ability of the Department of Public Works to contract work. The spending is directed mainly towards refurbishing military bases, depots, units and hospitals, as well as constructing infrastructure. Over the MTEF period, the department aims to refurbish 66 military bases, units and office complexes. 24 of these refurbishment projects will be completed over the MTEF period, while 42 will continue beyond this timeframe. Over the medium term, R355 million has been allocated for infrastructure. The department also continues with 29 refurbishment projects, for which R2.5 million has been allocated over the medium term. R26 million has also been allocated to demolish unserviceable infrastructure.

**Mega projects:** Rebuilding the runway at Air Force Base Waterkloof was the department's only mega project. The project was completed in 2012/13 at an estimated cost of R1.1 billion.

**Small projects:** The department continued with 28 refurbishment projects, including 2 Military Hospital in Cape Town, 4 SA Infantry Battalion in Middelburg, 6 SA Infantry Battalion in Grahamstown, 7 SA Infantry Battalion in Phalaborwa, 8 SA Infantry Battalion in Upington, 10 SA Infantry Battalion in Mafikeng, 21 SA Infantry Battalion in Doornkop, Air Defence Artillery School in Kimberley, the SA Army Combat Centre in Lohatla, the SA Navy Training Unit in Saldanha and the School of Engineers in Kroonstad. Over the

medium term, the programme is extended to include 57 small projects, including the flood damage at Air Force Base Hoedspruit. The department also funds 46 capital works building projects, which include the upgrade and construction of health and training facilities, security infrastructure, and living and office accommodation. Also included are improvements to accommodate disabled members.

## Departmental receipts

Table 22.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
<b>Departmental receipts</b>	<b>699 949</b>	<b>689 688</b>	<b>4 269 010</b>	<b>929 435</b>	<b>929 435</b>	<b>9.9%</b>	<b>100.0%</b>	<b>798 930</b>	<b>814 908</b>	<b>818 166</b>	<b>-4.2%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>194 411</b>	<b>255 338</b>	<b>286 128</b>	<b>293 863</b>	<b>293 863</b>	<b>14.8%</b>	<b>15.6%</b>	<b>294 153</b>	<b>300 035</b>	<b>272 246</b>	<b>-2.5%</b>	<b>34.5%</b>
Administration fees	53	13	21	10	10	-42.6%	-	-	-	-	-100.0%	-
of which:												
Administrative fees	53	13	21	10	10	-42.6%	-	-	-	-	-100.0%	-
Other sales	194 358	255 325	286 107	293 853	293 853	14.8%	15.6%	294 153	300 035	272 246	-2.5%	34.5%
of which:												
Services rendered	144 385	185 077	213 412	293 853	293 853	26.7%	12.7%	244 062	248 943	264 129	-3.5%	31.3%
Sale of goods	2 117	5 739	3 943	-	-	-100.0%	0.2%	2 769	2 824	2 996	-	0.3%
Rental of capital assets	47 856	64 509	68 752	-	-	-100.0%	2.7%	47 322	48 268	5 121	-	3.0%
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>15 196</b>	<b>8 651</b>	<b>6 101</b>	<b>7 925</b>	<b>7 925</b>	<b>-19.5%</b>	<b>0.6%</b>	<b>18 653</b>	<b>19 026</b>	<b>20 186</b>	<b>36.6%</b>	<b>2.0%</b>
of which:												
Scrap	14 827	6 613	2 599	7 925	7 925	-18.8%	0.5%	18 603	18 975	20 132	36.4%	2.0%
Military equipment sold	369	2 038	3 502	-	-	-100.0%	0.1%	50	51	54	-	-
<b>Transfers received</b>	<b>228 291</b>	<b>250 767</b>	<b>360 206</b>	<b>280 254</b>	<b>280 254</b>	<b>7.1%</b>	<b>17.0%</b>	<b>171 086</b>	<b>174 508</b>	<b>185 153</b>	<b>-12.9%</b>	<b>24.1%</b>
Fines, penalties and forfeits	3 724	4 459	875	13 039	13 039	51.8%	0.3%	3 776	3 851	4 086	-32.1%	0.7%
Interest, dividends and rent on land	2 750	2 628	162 779	36 870	36 870	137.6%	3.1%	2 583	2 635	2 796	-57.7%	1.3%
Interest	2 750	2 628	162 779	36 870	36 870	137.6%	3.1%	2 583	2 635	2 796	-57.7%	1.3%
Sales of capital assets	19 481	23 068	78 919	79 503	79 503	59.8%	3.1%	55 025	56 125	59 549	-9.2%	7.4%
Transactions in financial assets and liabilities	236 096	144 777	3 374 002	217 981	217 981	-2.6%	60.3%	253 654	258 728	274 150	7.9%	29.9%
<b>Total</b>	<b>699 949</b>	<b>689 688</b>	<b>4 269 010</b>	<b>929 435</b>	<b>929 435</b>	<b>9.9%</b>	<b>100.0%</b>	<b>798 930</b>	<b>814 908</b>	<b>818 166</b>	<b>-4.2%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 22.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Ministry	50.2	97.3	124.2	78.5	16.1%	2.5%	64.1	66.0	68.9	-4.3%	1.5%
Departmental Direction	20.8	27.2	40.1	57.7	40.5%	1.0%	56.5	58.0	61.1	1.9%	1.3%
Policy and Planning	65.0	67.7	75.7	98.9	15.0%	2.2%	96.9	100.0	115.1	5.2%	2.3%
Financial Services	218.3	240.8	264.3	285.5	9.4%	7.2%	306.9	314.5	325.7	4.5%	6.8%
Human Resources Support Services	541.5	609.7	587.0	623.3	4.8%	16.9%	659.1	672.3	700.1	3.9%	14.6%
Legal Services	122.5	159.0	168.6	201.1	18.0%	4.7%	247.8	264.7	280.2	11.7%	5.5%
Inspection Services	55.5	62.0	68.5	78.8	12.4%	1.9%	82.1	83.9	86.9	3.3%	1.8%
Acquisition Services	40.7	52.6	47.9	45.5	3.8%	1.3%	48.7	49.5	51.7	4.3%	1.1%
Communication Services	29.2	29.1	29.9	30.1	1.1%	0.8%	30.4	31.8	33.4	3.6%	0.7%
South African National Defence Force Command and Control	83.6	96.4	107.8	151.6	21.9%	3.2%	135.8	140.1	145.0	-1.5%	3.2%
Religious Services	7.9	8.7	9.7	11.7	14.0%	0.3%	11.6	12.0	12.8	2.8%	0.3%
Defence Reserve Direction	17.0	19.8	22.8	21.5	8.1%	0.6%	23.2	23.9	24.9	4.9%	0.5%
Defence Foreign Relations	117.6	140.3	159.7	199.5	19.3%	4.4%	204.7	214.3	223.9	3.9%	4.6%
Office Accommodation	1 544.3	1 842.2	2 020.9	1 885.4	6.9%	52.3%	2 115.4	2 243.2	2 359.9	7.8%	47.5%
Military Veterans Management	-	-	20.0	51.4	-	0.5%	351.4	504.2	606.8	127.7%	8.3%
<b>Total</b>	<b>2 914.1</b>	<b>3 452.9</b>	<b>3 747.1</b>	<b>3 820.7</b>	<b>9.4%</b>	<b>100.0%</b>	<b>4 434.6</b>	<b>4 778.4</b>	<b>5 096.3</b>	<b>10.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				89.9			393.9	515.7	637.6		

**Table 22.5 Administration (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>2 830.8</b>	<b>3 371.6</b>	<b>3 652.9</b>	<b>3 708.3</b>	<b>9.4%</b>	<b>97.3%</b>	<b>4 020.4</b>	<b>4 213.5</b>	<b>4 431.1</b>	<b>6.1%</b>	<b>90.3%</b>
Compensation of employees	952.3	1 134.4	1 179.0	1 320.4	11.5%	32.9%	1 425.6	1 495.7	1 561.0	5.7%	32.0%
Goods and services	1 878.4	2 237.3	2 473.9	2 387.9	8.3%	64.4%	2 594.8	2 717.8	2 870.2	6.3%	58.3%
of which:											
Computer services	69.4	62.2	90.1	94.5	10.8%	2.3%	109.2	108.3	114.0	6.4%	2.3%
Contractors	960.3	1 137.2	1 132.8	979.5	0.7%	30.2%	28.6	22.3	32.8	-67.8%	5.9%
Property payments	457.1	551.2	731.6	724.7	16.6%	17.7%	1 895.5	2 015.9	2 115.2	42.9%	37.2%
Travel and subsistence	76.5	106.8	110.5	109.0	12.5%	2.9%	101.0	100.5	112.0	0.9%	2.3%
<b>Transfers and subsidies</b>	<b>36.9</b>	<b>33.2</b>	<b>32.8</b>	<b>93.2</b>	<b>36.3%</b>	<b>1.4%</b>	<b>385.6</b>	<b>536.5</b>	<b>639.9</b>	<b>90.0%</b>	<b>9.1%</b>
Departmental agencies and accounts	9.9	14.4	15.3	69.8	91.5%	0.8%	368.3	521.4	624.4	107.6%	8.7%
Non-profit institutions	4.0	4.8	5.9	6.2	15.8%	0.2%	6.5	6.9	7.2	5.0%	0.1%
Households	22.9	13.9	11.6	17.3	-9.0%	0.5%	10.7	8.2	8.3	-21.6%	0.2%
<b>Payments for capital assets</b>	<b>35.9</b>	<b>29.2</b>	<b>34.0</b>	<b>19.1</b>	<b>-18.9%</b>	<b>0.8%</b>	<b>28.6</b>	<b>28.4</b>	<b>25.2</b>	<b>9.6%</b>	<b>0.6%</b>
Machinery and equipment	35.9	29.1	34.0	19.1	-18.9%	0.8%	28.6	28.4	25.2	9.6%	0.6%
<b>Payments for financial assets</b>	<b>10.6</b>	<b>19.0</b>	<b>27.4</b>	<b>-</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	35.9	29.1	34.0	19.1	-18.9%	0.8%	28.6	28.4	25.2	9.6%	0.6%
<b>Total</b>	<b>2 914.1</b>	<b>3 452.9</b>	<b>3 747.1</b>	<b>3 820.7</b>	<b>9.4%</b>	<b>100.0%</b>	<b>4 434.6</b>	<b>4 778.4</b>	<b>5 096.3</b>	<b>10.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>9.3%</b>	<b>11.3%</b>	<b>10.9%</b>	<b>10.1%</b>			<b>11.0%</b>	<b>11.2%</b>	<b>11.3%</b>		

**Details of transfers and subsidies**

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	9.9	14.4	15.3	69.8	91.5%	0.8%	368.3	521.4	624.4	107.6%	8.7%
Safety and security sector education and training authority	9.9	14.4	15.3	18.4	22.7%	0.4%	16.9	17.2	17.6	-1.4%	0.4%
Military Veterans Management	-	-	-	51.4	-	0.4%	351.4	504.2	606.8	127.7%	8.3%
Households											
Social benefits											
Current	22.9	13.9	11.6	17.3	-9.0%	0.5%	10.7	8.2	8.3	-21.6%	0.2%
Employee social benefits	22.9	13.9	11.6	17.3	-9.0%	0.5%	10.7	8.2	8.3	-21.6%	0.2%
Non-profit institutions											
Current	4.0	4.8	5.9	6.2	15.8%	0.2%	6.5	6.9	7.2	5.0%	0.1%
Reserve Force Council	4.0	4.8	5.9	6.2	15.8%	0.2%	6.5	6.9	7.2	5.0%	0.1%

**Personnel information**
**Table 22.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
<b>Administration</b>																			
Salary level	3 838	-	3 693	1 169.8	0.3	3 838	1 320.4	0.3	4 078	1 425.6	0.3	4 054	1 495.7	0.4	3 894	1 561.0	0.4	0.5%	100.0%
1 - 6	1 626	-	1 552	269.3	0.2	1 623	300.9	0.2	1 709	322.5	0.2	1 712	340.2	0.2	1 656	360.4	0.2	0.7%	42.2%
7 - 10	1 604	-	1 576	507.9	0.3	1 599	551.3	0.3	1 693	599.2	0.4	1 666	622.2	0.4	1 585	643.5	0.4	-0.3%	41.2%
11 - 12	478	-	425	262.4	0.6	481	328.3	0.7	540	365.6	0.7	545	392.8	0.7	534	413.7	0.8	3.5%	13.2%
13 - 16	130	-	140	130.2	0.9	135	139.8	1.0	136	138.2	1.0	131	140.5	1.1	119	143.4	1.2	-4.1%	3.3%

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

<sup>2</sup> Rand million.

<sup>3</sup> As at 30 September 2012.

**Expenditure trends**

The spending focus over the medium term will mainly be on maintaining the administrative capabilities and services of the department, providing comprehensive defence and military policy and strategy, supporting the defence headquarters and providing office accommodation to the department. Almost half of the expenditure on this programme provides for office accommodation and the execution of the department's human resource and financial management functions, while large amounts are also provided to the department of military veterans through the *Military Veterans Management* subprogramme. The rise in spending in this programme over the

medium term is mainly due to a R1.3 billion increase in the budget of the Department of Military Veterans to pay benefits to military veterans.

The decrease in expenditure in the *Ministry* subprogramme between 2012/13 and 2015/16 is due to the military ombud being moved to the *Legal Services* subprogramme, and the completion of a multimedia campaign in 2012/13. The projected increase of 23.2 per cent in expenditure in the *Legal Services* subprogramme in 2013/14 is due to the creation of an operational law structure to provide legal assistance during peace missions, the establishment of the Office of the Military Ombud and the implementation of the occupational specific dispensation for legal practitioners.

Consultants and professional services are used mostly for forensic audits and operational research services, areas in which the department does not have this capacity. Expenditure on consultants decreases from R24.2 million in 2009/10 to R16.3 million in 2015/16 due to the final payment to a transaction adviser, who investigated the possible co-location of all departmental training institutions.

The programme has a funded establishment of 3 838 posts. Personnel numbers are projected to increase to 3 894 in 2015/16 to provide for the creation of an operational law structure to provide legal assistance during peace missions, and the establishment of the Office of the Military Ombud.

## Programme 2: Force Employment

### Objectives

- Ensure successful joint force employment over the medium term by:
  - providing and employing 1 special operations capability in accordance with national requirements
  - ensuring full participation in the number of peace missions as instructed by the president
  - conducting 25 joint, interdepartmental and multinational military force preparation exercises from 2012/13 to 2014/15, excluding special forces exercises
  - conducting 4 operations per year protecting the territorial integrity and sovereignty of South Africa, supporting other government departments and complying with international obligations on an ongoing basis.

### Subprogrammes

- *Strategic Direction* formulates and controls strategies, policies and plans for the employment of forces. Funding is based on the cost of operating a joint operations division headquarters. The joint operations division focuses on enhancing and maintaining comprehensive defence capabilities; promoting peace, stability and security in the region and continent; and supporting the people of South Africa in terms of the country's policies and international obligations for the promotion of peace, stability and security. This subprogramme had a staff complement of 162 in 2012/13.
- *Operational Direction* provides operational direction to joint and multinational task forces and joint tactical headquarters through an operational level headquarters. Funding is distributed according to the cost of running an operational headquarters and 9 tactical headquarters. This subprogramme had a staff complement of 539 in 2012/13.
- *Special Operations* provides and employs a special operations capability within the approved special forces mandate for the South African National Defence Force. Funding is distributed according to the number and size of units, systems, and equipment for operations, and maintenance requirements; and the number of special forces operations, force preparation exercises and training courses.
- *Regional Security* provides for the deployment of forces in support of South Africa's commitment to regional, continental and global security. Funding is distributed according to the number, size and duration of deployments, and the systems and equipment required for operations and maintenance. The South African National Defence Force participates in the United Nations (UN) peace support operation in the Democratic Republic of the Congo and the United Nations/African Union hybrid peace support operation in Sudan, provides training to the armed forces of the Central African Republic, and executes an operation in support of the Mozambican defence force counter piracy operations in the Mozambique Channel. The

personnel involved are mostly provided by the 4 arms of the South African National Defence Force: army, navy, air force and military health support.

- *Support to the People* is discussed in more detail below.
- *Defence Capability Management* provides for the planning and control of joint, interdepartmental and multinational military force preparation exercises; development of the joint force employment command and control plan; and capability development management. Funding is distributed according to need for exercise control equipment used in joint, interdepartmental and multinational military exercises, for contractual obligations in connection with the development of the joint force employment command and control plan, and for capability development. In 2012/13, 8 exercises were planned, of which 5 took place and the remaining 3 were cancelled. There is no staff complement in this subprogramme.

## Expenditure estimates

**Table 22.7 Force Employment**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Strategic Direction	69.6	78.4	92.5	110.4	16.6%	3.8%	109.9	109.9	117.3	2.1%	3.4%
Operational Direction	169.7	228.1	236.5	236.3	11.7%	9.4%	269.8	263.1	274.3	5.1%	8.0%
Special Operations	417.2	480.3	576.1	605.1	13.2%	22.5%	623.9	641.8	655.1	2.7%	19.3%
Regional Security	1 091.3	959.6	1 033.8	1 175.1	2.5%	46.0%	1 401.3	1 485.4	1 472.3	7.8%	42.2%
Support to the People	94.9	502.4	399.2	599.0	84.8%	17.2%	848.9	894.4	1 099.3	22.4%	26.3%
Defence Capability Management	43.9	16.6	20.5	22.3	-20.2%	1.1%	30.1	28.5	29.1	9.2%	0.8%
<b>Total</b>	<b>1 886.5</b>	<b>2 265.5</b>	<b>2 358.5</b>	<b>2 748.2</b>	<b>13.4%</b>	<b>100.0%</b>	<b>3 283.9</b>	<b>3 423.2</b>	<b>3 647.5</b>	<b>9.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				77.3			324.7	222.5	299.6		

### Economic classification

<b>Current payments</b>	<b>1 662.3</b>	<b>2 011.5</b>	<b>2 037.2</b>	<b>2 504.0</b>	<b>14.6%</b>	<b>88.7%</b>	<b>2 896.8</b>	<b>3 012.4</b>	<b>3 363.9</b>	<b>10.3%</b>	<b>89.9%</b>
Compensation of employees	881.3	1 184.6	1 184.0	1 372.9	15.9%	49.9%	1 562.5	1 596.6	1 912.8	11.7%	49.2%
Goods and services	780.9	826.9	853.2	1 131.0	13.1%	38.8%	1 334.2	1 415.8	1 451.1	8.7%	40.7%
of which:											
Computer services	3.1	3.2	6.1	3.1	-0.1%	0.2%	3.1	4.1	3.1	0.4%	0.1%
Contractors	123.2	170.6	151.9	309.7	36.0%	8.2%	499.1	577.5	720.4	32.5%	16.1%
Property payments	0.6	0.8	0.6	1.2	27.0%	-	14.5	15.3	15.8	134.9%	0.4%
Travel and subsistence	233.0	171.5	179.7	124.4	-18.9%	7.7%	209.5	214.5	183.1	13.7%	5.6%
<b>Transfers and subsidies</b>	<b>166.2</b>	<b>139.2</b>	<b>202.8</b>	<b>169.6</b>	<b>0.7%</b>	<b>7.3%</b>	<b>170.5</b>	<b>180.1</b>	<b>178.0</b>	<b>1.6%</b>	<b>5.3%</b>
Departmental agencies and accounts	156.8	129.4	186.9	150.6	-1.3%	6.7%	149.1	158.9	156.7	1.3%	4.7%
Public corporations and private enterprises	-	4.0	11.7	12.6	-	0.3%	13.3	13.2	13.4	2.1%	0.4%
Households	9.4	5.8	4.2	6.4	-12.0%	0.3%	8.1	7.9	7.9	7.5%	0.2%
<b>Payments for capital assets</b>	<b>58.1</b>	<b>114.7</b>	<b>118.5</b>	<b>74.7</b>	<b>8.7%</b>	<b>4.0%</b>	<b>216.6</b>	<b>230.7</b>	<b>105.5</b>	<b>12.2%</b>	<b>4.8%</b>
Buildings and other fixed structures	1.5	5.6	3.2	1.8	6.8%	0.1%	0.8	0.8	0.9	-21.0%	-
Machinery and equipment	56.6	105.6	115.3	69.7	7.2%	3.7%	214.5	228.9	103.5	14.1%	4.7%
Specialised military assets	-	3.5	-	3.2	-	0.1%	1.3	1.1	1.1	-29.0%	0.1%
<b>Payments for financial assets</b>	<b>-</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 886.5</b>	<b>2 265.5</b>	<b>2 358.5</b>	<b>2 748.2</b>	<b>13.4%</b>	<b>100.0%</b>	<b>3 283.9</b>	<b>3 423.2</b>	<b>3 647.5</b>	<b>9.9%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	6.0%	7.4%	6.9%	7.3%			8.2%	8.0%	8.1%		

### Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>156.8</b>	<b>129.4</b>	<b>186.9</b>	<b>150.6</b>	<b>-1.3%</b>	<b>6.7%</b>	<b>149.1</b>	<b>158.9</b>	<b>156.7</b>	<b>1.3%</b>	<b>4.7%</b>
Special defence account	156.8	129.4	186.9	150.6	-1.3%	6.7%	149.1	158.9	156.7	1.3%	4.7%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>9.4</b>	<b>5.8</b>	<b>4.2</b>	<b>6.4</b>	<b>-12.0%</b>	<b>0.3%</b>	<b>8.1</b>	<b>7.9</b>	<b>7.9</b>	<b>7.5%</b>	<b>0.2%</b>
Employee social benefits	9.4	5.8	4.2	6.4	-12.0%	0.3%	8.1	7.9	7.9	7.5%	0.2%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>-</b>	<b>4.0</b>	<b>11.7</b>	<b>12.6</b>	<b>-</b>	<b>0.3%</b>	<b>13.3</b>	<b>13.2</b>	<b>13.4</b>	<b>2.1%</b>	<b>0.4%</b>
Armaments Corporation of South Africa	-	4.0	11.7	12.6	-	0.3%	13.3	13.2	13.4	2.1%	0.4%



## Personnel information

**Table 22.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
<b>Force Employment</b>																			
<b>Salary level</b>	2 497	–	2 411	1 180.9	0.5	2 497	1 372.9	0.5	2 545	1 562.5	0.6	2 502	1 596.6	0.6	2 340	1 912.8	0.8	-2.1%	100.0%
1 – 6	1 278	–	1 225	811.2	0.7	1 278	996.0	0.8	1 310	1 174.3	0.9	1 273	1 211.0	1.0	1 154	1 497.9	1.3	-3.3%	50.7%
7 – 10	1 100	–	1 082	327.6	0.3	1 100	326.4	0.3	1 116	338.8	0.3	1 110	336.0	0.3	1 067	359.5	0.3	-1.0%	44.4%
11 – 12	95	–	80	30.6	0.4	95	38.2	0.4	95	37.6	0.4	95	37.7	0.4	95	42.1	0.4	–	3.8%
13 – 16	24	–	24	11.5	0.5	24	12.3	0.5	24	11.9	0.5	24	11.9	0.5	24	13.3	0.6	–	1.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Over the MTEF period, the spending focus will be on conducting foreign peace missions, border safeguarding operations, other contingency based deployments and anti-piracy operations, mainly reflected in the *Regional Security and Support to the People* subprogrammes.

Expenditure in the *Support to the People* subprogramme grows significantly across the seven-year period and is discussed in further detail in the section that follows. The projected increase in expenditure in the *Regional Security* subprogramme over the medium term is due to the allocation of an additional R80 million in 2013/14 and R90 million in 2014/15 for increased peace support operations in the Central African Republic, assistance to the Mozambican defence force in the fight against piracy in the Mozambique Channel, and for increased deployments in foreign countries.

The projected decrease in operating payments between 2009/10 and 2011/12 was due to fewer charter flights undertaken in respect of peace support operations. The significant increase projected in expenditure on travel and subsistence over the medium term is due to increased deployments to peace support operations across the continent.

Between 2009/10 and 2012/13, expenditure on compensation of employees and goods and services increased significantly due to the implementation of the military salary dispensation and the additional allocations for border safeguarding.

R4.1 million has been allocated over the medium term for spending on consultants to perform pressure testing and maintenance of diving cylinders, and to assist with infrastructure planning, all of which require highly specific skills not required on a full time basis.

The programme has a funded establishment of 2 497 posts. Personnel numbers are projected to decrease to 2 340 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces.

## Subprogramme: Support to the People

This subprogramme provides for the internal deployment of forces for border safeguarding and in support of the South African Police Service and other government departments. The South African National Defence Force is responsible for safeguarding landward borders and will deploy 13 sub-units on the borders, render support to other government departments in safety and security related activities in cooperation with the South African Police Service, provide assistance during disaster situations, and conduct search and rescue missions. Key activities in 2012/13 included 11 landward sub-units being deployed for border safeguarding, and a 100 per cent compliance with the number of authorised ordered commitments in respect of safety and security support, disaster aid and disaster relief, and search and rescue.

## Expenditure estimates

**Table 22.9 Support to the People**

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome			2012/13				2013/14	2014/15	2015/16		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16	2012/13 - 2015/16
<b>Current payments</b>	<b>86.5</b>	<b>455.1</b>	<b>339.3</b>	<b>577.1</b>	<b>88.3%</b>	<b>91.4%</b>	<b>767.6</b>	<b>813.1</b>	<b>1 092.4</b>	<b>23.7%</b>	<b>94.4%</b>
Compensation of employees	44.7	258.7	150.3	276.5	83.5%	45.8%	416.2	435.1	494.6	21.4%	47.1%
Goods and services	41.8	196.4	189.0	300.7	93.1%	45.6%	351.4	377.9	597.8	25.7%	47.3%
<i>of which:</i>											
Computer services	0.7	0.0	3.5	0.1	-48.1%	0.3%	0.1	0.1	0.1	-15.4%	-
Contractors	11.4	20.3	79.8	162.0	142.1%	17.1%	200.7	241.7	475.7	43.2%	31.4%
Property payments	0.0	0.2	0.1	0.9	207.6%	0.1%	5.6	5.7	6.0	87.9%	0.5%
Travel and subsistence	5.7	27.1	2.9	3.3	-17.2%	2.4%	26.8	28.2	8.6	38.5%	1.9%
<b>Payments for capital assets</b>	<b>8.4</b>	<b>47.2</b>	<b>59.9</b>	<b>21.9</b>	<b>37.6%</b>	<b>8.6%</b>	<b>81.2</b>	<b>81.4</b>	<b>6.9</b>	<b>-32.0%</b>	<b>5.6%</b>
Buildings and other fixed structures	0.0	0.0	0.1	0.6	217.5%	-	-	-	-	-100.0%	-
Machinery and equipment	8.4	47.2	59.7	21.3	36.4%	8.6%	81.2	81.4	6.9	-31.3%	5.5%
<b>Total</b>	<b>94.9</b>	<b>502.4</b>	<b>399.2</b>	<b>599.0</b>	<b>84.8%</b>	<b>100.0%</b>	<b>848.9</b>	<b>894.4</b>	<b>1 099.3</b>	<b>22.4%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>5.0%</b>	<b>22.2%</b>	<b>16.9%</b>	<b>21.8%</b>			<b>25.8%</b>	<b>26.1%</b>	<b>30.1%</b>		

## Personnel information

**Table 22.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
<b>Support to the People</b>																			
Salary level	66	-	66	150.3	2.3	66	276.5	4.2	66	416.2	6.3	66	435.1	6.6	66	494.6	7.5	-	100.0%
1-6	66	-	66	150.3	2.3	66	276.5	4.2	66	416.2	6.3	66	435.1	6.6	66	494.6	7.5	-	100.0%

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

<sup>2</sup> Rand million.

<sup>3</sup> As at 30 September 2012.

## Expenditure trends

The spending focus in this subprogramme is on executing border safeguarding and providing assistance during emergencies and national disasters. The number of companies deployed on border safeguarding duty has increased from 7 in 2011/12 to 11 in 2012/13 and is projected to increase to 19 over the medium term.

Over the medium term, spending is expected to increase due to the increased allocation of R545 million received for the rollout of border safeguarding operations. The additional funding will mainly be used to address the requirement for transport during the execution of this operation. Expenditure on compensation of employees is expected to increase from R276.5 million in 2012/13 to R494.6 million in 2015/16 due to the increased number of companies deployed and the deployment of a greater number of reserve forces in the absence of a sufficient permanent force being available.

The increase in spending on compensation of employees reflects deployment allowances paid to troops while stationed on the borders. The increase in expenditure on contractors over the seven year period under review is due to the deployment of companies for border safeguarding operations, which also accounts for the increased expenditure on inventory, and specifically food and fuel supplies, up to 2012/13. Expenditure on inventory is expected to decrease over the medium term due to the use of contractors to provide some of these services.

The subprogramme has a funded establishment of 66 posts. Personnel numbers are projected to remain the same over the medium term.

## Programme 3: Landward Defence

### Objectives

- Defend and protect South Africa and its territory over the medium term by:
  - providing 1 infantry capability, including Chief of the South African National Defence Reaction Force, for external deployment and for internal safety and security including border safeguarding
  - exercising 1 tank and armoured car capability and providing 1 squadron for internal deployment per year
  - exercising 1 composite artillery capability and providing 1 battery for internal deployment per year
  - exercising 1 air defence artillery capability and providing 1 battery for internal deployment per year
  - providing a sustained composite engineer capability for external deployment, as well as for internal safety and security
  - exercising 1 field engineer capability per year
  - providing 1 signal capability for external deployment and for internal signal support and exercising 1 composite signal capability per year.

### Subprogrammes

- *Strategic Direction* directs, orchestrates and controls the South African army in achieving its mission to prepare and provide supported landward capabilities for the defence and protection of South Africa. Funding is based on the costs of operating the South African Army headquarters and managing centralised funds for scarce commodities and specialist services. This subprogramme had a staff complement of 738 in 2012/13.
- *Infantry Capability* provides combat ready infantry capabilities through training, preparing, exercising and supporting mechanised, motorised, specialised and airborne infantry units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 16 300 in 2012/13.
- *Armour Capability* provides combat ready armour capabilities through training, preparing, exercising and supporting tank and armoured car units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 1 395 in 2012/13.
- *Artillery Capability* provides combat ready artillery capabilities through training, preparing, exercising and supporting composite and light artillery units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 1 458 in 2012/13.
- *Air Defence Artillery Capability* provides combat ready air defence artillery capabilities through training, preparing, exercising and supporting air defence artillery units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 1 024 in 2012/13.
- *Engineering Capability* provides combat ready engineering capabilities to ensure mobility and establish infrastructure during exercises and deployments. This entails training, preparing, exercising and supporting field and construction engineer units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 2 445 in 2012/13.
- *Operational Intelligence* provides combat ready operational intelligence capabilities to enable successful planning and execution of operations. This entails training, preparing, exercising and supporting intelligence units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 629 in 2012/13.

- *Command and Control Capability* provides combat ready tactical command and control capabilities for integrated forces during force preparation and force employment. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 493 in 2012/13.
- *Support Capability* provides first, second and fourth line support capabilities to units and bases, and ensures support to deployed combat units through training, preparing, exercising and supporting first and second line maintenance units and workshops. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 9 312 in 2012/13.
- *General Training Capability* provides general training capabilities through basic military training, junior leader training, common landward training, and command and management training at the training depot and decentralised units, the South African Army Gymnasium, the combat training centre and the South African Army College. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 1 547 in 2012/13.
- *Signal Capability* provides combat ready signal capabilities to ensure command, control and communications during exercises and deployments. This entails training, preparing, exercising and supporting signal units. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 3 953 in 2012/13.

## Expenditure estimates

**Table 22.11 Landward Defence**

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R million						2009/10 - 2012/13					2012/13 - 2015/16	
Strategic Direction	350.1	526.1	351.4	264.2	-9.0%	3.6%	389.9	403.8	426.1	17.3%	2.7%	
Infantry Capability	3 077.2	3 392.3	3 360.8	3 659.9	6.0%	32.4%	5 222.9	4 945.2	5 591.7	15.2%	35.1%	
Armour Capability	240.3	296.8	305.8	337.1	11.9%	2.8%	344.7	378.9	409.3	6.7%	2.7%	
Artillery Capability	328.0	317.6	374.9	496.5	14.8%	3.6%	388.6	427.3	474.8	-1.5%	3.2%	
Air Defence Artillery Capability	388.6	212.1	378.0	592.6	15.1%	3.8%	419.7	482.1	471.1	-7.4%	3.6%	
Engineering Capability	356.6	489.4	509.0	549.7	15.5%	4.6%	577.9	611.6	664.4	6.5%	4.3%	
Operational Intelligence	264.7	229.6	178.7	239.4	-3.3%	2.2%	178.5	183.3	199.6	-5.9%	1.4%	
Command and Control Capability	99.6	130.8	141.0	162.2	17.6%	1.3%	164.9	173.7	187.6	5.0%	1.2%	
Support Capability	3 021.9	2 532.9	4 176.7	4 666.1	15.6%	34.6%	4 791.1	4 946.3	5 169.0	3.5%	35.4%	
General Training Capability	269.5	355.2	323.3	405.4	14.6%	3.3%	378.7	396.1	425.5	1.6%	2.9%	
Signal Capability	645.7	812.7	862.7	940.6	13.4%	7.8%	996.8	1 044.5	1 126.4	6.2%	7.4%	
<b>Total</b>	<b>9 042.2</b>	<b>9 295.6</b>	<b>10 962.2</b>	<b>12 313.7</b>	<b>10.8%</b>	<b>100.0%</b>	<b>13 853.8</b>	<b>13 992.8</b>	<b>15 145.6</b>	<b>7.1%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(373.0)			102.6	(261.2)	235.9			
<b>Economic classification</b>												
<b>Current payments</b>	<b>6 606.7</b>	<b>8 568.1</b>	<b>8 867.2</b>	<b>9 911.2</b>	<b>14.5%</b>	<b>81.6%</b>	<b>10 440.6</b>	<b>11 004.2</b>	<b>11 651.7</b>	<b>5.5%</b>	<b>77.8%</b>	
Compensation of employees	5 331.6	7 291.0	7 538.0	8 259.5	15.7%	68.3%	8 908.8	9 471.9	10 027.1	6.7%	66.3%	
Goods and services	1 275.1	1 277.0	1 329.2	1 651.7	9.0%	13.3%	1 531.8	1 532.3	1 624.6	-0.6%	11.5%	
of which:												
Computer services	76.6	94.3	76.3	91.4	6.0%	0.8%	89.0	90.4	91.5	0.1%	0.7%	
Contractors	186.7	193.4	213.8	267.7	12.8%	2.1%	223.8	199.5	239.3	-3.7%	1.7%	
Property payments	3.7	4.1	4.5	6.9	23.7%	-	64.9	66.2	67.6	113.8%	0.4%	
Travel and subsistence	188.5	211.6	178.8	185.3	-0.6%	1.8%	155.4	156.4	159.0	-5.0%	1.2%	
<b>Transfers and subsidies</b>	<b>2 326.1</b>	<b>496.6</b>	<b>1 795.9</b>	<b>2 056.9</b>	<b>-4.0%</b>	<b>16.0%</b>	<b>3 209.8</b>	<b>2 773.0</b>	<b>3 451.5</b>	<b>18.8%</b>	<b>20.8%</b>	
Departmental agencies and accounts	2 286.9	414.4	1 710.7	1 955.3	-5.1%	15.3%	3 118.6	2 678.9	3 358.9	19.8%	20.1%	
Public corporations and private enterprises	-	39.0	51.3	53.6	-	0.3%	54.4	54.9	54.9	0.8%	0.4%	
Households	39.2	43.3	34.0	48.0	7.0%	0.4%	36.7	39.2	37.7	-7.7%	0.3%	

Table 22.11 Landward Defence (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Payments for capital assets</b>	<b>107.1</b>	<b>226.6</b>	<b>295.1</b>	<b>345.6</b>	<b>47.8%</b>	<b>2.3%</b>	<b>203.4</b>	<b>215.6</b>	<b>42.4</b>	<b>-50.3%</b>	<b>1.5%</b>
Buildings and other fixed structures	0.1	0.2	1.8	0.1	4.1%	-	-	-	-	-100.0%	-
Machinery and equipment	107.0	225.6	292.7	318.5	43.8%	2.3%	198.4	210.6	37.3	-51.1%	1.4%
Specialised military assets	-	0.8	-	27.0	-	0.1%	4.8	4.8	4.8	-43.8%	0.1%
Biological assets	-	-	0.6	-	-	-	0.2	0.2	0.2	-	-
<b>Payments for financial assets</b>	<b>2.3</b>	<b>4.3</b>	<b>4.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>9 042.2</b>	<b>9 295.6</b>	<b>10 962.2</b>	<b>12 313.7</b>	<b>10.8%</b>	<b>100.0%</b>	<b>13 853.8</b>	<b>13 992.8</b>	<b>15 145.6</b>	<b>7.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>28.9%</b>	<b>30.5%</b>	<b>31.9%</b>	<b>32.5%</b>			<b>34.4%</b>	<b>32.8%</b>	<b>33.6%</b>		

**Details of transfers and subsidies**

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current											
Special defence account	2 286.9	414.4	1 710.7	1 955.3	-5.1%	15.3%	3 118.6	2 678.9	3 358.9	19.8%	20.1%
Households											
Social benefits											
Current											
Employee social benefits	39.2	43.3	34.0	48.0	7.0%	0.4%	36.7	39.2	37.7	-7.7%	0.3%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Current											
Armaments Corporation of South Africa	-	39.0	51.3	53.6	-	0.3%	54.4	54.9	54.9	0.8%	0.4%

**Personnel information**Table 22.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment														Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Landward Defence		39 725			39 725	8 259.5	0.2	38 715	8 908.8	0.2	38 375	9 471.9	0.2	36 801	10 027.1	0.3	-2.5%	100.0%	
Salary level																			
1-6	31 318	-	31 353	5 104.7	0.2	31 318	5 590.8	0.2	30 316	5 947.3	0.2	29 909	6 307.3	0.2	29 670	6 750.2	0.2	-1.8%	78.9%
7-10	8 195	-	7 986	2 302.2	0.3	8 195	2 545.4	0.3	8 187	2 798.4	0.3	8 254	2 992.0	0.4	6 933	3 095.9	0.4	-5.4%	20.6%
11-12	174	-	161	96.9	0.6	174	95.2	0.5	174	124.0	0.7	174	131.2	0.8	164	137.9	0.8	-2.0%	0.4%
13-16	38	-	38	34.2	0.9	38	28.1	0.7	38	39.2	1.0	38	41.4	1.1	34	43.1	1.3	-3.6%	0.1%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

The spending focus over the medium term will be on providing forces for internal and external deployments according to government requirements. In this regard, the South African army will continue to prepare its forces to comply with military strategic objectives. It will also maintain and manage assets and equipment to support deployments and force preparations.

Between 2009/10 and 2012/13, the decrease in expenditure in the *Strategic Direction* subprogramme and the increase in the *Command and Control Capability* subprogramme was due to the shifting of responsibility for the execution of landward defence military exercises between the two subprogrammes. The increase in compensation of employees from 2009/10 to 2012/13 was due to the implementation of the military salary dispensation.

The projected increase in expenditure in the *Strategic Direction* subprogramme over the medium term is due to the implementation of the improved salary dispensation for warrant officers. Over the medium term, expenditure in the *Infantry Capability* subprogramme is expected to increase due to the start of production of a new generation infantry combat vehicle. This is also the reason for the increase in transfers and subsidies, which

provides for the development and production phase of the vehicle. The projected decrease in expenditure in the *Air Defence Artillery Capability* subprogramme over the medium term is due to the gradual completion of the ground based air defence systems, while the projected decreased expenditure in the *Operational Intelligence* subprogramme over the same period is due to the finalisation of the mobile intelligence processing system.

The decrease projected in the payments for capital assets in 2015/16 is due to a decision to fast track the replacement of obsolete and redundant trucks and vehicles by 2014/15. Consultants and professional services provides mostly for South African Bureau of Standards services, operational research, and codification and cataloguing. Expenditure on consultants and professionals remains stable over the medium term, increasing to R18.6 million in 2015/16.

The programme has a funded establishment of 39 725 posts. Personnel numbers are projected to decrease to 36 801 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces.

## Programme 4: Air Defence

### Objectives

- Defend and protect South Africa and its airspace over the medium term by providing:
  - 4 helicopter squadrons and 1 combat support helicopter squadron per year
  - 3 medium transport squadrons which will include one VIP squadron, 1 maritime and transport squadron, 1 light transport squadron and 9 reserve squadrons at the required readiness levels per year
  - 1 air combat squadron per year
  - 24-hour air command and control capability.

### Subprogrammes

- *Strategic Direction* provides strategic direction to the programme by formulating and controlling strategies, policies and plans through the air force office to prepare and provide the capabilities required by the Chief of the South African National Defence Force. Funding is based on the cost of operating the air defence headquarters. The air force provides support by executing flights during border safeguarding tasks, authorised safety and security support commitments, disaster aid and disaster relief ordered commitments, and authorised search and rescue commitments. This subprogramme had a staff complement of 40 in 2012/13.
- *Operational Direction* provides operational direction to the programme by means of an air command. Funding is based on the cost of operating the air command. The air force ensures that the planned daily availability of aircraft is achieved and that planned flying hours are flown. This subprogramme had no staff complement in 2012/13.
- *Helicopter Capability* provides and sustains operationally ready light utility helicopters, medium transport helicopters and combat support helicopters crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 526 in 2012/13.
- *Transport and Maritime Capability* provides and sustains operationally ready transport and maritime aircraft crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 452 in 2012/13.
- *Air Combat Capability* provides and sustains operationally ready fighter aircraft crewed by appropriately qualified personnel. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 213 in 2012/13.

- *Operational Support and Intelligence Capability* prepares, develops, provides and supports protection, intelligence systems and counter intelligence support to the South African Air Force through protection squadrons, intelligence subsystems and intelligence training unique to the air force. Funding is distributed according to the number and size of squadrons, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 1 102 in 2012/13.
- *Command and Control Capability* supplies and maintains operationally ready command and control elements in support of air battle space operations. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. The air force and the Air Traffic and Navigation Services Company deploy and integrate a network of radar, observation posts and electronic warfare sensors across the country to detect and monitor compliance with published restrictions, and to monitor and control the South African National Defence Force's air traffic. This subprogramme had a staff complement of 4 549 in 2012/13.
- *Base Support Capability* provides air base infrastructure facilities to squadrons and resident units on bases, including the maintenance of all relevant systems and personnel, to support flying operations. Funding is distributed according to the number and size of air force bases and units, systems and operating equipment requirements, maintenance requirements, and the number of training courses. This subprogramme had a staff complement of 5 555 in 2012/13.
- *Command Post* renders command and control over all missions flown. Funding is distributed according to the number and size of command posts and deployments, and readiness and aircraft chartering requirements. This subprogramme had a staff complement of 112 in 2012/13.
- *Training Capability* provides for the general education, training and development of air force personnel. Funding is distributed according to the number and size of units, systems and operating equipment requirements, maintenance requirements, and the number of force preparation exercises and training courses. In 2012/13, 2 018 members were trained. This subprogramme had a staff complement of 1 013 in 2012/13.
- *Technical Support Services* establishes, maintains and prepares optimised technical and tactical logistic support capabilities to provide support to system groups and manage air service units. Funding is distributed according to the number and size of units, systems and equipment operating requirements, maintenance requirements, and contracted human resources and product system requirements. This subprogramme had a staff complement of 2 021 in 2012/13.

## Expenditure estimates

**Table 22.13 Air Defence**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R million											
Strategic Direction	13.7	17.6	14.2	16.5	6.3%	0.2%	19.3	20.2	21.4	9.2%	0.3%
Operational Direction	141.5	131.5	209.7	222.1	16.2%	2.5%	156.9	96.9	97.7	-23.9%	2.0%
Helicopter Capability	768.1	780.4	895.7	915.1	6.0%	12.1%	769.0	667.1	623.1	-12.0%	10.6%
Transport and Maritime Capability	2 670.3	624.1	555.3	697.4	-36.1%	16.4%	780.0	1 109.6	1 892.0	39.5%	16.0%
Air Combat Capability	2 536.0	763.2	1 352.2	1 632.9	-13.6%	22.6%	1 152.3	1 909.8	1 298.5	-7.4%	21.4%
Operational Support and Intelligence Capability	204.6	258.4	320.4	428.1	27.9%	4.4%	370.1	372.4	388.0	-3.2%	5.6%
Command and Control Capability	223.9	305.7	375.9	412.3	22.6%	4.7%	397.4	383.8	447.6	2.8%	5.8%
Base Support Capability	1 116.8	1 370.0	1 494.9	1 601.4	12.8%	20.1%	1 543.3	1 564.1	1 579.0	-0.5%	22.4%
Command Post	41.0	50.1	16.4	45.6	3.7%	0.6%	48.0	49.5	53.4	5.4%	0.7%
Training Capability	383.8	583.5	450.7	321.2	-5.8%	6.3%	180.0	193.9	196.8	-15.1%	3.2%
Technical Support Services	544.1	604.7	842.3	826.1	14.9%	10.1%	833.8	843.0	886.0	2.4%	12.1%
<b>Total</b>	<b>8 643.8</b>	<b>5 489.1</b>	<b>6 527.7</b>	<b>7 118.7</b>	<b>-6.3%</b>	<b>100.0%</b>	<b>6 250.2</b>	<b>7 210.3</b>	<b>7 483.7</b>	<b>1.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				369.1			(954.7)	(499.2)	(580.4)		

**Table 22.13 Air Defence (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15	2015/16	2012/13 - 2015/16
	R million													
<b>Current payments</b>	<b>3 427.3</b>	<b>4 041.0</b>	<b>4 599.3</b>	<b>5 316.3</b>	<b>15.8%</b>	<b>62.6%</b>	<b>4 654.1</b>	<b>4 629.3</b>	<b>4 804.7</b>	<b>-3.3%</b>	<b>69.1%</b>			
Compensation of employees	1 885.1	2 350.1	2 497.1	2 754.3	13.5%	34.1%	2 850.7	2 956.5	3 055.7	3.5%	41.4%			
Goods and services	1 542.2	1 690.9	2 102.1	2 562.1	18.4%	28.4%	1 803.4	1 672.8	1 749.0	-11.9%	27.7%			
<i>of which:</i>														
Computer services	31.0	22.4	39.7	33.2	2.4%	0.5%	30.6	32.8	35.6	2.3%	0.5%			
Contractors	779.6	854.7	1 130.4	1 323.2	19.3%	14.7%	661.2	630.0	700.9	-19.1%	11.8%			
Property payments	1.9	2.8	3.1	3.5	22.6%	-	11.3	12.0	12.8	54.2%	0.1%			
Travel and subsistence	109.2	129.6	134.4	65.1	-15.8%	1.6%	73.9	60.1	51.7	-7.4%	0.9%			
<b>Transfers and subsidies</b>	<b>5 182.2</b>	<b>1 400.5</b>	<b>1 869.6</b>	<b>1 782.0</b>	<b>-29.9%</b>	<b>36.8%</b>	<b>1 581.6</b>	<b>2 567.3</b>	<b>2 665.2</b>	<b>14.4%</b>	<b>30.6%</b>			
Departmental agencies and accounts	5 167.6	1 384.0	1 852.6	1 765.5	-30.1%	36.6%	1 564.4	2 549.7	2 647.6	14.5%	30.4%			
Public corporations and private enterprises	-	2.1	2.9	2.3	-	-	-	-	-	-100.0%	-			
Households	14.6	14.4	14.2	14.2	-1.0%	0.2%	17.3	17.6	17.7	7.6%	0.2%			
<b>Payments for capital assets</b>	<b>33.7</b>	<b>42.2</b>	<b>58.4</b>	<b>20.4</b>	<b>-15.4%</b>	<b>0.6%</b>	<b>14.5</b>	<b>13.7</b>	<b>13.7</b>	<b>-12.5%</b>	<b>0.2%</b>			
Buildings and other fixed structures	-	0.0	0.1	0.0	-	-	-	-	-	-100.0%	-			
Machinery and equipment	33.7	39.3	58.3	12.4	-28.4%	0.5%	6.4	5.6	5.6	-23.2%	0.1%			
Specialised military assets	-	2.8	-	8.0	-	-	8.1	8.1	8.1	0.3%	0.1%			
Software and other intangible assets	0.0	0.1	-	-	-100.0%	-	-	-	-	-	-			
<b>Payments for financial assets</b>	<b>0.5</b>	<b>5.4</b>	<b>0.4</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>Total</b>	<b>8 643.8</b>	<b>5 489.1</b>	<b>6 527.7</b>	<b>7 118.7</b>	<b>-6.3%</b>	<b>100.0%</b>	<b>6 250.2</b>	<b>7 210.3</b>	<b>7 483.7</b>	<b>1.7%</b>	<b>100.0%</b>			
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>27.6%</b>	<b>18.0%</b>	<b>19.0%</b>	<b>18.8%</b>			<b>15.5%</b>	<b>16.9%</b>	<b>16.6%</b>					

**Details of transfers and subsidies**

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average growth rate (%)	Expenditure/total: Average (%)
Special defence account	5 167.6	1 384.0	1 852.6	1 765.5	-30.1%	36.6%	1 564.4	2 549.7	2 647.6	14.5%	30.4%
<b>Households</b>											
<b>Social benefits</b>											
Current	14.6	14.4	14.2	14.2	-1.0%	0.2%	17.3	17.6	17.7	7.6%	0.2%
Employee social benefits	14.6	14.4	14.2	14.2	-1.0%	0.2%	17.3	17.6	17.7	7.6%	0.2%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
Current	-	2.1	2.9	2.3	-	-	-	-	-	-100.0%	-
Armaments Corporation of South Africa	-	2.1	2.9	2.3	-	-	-	-	-	-100.0%	-

**Personnel information**

**Table 22.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Air Defence	Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
		Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
				2011/12		2012/13		2013/14		2014/15		2015/16							
				Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost						
Salary level	11 592	-	11 461	2 497.1	0.2	11 592	2 754.3	0.2	11 235	2 850.7	0.3	10 933	2 956.5	0.3	10 204	3 055.7	0.3	-4.2%	100.0%
1 - 6	7 630	-	7 531	1 127.5	0.1	7 630	1 250.5	0.2	7 293	1 269.2	0.2	7 105	1 311.4	0.2	6 627	1 336.0	0.2	-4.6%	65.2%
7 - 10	3 810	-	3 795	1 268.2	0.3	3 810	1 383.8	0.4	3 790	1 454.9	0.4	3 676	1 509.1	0.4	3 425	1 568.6	0.5	-3.5%	33.4%
11 - 12	127	-	110	73.7	0.7	127	91.1	0.7	127	96.2	0.8	127	103.3	0.8	127	114.6	0.9	-	1.2%
13 - 16	25	-	25	27.7	1.1	25	28.9	1.2	25	30.4	1.2	25	32.6	1.3	25	36.5	1.5	-	0.2%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

Over the MTEF period, the spending focus of the *Air Defence* programme will be on creating and restoring the capacity and capability to supply and support prepared forces, integrating new electronic warfare, navigation, and air-to-air missile systems on the Hawk and Gripen fighter jets with the existing command and control systems, and ensuring the sustainability, development and retention of human resources.



Between 2009/10 and 2012/13, expenditure on transfers and subsidies decreased mainly due to the finalisation of the strategic defence procurement programme, which will come to an end in 2014/15. This is also the cause of the decrease in expenditure in the *Air Combat Capability* subprogramme over the same period. The decrease in expenditure in the *Transport and Maritime Capability* subprogramme between 2009/10 to 2012/13 was due to the decision by Cabinet to cancel the A400M strategic airlift capability project, which also accounts for the decreased transfer payments over the same period.

The increase in expenditure on compensation of employees between 2009/10 and 2012/13 was due to the implementation of the military salary dispensation.

Over the medium term, expenditure in the *Helicopter Capability* subprogramme is expected to decrease due to the reprioritisation of contractors as well as the completion of the Rooivalk combat support and Oryx operational helicopter upgrades.

Expenditure in the *Transport and Maritime Capability* subprogramme over the medium term is expected to increase due to the planned acquisition of maritime surveillance aircraft, which also increased transfer payments. The increase in expenditure in the *Air Combat Capability* in 2014/15 is to provide for the acquisition of an air defence and air traffic management surveillance sensor in that year. Payments for capital assets over the medium term are expected to increase based on the replacement schedules of passenger vehicles and training devices. Payments to contractors will decrease over the medium term due to reprioritisation towards border safeguarding and foreign deployments in the *Landward Defence* and *Force Employment* programmes respectively.

A reduction of R338.9 million is made in this programme over the medium term as part of the Cabinet approved reductions, mainly reflected in expenditure on contractors.

A projected R28.5 million will be spent on consultants over the MTEF period in this programme to do environmental studies at the Overberg test range, assist with infrastructure planning and assist with the integration of new operating systems on fighter jets, all of which require highly specialised personnel not required on a full time basis.

The programme has a funded establishment of 11 592 posts. Personnel numbers are projected to decrease to 10 204 in 2015/16, as the department aligns its establishment with the 1998 Defence Review, which calls for a reduction in the number of regular force members and an increase in reserve forces.

## Programme 5: Maritime Defence

### Objectives

- Defend and protect South Africa and its maritime zones over the medium term by providing:
  - a surface combat capability of 3 frigates, 1 combat support vessel, 2 offshore patrol vessels and 3 inshore patrol vessels in each annual operational cycle
  - a sub-surface combat capability of 2 submarines in each annual operational cycle
  - a mine warfare capability of 2 vessels in each annual operational cycle to ensure safe access to South African harbours and mine clearance where this may be required
  - a maritime reaction squadron capability comprising an operational boat division, an operational diving division and a naval reaction division in each annual operational cycle
  - an ongoing hydrographic survey capability to ensure safe navigation by charting areas and to meet international obligations.

### Subprogrammes

- *Maritime Direction* provides strategic direction for the programme by formulating and controlling strategies, policies, plans and advice to prepare and provide maritime defence capabilities. Funding is distributed based on the cost of operating the naval headquarters. This subprogramme had a staff complement of 1 444 in 2012/13.

- *Maritime Combat Capability* provides mission ready and supported maritime combat capabilities in accordance with the approved force design of the department. Funding is distributed according to the number and size of units, the number of maritime combat force preparation exercises carried out and the number of force employment operations executed. This subprogramme had a staff complement of 1 603 in 2012/13.
- *Maritime Logistic Support Capability* sustains the availability of the force structure elements in the naval force design to ensure compliance with ordered operational commitments. Funding is distributed according to the number and size of units, the utilisation and maintenance of support systems and equipment, and the provision of product systems. This subprogramme had a staff complement of 555 in 2012/13.
- *Maritime Human Resources and Training Capability* ensures that the maritime combat and support capability requirements are met in terms of qualified personnel. Funding is distributed according to the number and size of units, the utilisation and maintenance of training equipment, and the number of courses presented. In 2012/13, 4 929 members were trained. This subprogramme had a staff complement of 1 749 in 2012/13.
- *Base Support Capability* provides a general base support capability to ships and submarines, shore units and other identified clients to ensure that the fleet complies with specified operational readiness levels. Funding is distributed according to the size of the naval base, the utilisation and maintenance of the harbour, the maintenance of naval infrastructure, and the utilisation of naval base support systems and equipment. This subprogramme had a staff complement of 2 164 in 2012/13.

## Expenditure estimates

Table 22.15 Maritime Defence

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Maritime Direction	327.1	391.3	445.5	562.2	19.8%	17.6%	508.0	516.2	519.8	-2.6%	15.7%
Maritime Combat Capability	447.2	533.6	559.8	544.1	6.8%	21.3%	726.6	1 192.5	1 202.5	30.3%	27.3%
Maritime Logistic Support Capability	488.7	585.7	762.1	925.4	23.7%	28.2%	991.1	984.5	952.2	1.0%	28.7%
Maritime Human Resources and Training Capability	244.9	312.8	304.1	309.3	8.1%	12.0%	350.4	358.7	424.2	11.1%	10.8%
Base Support Capability	489.6	526.5	503.2	521.3	2.1%	20.9%	594.9	599.7	620.6	6.0%	17.4%
<b>Total</b>	<b>1 997.5</b>	<b>2 349.9</b>	<b>2 574.7</b>	<b>2 862.3</b>	<b>12.7%</b>	<b>100.0%</b>	<b>3 171.1</b>	<b>3 651.5</b>	<b>3 719.3</b>	<b>9.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				310.9			415.6	453.3	374.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>1 552.4</b>	<b>1 912.1</b>	<b>2 095.6</b>	<b>2 467.8</b>	<b>16.7%</b>	<b>82.0%</b>	<b>2 756.3</b>	<b>2 753.8</b>	<b>2 813.1</b>	<b>4.5%</b>	<b>80.5%</b>
Compensation of employees	1 047.5	1 378.3	1 517.3	1 639.1	16.1%	57.1%	1 734.9	1 782.1	1 900.6	5.1%	52.6%
Goods and services	504.9	533.8	578.3	828.7	18.0%	25.0%	1 021.4	971.8	912.6	3.3%	27.9%
of which:											
Computer services	27.7	37.5	31.1	26.4	-1.6%	1.3%	26.2	30.2	26.8	0.5%	0.8%
Contractors	175.7	175.1	207.8	378.8	29.2%	9.6%	535.6	482.3	422.7	3.7%	13.6%
Property payments	10.5	7.5	8.4	2.0	-42.4%	0.3%	59.8	59.5	60.1	210.8%	1.4%
Travel and subsistence	36.5	38.3	44.2	43.5	6.0%	1.7%	39.6	41.0	43.5	-	1.2%
<b>Transfers and subsidies</b>	<b>366.4</b>	<b>378.1</b>	<b>443.6</b>	<b>361.2</b>	<b>-0.5%</b>	<b>15.8%</b>	<b>394.8</b>	<b>880.6</b>	<b>880.6</b>	<b>34.6%</b>	<b>18.8%</b>
Departmental agencies and accounts	249.5	222.8	231.2	104.1	-25.3%	8.3%	179.1	654.2	642.9	83.5%	11.8%
Public corporations and private enterprises	104.9	148.4	194.0	240.3	31.9%	7.0%	197.9	208.6	219.9	-2.9%	6.5%
Households	12.1	6.9	18.4	16.7	11.4%	0.6%	17.8	17.8	17.8	2.1%	0.5%
<b>Payments for capital assets</b>	<b>78.0</b>	<b>59.0</b>	<b>35.2</b>	<b>33.3</b>	<b>-24.7%</b>	<b>2.1%</b>	<b>20.0</b>	<b>17.1</b>	<b>25.6</b>	<b>-8.4%</b>	<b>0.7%</b>
Buildings and other fixed structures	33.3	15.5	8.9	9.6	-34.0%	0.7%	10.5	7.0	6.4	-12.7%	0.2%
Machinery and equipment	44.8	43.0	26.4	22.7	-20.2%	1.4%	8.9	9.7	8.9	-26.9%	0.4%
Specialised military assets	-	0.5	-	-	-	-	0.3	-	9.9	-	0.1%
Software and other intangible assets	0.0	-	0.0	1.0	696.1%	-	0.4	0.4	0.5	-21.5%	-
<b>Payments for financial assets</b>	<b>0.7</b>	<b>0.8</b>	<b>0.3</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 997.5</b>	<b>2 349.9</b>	<b>2 574.7</b>	<b>2 862.3</b>	<b>12.7%</b>	<b>100.0%</b>	<b>3 171.1</b>	<b>3 651.5</b>	<b>3 719.3</b>	<b>9.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>6.4%</b>	<b>7.7%</b>	<b>7.5%</b>	<b>7.6%</b>			<b>7.9%</b>	<b>8.6%</b>	<b>8.2%</b>		

Table 22.15 Maritime Defence (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
Current	249.5	222.8	231.2	104.1	-25.3%	8.3%	179.1	654.2	642.9	83.5%	11.8%
Special defence account	249.5	222.8	231.2	104.1	-25.3%	8.3%	179.1	654.2	642.9	83.5%	11.8%
<b>Households</b>											
<b>Social benefits</b>											
Current	12.1	6.9	18.4	16.7	11.4%	0.6%	17.8	17.8	17.8	2.1%	0.5%
Employee social benefits	12.1	6.9	18.4	16.7	11.4%	0.6%	17.8	17.8	17.8	2.1%	0.5%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
Current	104.9	148.4	194.0	240.3	31.9%	7.0%	197.9	208.6	219.9	-2.9%	6.5%
Armaments Corporation of South Africa	104.9	148.4	194.0	240.3	31.9%	7.0%	197.9	208.6	219.9	-2.9%	6.5%

## Personnel information

Table 22.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
<b>Maritime Defence</b>			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	7 590	-	7 479	1 517.3	0.2	7 590	1 639.1	0.2	7 307	1 734.9	0.2	7 149	1 782.1	0.2	7 415	1 900.6	0.3	-0.8%	100.0%
1 - 6	5 498	-	5 423	873.3	0.2	5 498	912.5	0.2	5 205	966.9	0.2	5 115	998.4	0.2	5 521	1 107.9	0.2	0.1%	72.4%
7 - 10	1 979	-	1 952	579.1	0.3	1 979	639.4	0.3	1 989	683.6	0.3	1 918	692.9	0.4	1 789	702.9	0.4	-3.3%	26.1%
11 - 12	91	-	82	46.2	0.6	91	63.5	0.7	91	62.0	0.7	94	67.3	0.7	86	67.4	0.8	-1.9%	1.2%
13 - 16	22	-	22	18.7	0.8	22	23.7	1.1	22	22.5	1.0	22	23.6	1.1	19	22.5	1.2	-4.8%	0.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on preparing and maintaining the approved vessels and associated support systems, including the associated human resources, at the required readiness levels to meet maritime defence commitments in a sustained manner. The spending focus will also be on finalising all activities for the full acceptance and integration of the strategically procured frigates, helicopters and submarines and the implementation of the maritime security strategy that was approved by Cabinet to promote maritime security on the East Coast of Africa.

Over the medium term, spending in the *Maritime Combat Capability* subprogramme is projected to increase to provide for: the milestone payments for the replacement of offshore patrol vessels and the procurement of harbour tugs for the naval base in 2014/15, which also increased transfers and subsidies; and the upgrading of the Durban harbour and the concomitant activities over the medium term to combat piracy. Spending on the *Maritime Human Resources and Training Capability* subprogramme also increases over the medium term in line with the increased activities related to peace support operations for which funds were reprioritised within the department. Expenditure on consultants and professional services, infrastructure and planning over the medium term is expected to increase mainly due to a greater requirement for surveys to be done on ships to ensure they adhere to sea safety legislation in line with Marine Notice 13 of 2011. Expenditure on agency and support and outsourced services over the medium term is expected to decrease significantly due to the termination of contract labour appointments, such as cleaners, chefs and typists, and appointing them as part of the full time staff component.

The programme has a funded establishment of 7 590 posts. Personnel numbers are projected to decrease to 7 415 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces.

## Programme 6: Military Health Support

### Objectives

- Provide prepared and supported health capabilities and services by providing:
  - a health support capability of 5 medical battalion groups, including accompanying field hospitals and 1 specialist medical battalion group, for deployed and contingency forces
  - a comprehensive multidisciplinary military health service to a projected patient population of 302 000 members per year.

### Subprogrammes

- *Strategic Direction* formulates strategy, policies and plans; and provides advice from the surgeon general's office to prepare and provide the capabilities required by the Chief of the South African National Defence Force. This subprogramme had a staff complement of 269 in 2012/13.
- *Mobile Military Health Support* provides health support elements for deployed and contingency forces, and provides health services to provincial hospitals and the Department of Health as and when ordered. Funding is distributed according to the number and size of units, systems and equipment operating requirements, maintenance requirements, and the number of force preparation activities. This subprogramme had a staff complement of 236 in 2012/13.
- *Area Military Health Service* provides a comprehensive, self-supporting, multidisciplinary geographic military health service through a formation headquarters, commanding and controlling 9 area military health units to ensure a healthy military community. The military hospitals also attend to health care activities, medical support and health activities in the specialist aviation environment. Funding is distributed according to the number and size of units and health care facilities, systems and equipment operating requirements, maintenance requirements, the number and type of patient health services provided, and force preparation activities. In 2012/13, 120 000 health care activities were carried out at military hospitals. This subprogramme had a staff complement of 2 927 in 2012/13.
- *Specialist/Tertiary Health Service* provides a specialist health service to develop and maintain tertiary military health capabilities within the parameters of relevant legislation, as contained in the South African military health service strategy. Funding is distributed according to the number and size of military hospitals and specialist units, systems and equipment operating requirements, maintenance requirements, the number and type of patient health services rendered, and force preparation activities. In 2012/13, 784 000 health care activities were carried out at the military hospitals. This subprogramme had a staff complement of 2 448 in 2012/13.
- *Military Health Product Support Capability* provides for warehousing pharmaceuticals, sundries, military health mobilisation equipment and unique stock; procuring unique military health products, materials and services; and an asset management service, military health product systems and cooperative common military health logistics. Funding is distributed according to the number and size of units; the use of military health products, equipment and consumables; and the requirements for maintaining strategic military health reserves. In 2012/13, there was a 55 per cent stock availability. This subprogramme had a staff complement of 184 in 2012/13.
- *Military Health Maintenance Capability* provides general base support services to identified military health service units to sustain and maintain the approved force design and structure. Funding is distributed according to the number and size of units, systems and equipment operating requirements, and maintenance requirements. This subprogramme had a staff complement of 1 018 in 2012/13.
- *Military Health Training Capability* provides a military health training service to develop and maintain military health training capabilities within the parameters of relevant legislation and policies. Funding is distributed according to the training inputs of the sub-units, equipment operating requirements, maintenance requirements, and the number of training courses presented to Southern African Development Community (SADC) countries. This subprogramme had a staff complement of 1 994 in 2012/13.

## Expenditure estimates

Table 22.17 Military Health Support

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Strategic Direction	169.1	196.6	225.7	394.0	32.6%	7.8%	243.8	235.3	249.4	-14.1%	7.6%
Mobile Military Health Support	74.1	112.8	97.5	119.4	17.2%	3.2%	113.3	187.6	184.9	15.7%	4.1%
Area Military Health Service	822.8	964.9	1 039.7	1 014.7	7.2%	30.4%	1 137.9	1 252.3	1 312.6	9.0%	31.8%
Specialist/ Tertiary Health Service	895.5	1 038.2	1 134.7	1 156.8	8.9%	33.4%	1 216.6	1 215.3	1 244.8	2.5%	32.6%
Military Health Product Support Capability	169.8	167.9	256.1	231.6	10.9%	6.5%	316.0	281.2	296.8	8.6%	7.6%
Military Health Maintenance Capability	195.8	222.0	269.7	201.7	1.0%	7.0%	224.0	231.8	237.5	5.6%	6.0%
Military Health Training Capability	281.2	447.8	376.7	378.2	10.4%	11.7%	390.9	387.8	378.6	-	10.4%
<b>Total</b>	<b>2 608.1</b>	<b>3 150.1</b>	<b>3 400.1</b>	<b>3 496.5</b>	<b>10.3%</b>	<b>100.0%</b>	<b>3 642.5</b>	<b>3 791.3</b>	<b>3 904.5</b>	<b>3.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				179.9			127.4	98.8	42.2		
<b>Economic classification</b>											
<b>Current payments</b>	<b>2 454.8</b>	<b>3 026.4</b>	<b>3 292.9</b>	<b>3 477.8</b>	<b>12.3%</b>	<b>96.8%</b>	<b>3 589.9</b>	<b>3 627.4</b>	<b>3 772.3</b>	<b>2.7%</b>	<b>97.5%</b>
Compensation of employees	1 666.8	2 079.6	2 324.8	2 495.1	14.4%	67.7%	2 527.1	2 597.2	2 718.5	2.9%	69.7%
Goods and services	788.0	946.8	968.2	982.6	7.6%	29.1%	1 062.8	1 030.2	1 053.9	2.4%	27.8%
<i>of which:</i>											
Computer services	36.0	56.8	32.1	55.7	15.6%	1.4%	65.2	58.0	55.2	-0.3%	1.6%
Contractors	295.2	375.5	439.5	260.3	-4.1%	10.8%	159.7	179.7	204.1	-7.8%	5.4%
Property payments	11.4	14.1	12.2	18.4	17.2%	0.4%	86.5	17.1	18.4	0.1%	0.9%
Travel and subsistence	38.0	41.4	43.4	8.1	-40.2%	1.0%	25.6	39.2	41.3	72.1%	0.8%
<b>Transfers and subsidies</b>	<b>10.0</b>	<b>38.3</b>	<b>16.3</b>	<b>17.1</b>	<b>19.6%</b>	<b>0.6%</b>	<b>26.0</b>	<b>109.3</b>	<b>103.0</b>	<b>81.8%</b>	<b>1.7%</b>
Departmental agencies and accounts	1.8	24.7	7.1	4.4	35.6%	0.3%	5.2	86.7	80.5	163.3%	1.2%
Non-profit institutions	0.3	0.4	0.4	-	-100.0%	-	0.4	0.4	0.4	-	-
Households	7.9	13.3	8.8	12.7	17.1%	0.3%	20.4	22.2	22.1	20.2%	0.5%
<b>Payments for capital assets</b>	<b>113.7</b>	<b>82.7</b>	<b>89.3</b>	<b>1.6</b>	<b>-76.0%</b>	<b>2.3%</b>	<b>26.6</b>	<b>54.6</b>	<b>29.2</b>	<b>165.4%</b>	<b>0.8%</b>
Buildings and other fixed structures	20.0	0.9	-	0.3	-74.5%	0.2%	0.0	0.0	0.0	-59.5%	-
Machinery and equipment	93.6	81.7	89.2	1.2	-76.4%	2.1%	13.6	51.4	29.2	187.6%	0.6%
Biological assets	-	0.1	0.0	-	-	-	-	-	-	-	-
Software and other intangible assets	0.1	-	-	-	-100.0%	-	12.9	3.2	-	-	0.1%
<b>Payments for financial assets</b>	<b>29.7</b>	<b>2.7</b>	<b>1.6</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 608.1</b>	<b>3 150.1</b>	<b>3 400.1</b>	<b>3 496.5</b>	<b>10.3%</b>	<b>100.0%</b>	<b>3 642.5</b>	<b>3 791.3</b>	<b>3 904.5</b>	<b>3.7%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	8.3%	10.3%	9.9%	9.2%			9.1%	8.9%	8.7%		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>1.8</b>	<b>24.7</b>	<b>7.1</b>	<b>4.4</b>	<b>35.6%</b>	<b>0.3%</b>	<b>5.2</b>	<b>86.7</b>	<b>80.5</b>	<b>163.3%</b>	<b>1.2%</b>
Special defence account	1.8	24.7	7.1	4.4	35.6%	0.3%	5.2	86.7	80.5	163.3%	1.2%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>7.9</b>	<b>13.3</b>	<b>8.8</b>	<b>12.7</b>	<b>17.1%</b>	<b>0.3%</b>	<b>20.4</b>	<b>22.2</b>	<b>22.1</b>	<b>20.2%</b>	<b>0.5%</b>
Employee social benefits	7.9	13.3	8.8	12.7	17.1%	0.3%	20.4	22.2	22.1	20.2%	0.5%

## Personnel information

**Table 22.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost	
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
<b>Military Health Support</b>																			
Salary level	9 371	–	9 154	2 324.8	0.3	9 371	2 495.1	0.3	8 224	2 527.1	0.3	7 932	2 597.2	0.3	7 543	2 718.5	0.4	-7.0%	100.0%
1 – 6	5 485	–	5 375	838.5	0.2	5 485	887.4	0.2	4 448	833.0	0.2	4 245	846.2	0.2	3 967	831.6	0.2	-10.2%	54.9%
7 – 10	3 771	–	3 689	1 413.6	0.4	3 771	1 513.0	0.4	3 661	1 591.0	0.4	3 572	1 645.1	0.5	3 447	1 755.1	0.5	-3.0%	43.7%
11 – 12	97	–	72	51.8	0.7	97	73.0	0.8	97	79.9	0.8	97	82.8	0.9	112	107.7	1.0	4.9%	1.2%
13 – 16	18	–	18	20.8	1.2	18	21.9	1.2	18	23.2	1.3	18	23.1	1.3	17	24.1	1.4	-1.9%	0.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on improving the department's capability to provide operational, tertiary and specialist health support, and the maintenance of health facilities.

The growth between 2009/10 and 2012/13 was attributable to the procurement of pharmaceuticals, the provision of additional health care for the members of the military skills development system, the provision of allowances for health professionals with scarce skills and those who work in rural areas, improvements to the health information system, the rollout of antiretroviral treatment, and sustaining the presidential health team. The significant increase in agency and support and outsourced services in 2012/13 was due to the referral of patients for treatment at private sector facilities. This increased spending in the *Strategic Direction* subprogramme between 2009/10 and 2012/13 was due to an internal reallocation of funds in 2012/13 to acquire medicine. Expenditure on compensation of employees increased between 2009/10 to 2012/13 due to the implementation of the military salary dispensation.

Over the medium term, the *Mobile Military Health Support* subprogramme is expected to grow based on the development and delivery milestones of the project responsible for defence against chemical and biological warfare. This is also the reason for the projected increases in transfer payments over the same period, as most of the funds for this purpose are transferred to the special defence account. The increased expenditure in the *Area Military Health* subprogramme is due to the procurement of additional medicine and the maintenance of equipment, which also accounts for the increased expenditure on medicine as well as agency and support/outsourced services under goods and services.

Expenditure on computer services grew between 2009/10 to 2012/13, and is expected to decrease over the medium term due to the development and roll out of the health informatics system, which will reach its peak activity period in 2013/14. The department plans to spend R75.9 million on consultants over the medium term, mainly to provide laboratory services related to medical procedures, a highly specialised service.

The programme has a funded establishment of 9 371 posts. Personnel numbers are projected to decrease to 7 543 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces.

## Programme 7: Defence Intelligence

### Objectives

- The detail of the output of the *Defence Intelligence* programme is classified.

### Subprogrammes

- Strategic Direction* provides defence intelligence policy, doctrine and intelligence advice in support of the department's decision making and policy formulation processes. Funding is based on the cost of operating the defence intelligence headquarters. In support of government's peace initiatives, the division remains involved in peace processes in Africa by providing intelligence on the current security situation.
- Operations* provides timely defence prediction, intelligence, and counterintelligence capabilities and services. Defence related national strategic intelligence is provided to the highest level of decision makers through briefings to the president, the council on defence and the inter-ministerial security committee. Funding is distributed based on the number and size of intelligence offices, systems and equipment operating requirements, maintenance requirements, and the requirements for producing intelligence. In 2012/13, R421 million was used for capital acquisition. This subprogramme had no staff complement in 2012/13.
- Defence Intelligence Support Services* provides human resources, logistics, planning, security, labour relations, and training and information support services to the defence intelligence community. Funding is distributed according to the number and size of units and offices, equipment and operating requirements, maintenance requirements, and the number of force preparation exercises and training courses. This subprogramme had a staff complement of 769 in 2012/13.

### Expenditure estimates

Table 22.19 Defence Intelligence

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million											
Strategic Direction	1.4	0.2	0.1	0.0	-71.3%	0.1%	0.1	0.1	0.1	55.4%	-
Operations	392.5	397.6	407.4	424.0	2.6%	62.5%	458.6	477.4	496.6	5.4%	60.1%
Defence Intelligence Support Services	200.8	236.1	245.6	288.1	12.8%	37.4%	303.7	312.3	329.1	4.5%	39.9%
<b>Total</b>	<b>594.7</b>	<b>633.9</b>	<b>653.1</b>	<b>712.1</b>	<b>6.2%</b>	<b>100.0%</b>	<b>762.4</b>	<b>789.9</b>	<b>825.8</b>	<b>5.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				2.5			21.9	11.4	11.5		
<b>Economic classification</b>											
<b>Current payments</b>	<b>192.5</b>	<b>222.4</b>	<b>239.9</b>	<b>283.3</b>	<b>13.7%</b>	<b>36.2%</b>	<b>313.2</b>	<b>322.0</b>	<b>340.6</b>	<b>6.3%</b>	<b>40.7%</b>
Compensation of employees	173.3	205.3	224.7	262.0	14.8%	33.4%	282.5	291.6	307.1	5.4%	37.0%
Goods and services	19.2	17.1	15.2	21.4	3.6%	2.8%	30.8	30.5	33.4	16.1%	3.8%
<i>of which:</i>											
Computer services	-	0.1	-	-	-	-	-	-	-	-	-
Contractors	1.8	1.8	1.6	5.0	39.6%	0.4%	2.4	1.6	3.3	-12.8%	0.4%
Property payments	0.0	0.0	0.0	0.1	47.6%	-	0.5	0.6	0.6	85.3%	0.1%
Travel and subsistence	2.7	2.7	2.6	3.9	13.6%	0.5%	2.2	1.7	1.7	-23.9%	0.3%
<b>Transfers and subsidies</b>	<b>399.5</b>	<b>404.6</b>	<b>409.3</b>	<b>425.4</b>	<b>2.1%</b>	<b>63.2%</b>	<b>445.6</b>	<b>464.2</b>	<b>481.5</b>	<b>4.2%</b>	<b>58.8%</b>
Departmental agencies and accounts	391.5	396.8	406.7	420.6	2.4%	62.3%	441.9	460.4	477.8	4.3%	58.3%
Households	8.0	7.8	2.6	4.8	-15.4%	0.9%	3.7	3.7	3.7	-8.1%	0.5%
<b>Payments for capital assets</b>	<b>2.7</b>	<b>6.9</b>	<b>3.7</b>	<b>3.4</b>	<b>8.9%</b>	<b>0.6%</b>	<b>3.5</b>	<b>3.6</b>	<b>3.8</b>	<b>3.0%</b>	<b>0.5%</b>
Machinery and equipment	2.7	6.9	3.7	3.4	8.9%	0.6%	3.5	3.6	3.8	3.0%	0.5%
<b>Payments for financial assets</b>	<b>-</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>594.7</b>	<b>633.9</b>	<b>653.1</b>	<b>712.1</b>	<b>6.2%</b>	<b>100.0%</b>	<b>762.4</b>	<b>789.9</b>	<b>825.8</b>	<b>5.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.9%</b>	<b>2.1%</b>	<b>1.9%</b>	<b>1.9%</b>			<b>1.9%</b>	<b>1.8%</b>	<b>1.8%</b>		

Table 22.19 Defence Intelligence (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
Current	391.5	396.8	406.7	420.6	2.4%	62.3%	441.9	460.4	477.8	4.3%	58.3%
Special defence account	391.5	396.8	406.7	420.6	2.4%	62.3%	441.9	460.4	477.8	4.3%	58.3%
<b>Households</b>											
<b>Social benefits</b>											
Current	8.0	7.8	2.6	4.8	-15.4%	0.9%	3.7	3.7	3.7	-8.1%	0.5%
Employee social benefits	8.0	7.8	2.6	4.8	-15.4%	0.9%	3.7	3.7	3.7	-8.1%	0.5%

## Personnel information

Table 22.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Defence Intelligence		769			769	224.7	0.3	841	282.5	0.3	822	291.6	0.4	790	307.1	0.4	0.9%	100.0%	
Salary level																			
1 - 6	206	-	185	31.8	0.2	206	38.8	0.2	238	45.4	0.2	229	46.0	0.2	220	48.2	0.2	2.2%	27.7%
7 - 10	494	-	489	154.7	0.3	494	175.9	0.4	534	189.6	0.4	524	195.5	0.4	503	205.8	0.4	0.6%	63.8%
11 - 12	51	-	42	23.5	0.6	51	30.5	0.6	51	30.7	0.6	51	32.3	0.6	49	33.8	0.7	-1.3%	6.3%
13 - 16	18	-	18	14.8	0.8	18	16.7	0.9	18	16.8	0.9	18	17.7	1.0	18	19.3	1.1	-	2.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Over the MTEF period, the spending focus will be on providing defence intelligence in support of government's initiatives.

Expenditure in the *Operations* subprogramme increased between 2009/10 and 2012/13 due to the development of a strategic information collection capability, and also because of the new salary dispensation for military members. The latter item also explains the increase in expenditure on compensation of employees over the same period. Expenditure on contractors between 2009/10 and 2012/13 is related to the maintenance programme of the defence intelligence headquarters and the defence intelligence college. As the maintenance programme is finalised expenditure on this item decreases from 2012/13 to 2015/16.

Over the medium term, expenditure on inventory, stationery and printing is expected to increase due to the provision of training and training materials to the forces of the Democratic Republic of the Congo.

The programme has a funded establishment of 769 posts. Personnel numbers are projected to increase to 790 in 2015/16 to provide for the further development of the programme's strategic information collection capability.

## Programme 8: General Support

### Objectives

- Provide ongoing general support capabilities and services by:
  - providing appropriate, ready and sustained matériel, facilities, movement and logistic services focusing on supply chain and life cycle management to enable the defence mandate
  - providing new and replacing infrastructure assets through 22 projects
  - carrying out maintenance, repairs, rehabilitation, renovations and refurbishments through 46 projects.



- Provide the department with key information and communication systems over the medium term by:
  - ensuring that the defence information and communications infrastructure is available 98 per cent of the time
  - providing information and communication system solutions, in accordance with the master plan for the defence enterprise information system, and in line with programme and project milestones and associated deliverables.
- Provide a military policing capability to the department over the medium term by:
  - finalising 10 per cent more criminal cases than in 2011/12
  - conducting 372 deliberate crime prevention operations per year
  - sustaining 13 provost company for operational deployment on an ongoing basis
  - sustaining 4 regional headquarters, 22 area offices and 22 detachments for crime prevention and investigation of criminal cases
  - sustaining 2 military correctional facilities for detention and rehabilitation.

## Subprogrammes

- *Joint Logistic Services* provides logistics services to the department in terms of warehousing for ammunition, and main equipment and stores; and for the defence works capability, the capital works programme and the defence facility refurbishment programme. Funding is distributed according to the number and size of units, use and warehousing requirements for ammunition main equipment and stores, the defence facility refurbishment programme, and the number of training courses. This subprogramme had a staff complement of 3 044 in 2012/13.
- *Command and Management Information Systems* provides command and management information systems and related services to the department. This entails providing information systems and communications infrastructure in relation to solutions, operating systems, continuous maintenance and upgrading requirements for the department. Funding is distributed according to the number and size of mainframe systems, the communications infrastructure operated by the department, and maintenance and upgrading requirements. This subprogramme had a staff complement of 143 in 2012/13.
- *Military Police* provides a military policing capability for the department. Military police members support external operations, conduct crime prevention operations across the country and provide functional training at the military police school. This subprogramme had a staff complement of 1 736 in 2012/13.
- *Technology Development* provides for establishing and sustaining selected science and technology capabilities in the defence industry. In 2012/13, R327 million was used for capital acquisition. This subprogramme had no staff complement in 2012/13.
- *Departmental Support* provides for the payment of corporate departmental obligations such as transfer payments to public entities, legal fees, external audits and bank charges. In 2012/13, R895 million was transferred to the Armaments Corporation of South Africa. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

**Table 22.21 General Support**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Joint Logistic Services	1 605.3	1 478.2	1 577.0	2 130.0	9.9%	41.5%	2 253.3	2 330.9	2 446.9	4.7%	45.8%
Command and Management Information Systems	830.1	782.7	835.6	930.9	3.9%	20.6%	935.5	993.6	1 085.5	5.3%	19.7%
Military Police	345.0	412.0	442.4	452.1	9.4%	10.1%	476.5	489.5	503.2	3.6%	9.6%
Technology Development	258.3	357.8	339.9	328.5	8.4%	7.8%	348.6	350.4	303.7	-2.6%	6.7%
Departmental Support	598.7	774.8	913.1	974.8	17.6%	19.9%	831.0	893.7	959.5	-0.5%	18.3%
<b>Total</b>	<b>3 637.3</b>	<b>3 805.4</b>	<b>4 107.9</b>	<b>4 816.4</b>	<b>9.8%</b>	<b>100.0%</b>	<b>4 844.8</b>	<b>5 058.1</b>	<b>5 298.8</b>	<b>3.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(261.0)			(132.7)	(178.0)	(178.1)		

**Table 22.21 General Support (continued)**

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
R million	2 048.3	2 394.0	2 452.4	3 362.6	18.0%	62.7%	3 536.7	3 654.6	3 831.3	4.4%	71.9%	
<b>Current payments</b>												
Compensation of employees	767.6	973.8	1 104.0	1 242.7	17.4%	25.0%	1 571.8	1 571.8	1 742.4	11.9%	30.6%	
Goods and services	1 280.6	1 420.2	1 348.3	2 119.8	18.3%	37.7%	1 964.9	2 082.8	2 088.8	-0.5%	41.2%	
of which:												
Computer services	597.5	579.9	585.9	731.9	7.0%	15.2%	565.6	652.8	588.0	-7.0%	12.7%	
Contractors	311.7	413.8	341.6	855.9	40.0%	11.7%	119.8	118.7	136.3	-45.8%	6.1%	
Property payments	0.4	0.4	1.2	1.4	58.0%	-	827.1	842.2	871.3	747.4%	12.7%	
Travel and subsistence	18.6	26.6	39.5	18.4	-0.4%	0.6%	35.3	36.1	36.9	26.1%	0.6%	
<b>Transfers and subsidies</b>	<b>876.1</b>	<b>997.6</b>	<b>1 107.4</b>	<b>1 173.5</b>	<b>10.2%</b>	<b>25.4%</b>	<b>1 141.1</b>	<b>1 213.1</b>	<b>1 262.1</b>	<b>2.5%</b>	<b>23.9%</b>	
Departmental agencies and accounts	365.1	438.3	467.6	495.9	10.7%	10.8%	366.0	380.4	369.7	-9.3%	8.1%	
Public corporations and private enterprises	498.8	544.1	630.8	666.1	10.1%	14.3%	755.6	814.7	874.3	9.5%	15.5%	
Households	12.3	15.2	9.0	11.5	-2.1%	0.3%	19.4	18.1	18.1	16.3%	0.3%	
<b>Payments for capital assets</b>	<b>707.2</b>	<b>279.3</b>	<b>343.3</b>	<b>132.2</b>	<b>-42.8%</b>	<b>8.9%</b>	<b>167.1</b>	<b>190.4</b>	<b>205.5</b>	<b>15.8%</b>	<b>3.5%</b>	
Buildings and other fixed structures	544.3	229.0	265.7	99.3	-43.3%	7.0%	104.2	109.4	114.9	5.0%	2.1%	
Machinery and equipment	162.9	50.2	77.6	21.6	-49.0%	1.9%	36.9	49.6	53.9	35.6%	0.8%	
Specialised military assets	-	0.0	-	11.3	-	0.1%	26.0	31.4	36.6	47.9%	0.5%	
Software and other intangible assets	-	0.0	0.1	-	-	-	0.1	0.1	0.1	-	-	
<b>Payments for financial assets</b>	<b>5.8</b>	<b>134.6</b>	<b>204.9</b>	<b>148.1</b>	<b>194.5%</b>	<b>3.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.7%</b>	
<b>Total</b>	<b>3 637.3</b>	<b>3 805.4</b>	<b>4 107.9</b>	<b>4 816.4</b>	<b>9.8%</b>	<b>100.0%</b>	<b>4 844.8</b>	<b>5 058.1</b>	<b>5 298.8</b>	<b>3.2%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>11.6%</b>	<b>12.5%</b>	<b>12.0%</b>	<b>12.7%</b>			<b>12.0%</b>	<b>11.8%</b>	<b>11.7%</b>			

**Details of selected transfers and subsidies**

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
<b>Current</b>	365.1	438.3	467.6	495.9	10.7%	10.8%	366.0	380.4	369.7	-9.3%	8.1%
Special defence account	365.1	438.3	467.6	495.9	10.7%	10.8%	366.0	380.4	369.7	-9.3%	8.1%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	12.3	15.2	9.0	11.5	-2.1%	0.3%	19.4	18.1	18.1	16.3%	0.3%
Employee social benefits	12.3	15.2	9.0	11.5	-2.1%	0.3%	19.4	18.1	18.1	16.3%	0.3%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	498.8	544.1	630.8	666.1	10.1%	14.3%	755.6	814.7	874.3	9.5%	15.5%
Armaments Corporation of South Africa	498.8	544.1	630.8	666.1	10.1%	14.3%	755.6	814.7	874.3	9.5%	15.5%

**Personnel information**

**Table 22.22 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost		
<b>General Support</b>			4 914	1 104.0	0.2	4 998	1 242.7	0.2	5 065	1 571.8	0.3	4 957	1 571.8	0.3	4 737	1 742.4	0.4	-1.8%	100.0%
<b>Salary level</b>	4 998	-																	
1 - 6	3 206	-	3 131	538.9	0.2	3 206	613.2	0.2	3 279	693.0	0.2	3 215	703.3	0.2	3 074	744.6	0.2	-1.4%	64.7%
7 - 10	1 675	-	1 680	501.3	0.3	1 675	551.2	0.3	1 669	729.3	0.4	1 626	723.4	0.4	1 548	815.8	0.5	-2.6%	33.0%
11 - 12	93	-	78	43.7	0.6	93	57.3	0.6	93	108.2	1.2	92	104.8	1.1	91	131.2	1.4	-0.7%	1.9%
13 - 16	24	-	25	20.0	0.8	24	20.9	0.9	24	41.3	1.7	24	40.1	1.7	24	50.9	2.1	-	0.5%

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

2. Rand million.

3. As at 30 September 2012.

**Expenditure trends**

Over the MTEF period, the spending focus will be on providing general support capabilities, consolidating and sustaining the works capability, and providing key information, communication systems and a military policing capability. Over the same period a budget reduction of R63.9 million under contractors is evident as part of the Cabinet approved reductions that were effected.

Expenditure in the *Command and Management Information Services* subprogramme is expected to increase over the medium term due to the peak in the delivery and completion of a static and mobile defence communication network in 2015/16.

Expenditure on compensation of employees increased between 2009/10 and 2012/13 due to the implementation of the military salary dispensation. Expenditure on consultants and professional services also increased over the same period due to the project that verifies defence assets. The project is to be concluded in 2013/14. Between 2009/10 and 2012/13, expenditure on contractors decreased and property payments increased due to a reclassification of spending between these items. The large allocation for the food and food supplies inventory in 2012/13 was due to a once-off allocation for the newly established defence works formation. Expenditure on training and development between 2009/10 and 2012/13 provided for the training of technicians and artisans. The training will be continued over the medium term. Payment for capital assets over the same period decreased due to the completion of the upgrade of the runway at Air Force Base Waterkloof in 2012/13, while payments over the medium term provide for the replacement of heavy trucks, machinery and forklifts used at logistic depots.

R399.1 million is allocated over the medium term for spending on consultants, who will conduct information warfare research, provide legal advice and services, and verify defence assets, all of which require specialised skills. Spending on consultants for infrastructure and planning work under goods and services increased significantly in 2012/13 due to work being done in conjunction with the Council for Scientific and Industrial Research to establish a joint interim operations centre. The purpose of this centre is to manage the migration of all the functions and responsibilities relating to facilities management and maintenance from the Department of Public Works to the Department of Defence.

The programme has a funded establishment of 4 998 posts. Personnel numbers are projected to decrease to 4 737 in 2015/16, as the department aligns its establishment with the policy framework set out in the 1998 Defence Review, which recommends a reduction in the number of regular force members and an increase in reserve forces.

## Other departments within the vote

### Department of Military Veterans

#### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	139.5	129.5	–	10.0	163.7	153.1
Socio Economic Support Services	135.5	135.5	–	–	182.5	283.5
Empowerment and Stakeholder Management	76.5	76.5	–	–	157.9	170.2
<b>Total expenditure estimates</b>	<b>351.4</b>	<b>341.4</b>	<b>–</b>	<b>10.0</b>	<b>504.2</b>	<b>606.8</b>

Executive authority: Minister of Defence and Military Veterans  
Accounting officer: Director General of Military Veterans  
Website address: [www.militaryveterans.co.za](http://www.militaryveterans.co.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

## Aim

*Formulate policies and standards aimed at providing a comprehensive delivery system to military veterans and their dependants in recognition of their role in the democratisation of South Africa.*

## Mandate

The Department of Military Veterans derives its mandate from the Military Veterans Act 18 of 2011, which requires it to provide national policy and standards on socioeconomic support to military veterans and to their dependants, including benefits and entitlements to help realise a dignified, unified, empowered and self-sufficient military veterans' community.

## Strategic goals

The department's strategic goals over the medium term are to:

- coordinate and facilitate the provision of socioeconomic support services to military veterans
- manage and coordinate military veterans' empowerment and stakeholder relations services
- ensure that the needs of military veterans and their dependants are addressed.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide management and strategic administrative support to the ministry, and overall management of the department.

### Programme 2: Socio Economic Support Services

**Purpose:** Develop and monitor the implementation of legislation, policy frameworks and service level agreements on primary and secondary health care services, home based care services, wellness and counselling services, and prevention and support services.

### Programme 3: Empowerment and Stakeholder Management

**Purpose:** Manage and facilitate the implementation of military veteran empowerment and stakeholder management programmes.

## Selected performance indicators

Table 22.23 Military Veterans

Indicator	Programme	Outcome to which it contributes	Past <sup>1</sup>			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total number of deserving military veterans with access to dedicated counselling and medical treatment	Socio Economic Support Services	Outcome 2: A long and healthy life for all South Africans	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	1 000 <sup>2</sup>	1 000	2 000	3 000
Total number of deserving military veterans with access to health care services	Socio Economic Support Services		- <sup>1</sup>	- <sup>1</sup>	200	10 000	10 000	13 000	16 000
Number of deserving military veterans with decent housing per year	Socio Economic Support Services	Outcome 8: Sustainable human settlements and improved quality of household life	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	5 000	1 500	4 500	5 500
Number of events honouring military veterans per year	Empowerment and Stakeholder Management	Outcome 3: All people In South Africa are and feel safe	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	9	3	- <sup>2</sup>	- <sup>2</sup>
Number of military veterans' memorial sites erected per year	Empowerment and Stakeholder Management	Outcome 6: An efficient, competitive and responsive infrastructure network	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	2	1	2	4
Number of deserving military veterans accessing training and skills development per year	Empowerment and Stakeholder Management	Outcome 5: A skilled and capable workforce to support an inclusive growth path	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	2 000	2 000	2 500	3 000
Number of private sector companies and organs of state in partnership with the department per year	Empowerment and Stakeholder Management	Outcome 4: Decent employment through inclusive economic growth	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	10	10	10	10

1. These indicators were introduced between 2011/12 and 2012/13.

2. The current year targets included in this table are as reflected in the 2012 ENE. The estimated achievement by the end of the year will be lower than the set targets based on the current level of performance, which was mainly due to lack of financial resources and human capital.

## Expenditure estimates

Table 22.24 Military Veterans

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
Administration	-	20.0	45.4	30.7	30.7	-	57.6%	139.5	163.7	153.1	70.9%	31.1%
Socio Economic Support Services	-	-	-	21.1	21.1	-	12.7%	135.5	182.5	283.5	137.6%	39.8%
Empowerment and Stakeholder Management	-	-	-	49.6	49.6	-	29.7%	76.5	157.9	170.2	50.8%	29.0%
<b>Total</b>	-	<b>20.0</b>	<b>45.4</b>	<b>101.4</b>	<b>101.4</b>	-	<b>100.0%</b>	<b>351.4</b>	<b>504.2</b>	<b>606.8</b>	<b>81.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				50.2	50.2			300.5	450.7	550.9		
<b>Economic classification</b>												
<b>Current payments</b>	-	<b>19.3</b>	<b>45.4</b>	<b>98.9</b>	<b>98.9</b>		<b>98.1%</b>	<b>341.4</b>	<b>496.2</b>	<b>603.8</b>	<b>82.8%</b>	<b>98.5%</b>
Compensation of employees	-	6.0	18.0	24.7	24.7		29.2%	80.6	98.9	103.4	61.2%	19.7%
Goods and services	-	13.3	27.4	74.2	74.2		68.9%	260.8	397.4	500.4	88.9%	78.8%
of which:												
Consultants and professional services: Infrastructure and planning	-	-	-	-	-			58.9	62.0	28.0		9.5%
Housing	-	-	-	-	-			60.0	105.0	200.0		23.3%
Travel and subsistence	-	-	11.8	13.3	13.3		15.0%	26.0	83.8	93.8	92.0%	13.9%
Training and development	-	-	0.3	5.0	5.0		3.2%	22.3	52.3	65.1	134.5%	9.2%
<b>Payments for capital assets</b>	-	<b>0.7</b>	-	<b>2.5</b>	<b>2.5</b>		<b>1.9%</b>	<b>10.0</b>	<b>7.9</b>	<b>3.0</b>	<b>6.3%</b>	<b>1.5%</b>
Machinery and equipment	-	0.7	-	2.5	2.5		1.9%	10.0	7.9	3.0	6.3%	1.5%
<b>Total</b>	-	<b>20.0</b>	<b>45.4</b>	<b>101.4</b>	<b>101.4</b>		<b>100.0%</b>	<b>351.4</b>	<b>504.2</b>	<b>606.8</b>	<b>81.6%</b>	<b>100.0%</b>

## Personnel information

Table 22.25 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
		2011/12	2012/13	2013/14	2014/15	2015/16	2013/14	2014/15	2015/16	2012/13 - 2015/16								
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>Military Veterans</b>																		
Salary level	27	6	-	-	27	24.7	0.9	135	80.6	0.6	169	98.8	0.6	169	103.4	0.6	84.3%	100.0%
1 - 6	4	-	-	-	4	1.0	0.3	19	4.4	0.2	37	9.3	0.3	37	9.7	0.3	109.9%	19.4%
7 - 10	3	6	-	-	3	1.4	0.5	42	15.0	0.4	54	20.5	0.4	54	21.5	0.4	162.1%	30.6%
11 - 12	8	-	-	-	8	6.1	0.8	45	29.3	0.7	47	32.7	0.7	47	34.2	0.7	80.4%	29.4%
13 - 16	12	-	-	-	12	16.2	1.4	29	32.0	1.1	31	36.2	1.2	31	38.0	1.2	37.2%	20.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the filling of critical posts and supporting the delivery of benefits to military veterans. As a result, spending across all three programmes is expected to increase significantly as the department builds up sufficient capacity to deliver on its mandate following the enactment of the Military Veterans Act (2011).

The projected increase in expenditure over the medium term in the *Administration* programme is to provide for the development and implementation of the required ICT and security services, legal services, policies and procedures, and communication and marketing of the military veterans programmes under the *Management* subprogramme; external and internal audit consultancy services under the *Internal Audit* subprogramme; and funding for the provision of the infrastructure projects under the *Office Accommodation* subprogramme. The decrease in expenditure in the *Administration* programme in 2015/16 is linked to the decrease in the allocation for infrastructure projects under the *Office Accommodation* subprogramme, as most of the projects will be completed by then. The projected increase in expenditure on the *Socio Economic Support Services* programme over the medium term is focused on the provision of 11 500 housing units to military veterans, dedicated health counselling and treatment to 6 000 military veterans, and to provide access to health care services for 39 000 deserving military veterans. The projected increase in expenditure in the *Empowerment and Stakeholder Management* programme from 2012/13 and over the medium term is focused on the provision of 3 honouring functions and the erection of 7 memorials sites, and training and skills development of 7 500 military veterans.

Expenditure on consultants is expected to increase over the medium term to provide for the development, implementation and maintenance of the department's ICT systems, and the acquisition of professional services such as internal and external audit, financial, legal, cleaning and security management, and military veterans' health assessment and health care.

To improve the department's internal and external efficiency and ensure that it allocates funds efficiently, diagnostic studies and organisational reviews will be conducted in 2013/14, with the aim of aligning capabilities to the mandate. These will mainly be in the areas of monitoring and evaluation as well as communication.

As at 30 September 2012 there were 27 funded posts, all of which were filled. The department is planning to increase the number of posts filled to 169 over the MTEF period.

## Programme 1: Administration

### Expenditure estimates

Table 22.26 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Management	–	20.0	45.4	23.2	–	92.2%	48.0	65.4	82.7	52.7%	45.0%
Financial Administration	–	–	–	3.7	–	3.9%	14.5	19.5	27.2	94.0%	13.3%
Internal Audit	–	–	–	1.9	–	1.9%	5.0	7.0	10.2	75.8%	4.9%
Office Accommodation	–	–	–	1.9	–	1.9%	71.9	71.9	33.0	160.5%	36.7%
<b>Total</b>	<b>–</b>	<b>20.0</b>	<b>45.4</b>	<b>30.7</b>	<b>–</b>	<b>100.0%</b>	<b>139.5</b>	<b>163.7</b>	<b>153.1</b>	<b>70.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				30.7			139.5	163.7	153.1		
<b>Economic classification</b>											
<b>Current payments</b>	<b>–</b>	<b>19.3</b>	<b>45.4</b>	<b>29.3</b>	<b>–</b>	<b>97.9%</b>	<b>129.5</b>	<b>155.8</b>	<b>150.1</b>	<b>72.3%</b>	<b>95.4%</b>
Compensation of employees	–	6.0	18.0	15.4	–	41.0%	42.5	49.8	52.1	50.2%	32.8%
Goods and services	–	13.3	27.4	14.0	–	56.9%	87.0	106.0	98.0	91.5%	62.6%
of which:											
Consultants and professional services:	–	–	–	–	–	–	58.9	62.0	28.0	–	30.6%
Infrastructure and planning	–	–	–	–	–	–	–	–	–	–	–
Travel and subsistence	–	–	11.8	2.6	–	15.0%	4.7	5.1	10.6	58.6%	4.7%
Training and development	–	–	0.3	1.3	–	1.6%	3.4	4.3	11.5	108.2%	4.2%
<b>Payments for capital assets</b>	<b>–</b>	<b>0.7</b>	<b>–</b>	<b>1.3</b>	<b>–</b>	<b>2.1%</b>	<b>10.0</b>	<b>7.9</b>	<b>3.0</b>	<b>30.6%</b>	<b>4.6%</b>
Machinery and equipment	–	0.7	–	1.3	–	2.1%	10.0	7.9	3.0	30.6%	4.6%
<b>Total</b>	<b>–</b>	<b>20.0</b>	<b>45.4</b>	<b>30.7</b>	<b>–</b>	<b>100.0%</b>	<b>139.5</b>	<b>163.7</b>	<b>153.1</b>	<b>70.9%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	0.0%	100.0%	100.0%	30.3%			39.7%	32.5%	25.2%		

### Expenditure trends

The spending focus over the medium term will be on establishing the management and administrative capacity required by the department.

Expenditure under the *Management* subprogramme increased significantly between 2010/11 and 2012/13 due to the filling of critical leadership posts and to provide for the accommodation and operational requirements of this newly established department. Expenditure in this subprogramme is expected to continue increasing over the medium term due to the development and implementation of the technology systems and the administrative policies and procedures, the provision of legal and security services, and the communication and marketing of the military veterans' programmes.

The projected expenditure increase over the medium term under the *Internal Audit* subprogramme is focused on funding the external and internal audit professional services. The projected expenditure increase from 2012/13 to 2014/15 under the *Office Accommodation* subprogramme is focused on funding the acquisition and upgrading of national and provincial office space, provincial health and wellness centres, the establishment of the Tombstone Of An Unknown Soldier, the infrastructure upgrade at the Defence Centre for Advanced Training, and the development of head stones for the graves of military veterans. The decrease in projected expenditure under this subprogramme in 2015/16 is linked to the decreased allocation for infrastructure projects as most of the projects will be completed by then.

The expenditure increase on consultants over the medium term is focused mainly on the development of ICT systems, legal services, and the provision of external and internal audit consultancy services. The use of consultants is necessary due to the lack of capacity in the department and compulsory in terms of the professional services required from the State Information Technology Agency and the State Attorney.

## Programme 2: Socio-economic Support Services

### Objectives

- Provide socio-economic support services to military veterans over the medium term by:
  - establishing and maintaining the credibility and security of the national military veterans' database through consolidating data, updating software and implementing an annual update of the database
  - ensuring that all deserving military veterans as identified through the database receive benefits as espoused in section 5 of the Military Veterans Act (2011) by 2015/16.
- Develop strategic partnerships with other organs of state to advance delivery on basic social security by concluding, monitoring and evaluating performance against service level agreements and where applicable memoranda of understanding to ensure that:
  - 11 500 eligible military veterans have decent housing over the medium term
  - 16 000 military veterans have access to health care services by 2015/16
  - 400 eligible military veterans and dependents across the country are provided with ongoing education and transport support over the medium term.
- Provide ongoing support services to the dependants of military veterans over the medium term by:
  - coordinating, concluding, monitoring and evaluating the implementation of service level agreements and memoranda of understanding with organs of state and other relevant agencies
  - reporting comprehensively on the national military veterans' programme.
- Provide strategic leadership to the sector by:
  - conducting research on pertinent issues affecting military veterans and developing policies
  - implementing norms, standards, strategies, guidelines and efficiencies for leadership
  - ensuring that all military veterans receive relevant benefits and support by 2015/16.
- Provide comprehensive wellness support services to eligible military veterans by concluding dedicated service level agreements with the relevant organs of state and other agencies over the medium term.

### Subprogrammes

- *Database and Benefits Management* provides administrative support for the department and plays a pivotal role in establishing and managing the military veterans database. In 2012/13, the focus was on ensuring that there is a credible and secure database by carrying out electronic clean-up activities and capturing 13 768 veterans' personal files. In 2012/13, this subprogramme had a permanent staff complement of 2, which was assisted by personnel seconded from the Department of Defence as well as members of the reserve force.
- *Research and Policy Development* develops an equitable and sound environment for promoting the interests of military veterans through continuous research processes, and provides information on managing military veterans based on international standards. The Department of Military Veterans regulations were developed for approval in 2012/13. This subprogramme had a permanent staff complement in 2012/13 of 2, which was augmented by contract workers who were appointed in April 2012.
- *Health Care and Wellness Services* facilitates the provision of health care and wellbeing support to military veterans. There are currently 270 military veterans accessing counselling through the military veterans healthcare practitioner association and the military health support service. Approximately 3 000 military veterans have access to health care. In 2012/13, this subprogramme had a permanent staff complement of 1, which was augmented by members seconded from the Department of Defence, members of the reserve force, contract workers, and detached members of the South African Navy.

- *Socio-economic Support Services* facilitates and coordinates socioeconomic support services to military veterans. This entails ensuring that legal instruments for the provision of socioeconomic support services to veterans, such as housing, pensions and transport, are put in place. The main activities relate to the development and consolidations of the general regulations on military veterans. 2012/13 saw the development of draft policies on military veterans' education as well as military veterans' health care being completed. This subprogramme had a staff complement of 2 in 2012/13.

## Expenditure estimates

**Table 22.27 Socio-economic Support Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Database and Benefits Management	-	-	-	4.7	-	22.1%	22.5	13.7	12.8	40.1%	8.6%
Research and Policy Development	-	-	-	4.0	-	18.9%	13.3	14.4	16.0	59.0%	7.7%
Health care and Wellness Services	-	-	-	4.5	-	21.4%	27.0	37.1	38.8	104.8%	17.3%
Socio-economic Support Services	-	-	-	8.0	-	37.6%	72.7	117.2	215.8	200.5%	66.4%
<b>Total</b>	-	-	-	<b>21.1</b>	-	<b>100.0%</b>	<b>135.5</b>	<b>182.5</b>	<b>283.5</b>	<b>137.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				21.1			135.5	182.5	283.5		
<b>Economic classification</b>											
<b>Current payments</b>	-	-	-	<b>20.8</b>	-	<b>98.6%</b>	<b>135.5</b>	<b>182.5</b>	<b>283.5</b>	<b>138.7%</b>	<b>100.0%</b>
Compensation of employees	-	-	-	4.0	-	19.0%	15.5	22.5	23.5	80.4%	10.5%
Goods and services	-	-	-	16.8	-	79.6%	120.0	160.0	260.0	149.0%	89.4%
of which:											
Housing	-	-	-	-	-	-	60.0	105.0	200.0	-	58.6%
Travel and subsistence	-	-	-	6.9	-	32.9%	8.4	10.6	11.0	16.4%	5.9%
Training and development	-	-	-	2.2	-	10.3%	5.6	2.6	5.3	34.4%	2.5%
<b>Payments for capital assets</b>	-	-	-	<b>0.3</b>	-	<b>1.4%</b>	-	-	-	<b>-100.0%</b>	-
Machinery and equipment	-	-	-	0.3	-	1.4%	-	-	-	-100.0%	-
<b>Total</b>	-	-	-	<b>21.1</b>	-	<b>100.0%</b>	<b>135.5</b>	<b>182.5</b>	<b>283.5</b>	<b>137.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>				<b>20.8%</b>			<b>38.6%</b>	<b>36.2%</b>	<b>46.7%</b>		

## Expenditure trends

The spending focus over the medium term will be to provide socioeconomic support services for military veterans, particularly in terms of housing. In this regard expenditure in the *Socio-economic Support Services* subprogramme is expected to grow significantly over the medium term, mainly to fund the provision of 11 500 houses to deserving military veterans.

Expenditure in the *Health Care and Wellness Services* subprogramme is expected to increase over the medium term to fund the health assessment of, and provision of proper health care services to the military veterans. Much of this increased expenditure is reflected under expenditure on consultants, where a total of R108.4 million will be spent over the medium term. This increased spending on consultants under goods and services is mainly for the provision of military veterans' health care, which accounts for the steep growth in expenditure reflected under the laboratory services line item, and to administer the distribution of funds to the relevant tertiary institutions for military veterans' bursaries, which is reflected under the business and advisory services line item. Consultants are used to provide these specialised services that are not required on a full time basis in the department.

The projected expenditure increase from 2011/12 to 2012/13 under the *Database and Benefits Management* subprogramme is due to the database clean up projects undertaken in 2011/12 and 2012/13 to collect, verify and clean-up the military veterans database in order to ensure the accuracy and reliability of this database information. The decrease on expenditure over the medium term under this subprogramme is due to the fact that the data collection exercise was completed in 2012/13, and the collected data only needs ongoing refinement.



## Programme 3: Empowerment and Stakeholder Management

### Objectives

- Ensure the empowerment of deserving military veterans by:
  - establishing a fully functional special purpose vehicle that will facilitate business opportunities for development with other organs of state and the private sector, through partnerships and collaborations, by 2013/14
  - forming partnerships with 30 private sector companies and other organs of state over the medium term
  - entering into service level agreements and memoranda of understanding with organs of state, and; monitoring and evaluating the implementation of the agreements and memoranda of understanding to ensure that support is provided on an annual basis
  - concluding 12 formal agreements with institutions of higher learning for the provision of skills development over the medium term
  - promoting relations at inter- and intra-government level
  - facilitating the association of military veterans with the international community through the establishment of relevant exchange programmes
  - ensuring that a total of 10 strategic initiatives are established at national, continental and international levels
  - ensuring, through the Defence Centre of Advanced Training, that 7 500 deserving military veterans have access to relevant training and skills development, and that 1 000 have relevant South African Qualifications Authority qualifications and part qualifications over the medium term.

### Subprogrammes

- *Provincial Offices Management and Stakeholder Relations* facilitates and coordinates military veteran stakeholder institutions and provides administrative support to secure stakeholders from both public and private institutions willing to contribute towards the wellbeing of military veterans. In 2012/13, focus was placed on building capacity at provincial offices by ensuring full staff establishments, and strengthening relations with the department's major stakeholder by entering into a service level agreement. In 2012/13, this subprogramme had a permanent staff complement of 1, which was augmented by members seconded from the Department of Defence.
- *Military Veterans Skills Development and Empowerment Programmes* provides reskilling programmes and related activities to ensure that military veterans contribute positively to mainstream economic activities. In 2013/14, the National Skills Development Fund will begin training 1 000 military veterans over a two-year period. Efforts are under way to refocus the Defence Centre of Advanced Training as a skills development centre for military veterans. In 2012/13, this subprogramme had a permanent staff complement of 2, which was augmented by members seconded from the Department of Defence.
- *Heritage, Memorials, Burials and Honours* provides services to honour the contributions made by military veterans; and ensures that their memoirs are adequately secured, articulated in a dignified manner and captured in historical texts. In 2012/13, the focus was on the following: preparatory work on a monument for military veterans and other memorial sites; a Tomb of the Unknown Soldier; graves for military veterans and exploratory studies on the attributes of headstones that will restore the dignity of military veterans' graves. This subprogramme had no permanent staff complement in 2012/13, and work was undertaken by personnel seconded from the Department of Defence and contract workers who were appointed in April 2012.

## Expenditure estimates

**Table 22.28 Empowerment and Stakeholder Management**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Provincial Offices Management and Stakeholder Relations	-	-	-	3.8	-	7.7%	11.1	43.3	47.6	132.2%	23.3%
Military Veterans Skills Development and Empowerment Programmes	-	-	-	4.2	-	8.5%	33.8	100.2	104.8	191.8%	53.5%
Heritage, Memorials, Burials and Honours	-	-	-	41.6	-	83.8%	31.6	14.3	17.8	-24.6%	23.2%
<b>Total</b>	-	-	-	<b>49.6</b>	-	<b>100.0%</b>	<b>76.5</b>	<b>157.9</b>	<b>170.2</b>	<b>50.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				49.6			76.5	157.9	170.2		
<b>Economic classification</b>											
<b>Current payments</b>	-	-	-	<b>48.7</b>	-	<b>98.3%</b>	<b>76.5</b>	<b>157.9</b>	<b>170.2</b>	<b>51.7%</b>	<b>99.8%</b>
Compensation of employees	-	-	-	5.3	-	10.7%	22.6	26.5	27.7	73.5%	18.1%
Goods and services	-	-	-	43.4	-	87.6%	53.8	131.4	142.4	48.6%	81.7%
<i>of which:</i>											
Travel and subsistence	-	-	-	3.7	-	7.4%	12.8	68.1	72.3	170.1%	34.5%
Training and development	-	-	-	1.6	-	3.2%	13.4	45.4	48.2	212.1%	23.9%
<b>Payments for capital assets</b>	-	-	-	<b>0.9</b>	-	<b>1.7%</b>	-	-	-	<b>-100.0%</b>	<b>0.2%</b>
Machinery and equipment	-	-	-	0.9	-	1.7%	-	-	-	-100.0%	0.2%
<b>Total</b>	-	-	-	<b>49.6</b>	-	<b>100.0%</b>	<b>76.5</b>	<b>157.9</b>	<b>170.2</b>	<b>50.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>				<b>48.9%</b>			<b>21.8%</b>	<b>31.3%</b>	<b>28.0%</b>		

## Expenditure trends

The spending focus over the medium term will be on filling critical posts, providing benefits to military veterans in terms of section 5 of the Military Veterans Act (2011), establishing 2 military veterans' governance structures, erecting 7 memorial sites for military veterans who sacrificed their lives for freedom and democracy, investing in the heritage preservation, and facilitating the establishment of heroes acres and monuments in every province.

Expenditure in the *Military Veterans Skills Development and Empowerment* subprogramme is expected to increase over the medium term in order to fund the provision of skills and empowerment programmes to 7 500 military veterans. The increase in expenditure will also allow the department to take full control and responsibility for the recapitalisation of the Defence Centre for Advanced Training to reskill military veterans.

The projected increase in expenditure in the *Provincial Offices Management and Stakeholders Relations* subprogramme over the medium term is expected to fund the provision of capacity and equipment in the provincial offices to allow them to function effectively. Over the same period, expenditure in the *Heritage, Memorials, Burials and Honour* subprogramme is expected to decrease from 2012/13 to 2014/15 as only 3 functions honouring military veterans are planned in 2013/14, which will cover the remaining military veterans. The increased expenditure in 2015/16 under this subprogramme is focused on funding the erection of 4 military veterans' memorial sites, investing in the heritage projects of military veterans, such as the recording and documenting of military veterans' histories, and facilitating the establishment of heroes acres and monuments in every province.

## Public entities and other agencies

### Armaments Corporation of South Africa

#### Mandate and goals

The Armaments Corporation of South Africa derives its mandate from the Armscor Act (2003), which states that the corporation is the officially appointed acquisition organisation for the Department of Defence. With the approval of the Minister of Defence, the corporation also provides a professional acquisition service to other government departments and public entities.

The corporation is also responsible for providing an integrated support function to the defence industry, which involves facilitating the South African defence industry's participation in international defence exhibitions, promoting the industry, and managing requests from the private sector to use South African National Defence Force equipment, personnel and facilities for marketing purposes.

The corporation also manages the Simon's Town Naval Dockyard and the Defence Institutes. The dockyard carries out planned preventative maintenance, corrective maintenance, reconstruction and repairs, and upgrades all of the navy's ships and submarines. The corporation, through its Defence Institutes, provides operational research and comprehensive test and evaluation services of defence systems and capabilities in both the military and civilian environments.

## Selected performance indicators

**Table 22.29 Armaments Corporation of South Africa**

Indicator	Performance/Activity	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Contracts placed as a percentage of confirmed commitments from the Department of Defence	Capital defence matériel acquisition	94.4% (R376m)	96.1% (R428m)	89.1% (R311m)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	Capital defence matériel acquisition	101% (R2.2bn)	101.9% (R2.2bn)	86.2% (R1.8bn)	90%	90%	90%	90%
Contracts placed as a percentage of confirmed commitments from the Department of Defence	Strategic defence acquisition	94.9% (R55m)	99.9% (R33m)	100.0% (R77.4m)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	Strategic defence acquisition	94.8% (R1.6bn)	100.8% (R1.1bn)	94.4% (R997m)	90%	90%	90%	90%
Contracts placed as a percentage of confirmed commitments from the Department of Defence	System support acquisition and procurement	86.6% (R1.6m)	97.9% (R1.0m)	98.8% (R1.1bn)	90%	90%	90%	90%
Cash flow achieved as a percentage of planned cash flow	System support acquisition and procurement	104% (R3.0bn)	99.9% (R2.7bn)	100.1% (R3.6bn)	90%	90%	90%	90%
Defence industrial participation credits awarded in terms of contractually agreed milestones	Management of defence industrial participation	R747m	R1.58bn	R1.45bn	R349m	R136m	R440m	R358m
Execution of defence technology, research, test and evaluation activities as a percentage of planned activities	Management of defence technology, research, test and evaluation requirements of the Department of Defence	91%	95.97%	95.5%	90%	90%	90%	90%

## Programmes/activities/objectives

**Table 22.30 Armaments Corporation of South Africa**

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Management of defence matériel acquisition	443.8	492.4	384.4	436.7	-0.5%	30.2%	576.6	606.0	636.9	13.4%	30.3%
Quality assurance	132.4	145.8	101.5	118.2	-3.7%	8.5%	163.2	171.6	180.4	15.1%	8.5%
Tender management	2.8	3.1	3.0	3.3	5.3%	0.2%	4.0	4.2	4.4	10.6%	0.2%
Defence industrial participation	3.3	3.7	3.7	4.0	6.4%	0.3%	4.8	5.1	5.3	10.2%	0.3%
Logistics matériel and support	709.1	757.0	258.9	372.8	-19.3%	33.5%	683.8	719.5	756.7	26.6%	33.2%
Management of strategic facilities: Defence Institutes	306.1	334.8	219.6	260.0	-5.3%	18.9%	368.3	387.2	407.0	16.1%	19.0%
Management of strategic facilities: Naval Dockyard	120.5	134.3	109.6	123.2	0.8%	8.4%	159.9	168.0	176.6	12.7%	8.5%
<b>Total expense</b>	<b>1 718.0</b>	<b>1 871.2</b>	<b>1 080.6</b>	<b>1 318.1</b>	<b>-8.5%</b>	<b>100.0%</b>	<b>1 960.6</b>	<b>2 061.5</b>	<b>2 167.3</b>	<b>18.0%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 22.31 Armaments Corporation of South Africa**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>1 173.3</b>	<b>1 293.4</b>	<b>401.6</b>	<b>366.4</b>	<b>-32.2%</b>	<b>49.9%</b>	<b>960.8</b>	<b>969.9</b>	<b>1 018.4</b>	<b>40.6%</b>	<b>42.4%</b>
Sale of goods and services other than capital assets	1 094.4	1 202.2	305.2	283.5	-36.3%	43.9%	838.4	880.4	924.4	48.3%	37.1%
<i>of which:</i>											
<i>Sales by market establishment</i>	1 094.4	1 202.2	305.2	283.5	-36.3%	43.9%	838.4	880.4	924.4	48.3%	37.1%
<i>Other non-tax revenue</i>	78.8	91.2	96.4	82.8	1.7%	6.0%	122.4	89.5	94.0	4.3%	5.3%
<b>Transfers received</b>	<b>528.9</b>	<b>594.8</b>	<b>752.3</b>	<b>974.9</b>	<b>22.6%</b>	<b>50.1%</b>	<b>1 021.3</b>	<b>1 091.4</b>	<b>1 162.5</b>	<b>6.0%</b>	<b>57.6%</b>
<b>Total revenue</b>	<b>1 702.2</b>	<b>1 888.2</b>	<b>1 153.9</b>	<b>1 341.3</b>	<b>-7.6%</b>	<b>100.0%</b>	<b>1 982.1</b>	<b>2 061.3</b>	<b>2 180.9</b>	<b>17.6%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>1 718.0</b>	<b>1 871.2</b>	<b>1 080.6</b>	<b>1 318.1</b>	<b>-8.5%</b>	<b>100.0%</b>	<b>1 960.6</b>	<b>2 061.5</b>	<b>2 167.3</b>	<b>18.0%</b>	<b>100.0%</b>
Compensation of employees	558.1	639.6	682.0	729.1	9.3%	46.3%	873.6	939.1	1 009.6	11.5%	48.0%
Goods and services	1 134.4	1 205.8	372.2	558.3	-21.0%	51.8%	1 047.1	1 080.6	1 113.8	25.9%	49.9%
Depreciation	24.1	22.7	26.4	30.7	8.4%	1.8%	39.9	41.9	43.9	12.7%	2.1%
Interest, dividends and rent on land	1.3	3.1	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Total expenses</b>	<b>1 718.0</b>	<b>1 871.2</b>	<b>1 080.6</b>	<b>1 318.1</b>	<b>-8.5%</b>	<b>100.0%</b>	<b>1 960.6</b>	<b>2 061.5</b>	<b>2 167.3</b>	<b>18.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(16.0)</b>	<b>17.0</b>	<b>73.0</b>	<b>23.0</b>	<b>-212.9%</b>		<b>22.0</b>	<b>-</b>	<b>14.0</b>	<b>-15.3%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	216.9	236.3	242.2	232.5	2.3%	25.2%	266.3	294.2	323.4	11.6%	28.7%
<i>of which:</i>											
<i>Acquisition of assets</i>	26.6	44.7	32.5	28.2	2.0%	3.6%	66.4	69.7	73.2	37.4%	6.1%
Inventory	2.8	6.5	7.6	7.1	36.3%	0.6%	6.9	7.2	7.6	2.3%	0.7%
Receivables and prepayments	161.4	178.9	182.3	197.3	6.9%	19.5%	189.0	198.5	208.4	1.8%	20.4%
Cash and cash equivalents	341.1	374.8	440.6	382.4	3.9%	41.7%	376.0	359.7	361.4	-1.9%	38.2%
Defined benefit plan assets	94.7	124.1	137.7	124.1	9.4%	13.0%	122.0	114.0	104.0	-5.7%	12.0%
<b>Total assets</b>	<b>816.9</b>	<b>920.6</b>	<b>1 010.4</b>	<b>943.4</b>	<b>4.9%</b>	<b>100.0%</b>	<b>960.2</b>	<b>973.6</b>	<b>1 004.8</b>	<b>2.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	-	75.0	75.0	(37.0)	-	2.9%	(21.5)	0.2	(13.7)	-28.3%	-1.9%
Capital and reserves	536.7	478.8	552.1	590.1	3.2%	58.7%	633.1	611.2	638.7	2.7%	63.7%
Deferred income	-	24.7	69.1	12.9	-	2.7%	-	-	-	-100.0%	0.3%
Trade and other payables	176.3	236.5	203.1	247.8	12.0%	23.4%	224.0	235.1	246.9	-0.1%	24.6%
Provisions	103.9	105.6	111.1	129.7	7.7%	12.2%	121.5	127.1	132.9	0.8%	13.2%
Derivatives financial instruments	-	-	-	-	-	-	3.2	-	-	-	0.1%
<b>Total equity and liabilities</b>	<b>816.9</b>	<b>920.6</b>	<b>1 010.4</b>	<b>943.4</b>	<b>4.9%</b>	<b>100.0%</b>	<b>960.2</b>	<b>973.6</b>	<b>1 004.8</b>	<b>2.1%</b>	<b>100.0%</b>

## Expenditure trends

The Armaments Corporation of South Africa's operating expenses are largely funded by a transfer payment from the Department of Defence, and sales of goods and services such as redundant equipment. Together with interest earned on this revenue, these funds are used to finance operating expenditure.

Over the medium term, the Department of Defence is expected to increase its capital acquisitions, due to the purchase of assets to re-establish capabilities within the Simon's Town Naval Dockyard that were previously outsourced to industry, as well as legislated safety, health and environment maintenance on existing infrastructure. One of the corporation's roles is to act as an acquisition agency for the Department of Defence, and as such is responsible for the acquisition of such capital assets.

Expenditure decreased from 2009/10 to 2012/13 as the strategic defence procurement neared its completion, but is expected to increase over the medium term as the department proceeds with its planned capital acquisitions. The corporation has been achieving most of its targets over the years, including contracts placed on behalf of the department. Despite achieving these targets, the actual operating expenditure incurred was below the budgeted figures year on year, hence savings were realised.

The corporation has identified efficiency savings over the medium term as a result of implementing cost effectiveness measures. This has already resulted in reduced travel costs, while the growth in other operational expenditure items was also restricted. Other major savings realised relate to vacant positions, where only critical positions were filled.

The corporation has an establishment of 1 552 posts, of which 1 429 were filled at the end of September 2012. There were 123 vacancies, mainly because the corporation decided to fill only critical positions. Over the medium term, the number of positions is expected to increase to 2 147, which is mainly due to the establishment of additional capabilities to fully support the South African Navy at the Simon's Town Naval Dockyard. Consultants used are predominantly for legal services and mostly in litigation matters. The estimated expenditure to be incurred on consultants over the MTEF period is R3 million.

## **Other public entities and agencies**

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Castle Control Board** preserves and protects the military and cultural heritage of the Castle of Good Hope in Cape Town. The board's total budget for 2013/14 is R4.16 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11		2011/12	2013/14	2014/15
<b>R million</b>									
<b>Departmental infrastructure</b>									
Rebuilding of runway at Air Force Base Waterkloof	Lifting of existing unservicable runway, excavation and groundworks for new runway, construction of new runway and tarmacadam laid and installation of runway lighting, in order to finish the rebuilding of the new runway	Construction	1 113.6	402.1	134.1	172.6	130.0	-	-
Upgrading of medical health facilities	Construction of examination rooms, operating theatres, administration sections, wards, mechanical systems for gas, oxygen, water, fire detection and prevention	Various	231.0	34.0	42.5	38.0	30.4	12.1	18.9
Upgrading of infrastructure for disabled members	Upgrading of building (offices, workshops) and pathways by means of the construction of ramps, installation of water closets, hand wash basins and enlarging toilet cubicles for members with disabilities	Various	9.7	-	0.2	1.4	1.4	1.0	1.0
Security construction of fences, installation of burglar bars and security gates	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitor systems	Various	133.5	49.8	20.7	0.9	11.0	9.6	10.0
Construction of live-in accommodation	Construction of buildings with revetments in order to comply with legislation in the storage of ordinance	Various	401.1	57.0	31.5	0.1	8.5	44.1	56.1
Construction of office accommodation	Construction of single and married housing units and flats to accommodate military personnel	Various	109.1	1.2	-	1.4	3.5	3.5	-
Demolishing of infrastructure	Demolishing	Various	60.0	-	-	-	5.0	7.0	9.0
Saldhana: Construction of military skills development system accommodation	Construction of single and married housing units and flats to accommodate military personnel	Design	149.0	33.1	15.5	-	7.5	4.0	6.6
Prefabricated structures	Procurement of prefabricated classroom and office accommodation	Hand over	18.4	18.4	-	-	-	-	-
Recoverable projects	Upgrading of building (offices, workshops) and pathways through the construction of ramps, installation of water closets, hand wash basins and enlarging toilet cubicles for members with disabilities	Various	12.3	3.4	1.3	-	(1.4)	11.3	7.8
Specialised shipping containers	Protection of state assets through the installation of security fences, gates, burglar bars, lights and monitor systems	Hand over	13.2	-	5.4	-	1.4	-	-
Workshops and stores	Construction of workshops and stores	Construction	-	-	-	50.4	13.8	3.6	-
Training facilities	Construction of single and married housing and flats to accommodate military personnel	Construction	-	-	-	0.6	17.3	19.4	7.8
Kitchens	Construction and upgrading of kitchens	Construction	-	-	-	0.3	0.9	-	-
<b>Maintenance</b>									
1 Military Hospital: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Construction	296.8	81.6	140.7	32.2	-	-	-
Waterkloof air force base: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Construction	192.0	48.2	12.7	4.8	27.5	-	-
35 Engineer Support Regiment: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Hand over	70.1	41.6	11.9	-	-	-	-

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2009/10	2010/11	2011/12		2013/14	2014/15
R million									
2 Military Hospital: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Construction	337.1	14.8	46.6	46.0	66.3	67.8	38.8
4 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Construction	183.8	48.1	26.1	18.7	25.7	-	-
Simons Town naval dockyard: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Tender	339.5	5.6	54.5	57.9	31.3	11.7	-
21 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Tender	466.2	1.1	76.6	58.9	50.0	11.0	-
10 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Tender	249.9	1.5	41.1	21.0	50.0	25.7	-
Thaba Tshwane A-Mess: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	360.0	-	-	1.4	62.5	62.2	55.2
1 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	25.5	0.5	-	-	24.0	3.9	-
4 Artillery Regiment: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	37.8	1.4	-	-	35.2	5.7	-
6 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	165.0	4.6	-	-	27.5	52.6	63.6
8 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	244.3	1.1	-	0.3	91.9	52.8	24.3
School of Artillery: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	63.4	0.9	-	-	14.2	22.2	8.6
1 Parachute Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	7.9	0.2	-	-	4.5	2.9	-
10 Anti-Aircraft and Air Defence Artillery School: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	225.1	2.0	-	3.5	37.3	32.4	12.6
44 Parachute Regiment: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	31.5	0.8	-	-	27.9	6.0	-

**Additional table: Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2009/10	2010/11		2013/14	2014/15
R million								
School of Engineers: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	131.0	1.2	-	42.8	51.7	19.2
2 Field Engineering Regiment: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	95.8	1.1	-	23.2	30.2	29.3
South African Army Combat Training Centre (including 16 maintenance unit): Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	893.6	4.3	38.4	136.6	61.0	65.5
1 Special Service Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Design	28.7	0.6	-	17.6	11.4	-
7 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	157.2	2.0	-	12.5	12.4	40.5
South African Army office, Dequar Road: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	186.4	-	-	37.5	56.9	55.2
South African Air Force Blenny complex: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	226.1	-	-	56.3	61.9	55.2
Boekenhoutloof communication facility: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	47.1	-	-	6.3	7.4	22.3
SAS Saldanha: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	165.7	-	-	8.8	30.8	39.5
Military Veterinary Institute: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	73.5	-	-	8.8	11.9	34.8
3 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	90.0	-	-	8.8	14.6	35.5
121 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	138.8	-	-	8.8	15.7	38.2
1 Tactical Intelligence Regiment: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	52.3	-	-	-	-	34.8



Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
Bloemspruit air force base: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	252.1	-	-	-	-	-	-	(91.0)
9 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	157.5	-	-	-	-	-	-	88.2
Military police school: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	66.6	-	-	-	-	-	-	22.5
Musina military base: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	17.0	-	-	-	-	-	-	195.1
Fort Scorpio: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	5.8	-	-	-	-	-	-	63.2
Rooival communication facility: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	47.1	-	-	-	8.8	9.9	22.3	63.0
Sandhurst building: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	29.3	-	-	-	6.3	11.0	12.0	6.0
Tlhaba Tshwane B Mess: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	8.3	-	-	-	-	2.7	2.6	3.9
15 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	3.9	-	-	-	-	1.0	2.5	(18.0)
9 SA Infantry Battalion: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	10.0	-	-	-	-	2.3	3.4	(49.4)
School Of Armour: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	13.9	-	-	-	-	0.6	1.8	(48.2)
Boekenhoutskloof Sewerage: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	5.5	-	-	-	-	0.8	1.8	(250.1)
Refurbishment of Hoedspruit air force base: Base and flood damage: refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	365.0	-	-	-	-	44.3	65.1	(55.9)
Overberg air force base: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	191.0	-	-	-	-	-	-	(66.6)
Simonstown East Yard: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	8.9	-	-	-	-	0.4	1.2	(10.7)

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
Simons Town Mountain Klawer Valley: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	10.0	-	-	-	-	-	-	(5.3)
SAS Salisbury Island Wingfield: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	15.0	-	-	-	-	-	-	-
SAS Salisbury Island: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	8.9	-	-	-	0.4	1.2	6.3	6.3
Lytleton Complex : Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	105.3	-	-	-	4.9	7.9	21.6	21.6
Technical Base Complex: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	108.7	-	-	-	-	4.7	9.0	9.0
Lephalale: South African Military Health Service military training area: refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	48.9	-	-	-	-	-	2.2	2.2
Refurbishment of Medical Health Training centre: Bloemfontein	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	20.0	-	-	-	-	-	-	-
Refurbishment of Hebron Village	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	24.3	-	-	-	-	-	-	-
Langebaan: 18 married quarters	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	6.8	-	-	-	-	0.3	0.9	0.9
Phalaborwa: 35 Married quarters duplex: refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	6.0	-	-	-	-	-	0.3	0.3
Langebaan: 10 kilometre road resurfacing	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	5.6	-	-	-	0.2	0.7	1.6	1.6
Swartkop: 2 kilometer road resurface	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	1.4	-	-	-	0.1	0.2	0.4	0.4
Resurfacing of roads	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	3.5	-	-	-	-	-	-	-
Garison financial office: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	0.8	-	-	-	0.8	-	-	-

**Additional table: Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate	
				2009/10	2010/11	2011/12		2013/14	2014/15
R million									
Youngsfield financial office: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	0.8	-	-	-	-	0.8	-
Mithata financial office: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	0.8	-	-	-	-	0.8	-
Grahamstown financial office: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	0.8	-	-	-	-	0.8	-
Port Elizabeth general support base financial office: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	0.8	-	-	-	-	0.8	-
Military Academy: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	140.2	-	-	-	-	6.1	17.9
Defence College: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	47.9	-	-	-	-	2.4	6.5
Castle, Cape Town: Refurbishment	Refurbishment of existing brick and concrete buildings, comprising all structures, replacement of mechanical systems, like water and electrical, and groundworks	Identification	47.9	-	-	-	-	2.6	6.0
<b>Total</b>			<b>9 618.8</b>	<b>862.0</b>	<b>699.9</b>	<b>530.7</b>	<b>1 187.8</b>	<b>932.3</b>	<b>948.2</b>



# Vote 23

## Independent Police Investigative Directorate

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	88.4	87.4	0.1	0.9	96.3	101.9
Investigation and Information Management	124.3	122.5	0.0	1.8	133.9	140.6
Legal Services	4.3	4.2	-	0.0	4.5	4.7
<b>Total expenditure estimates</b>	<b>217.0</b>	<b>214.2</b>	<b>0.1</b>	<b>2.7</b>	<b>234.7</b>	<b>247.2</b>

Executive authority

Minister of Police

Accounting officer

Executive Director of the Independent Police Investigative Directorate

Website address

[www.ipid.gov.za](http://www.ipid.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Ensure independent oversight of the South African Police Service and the Municipal Police Services. Conduct independent and impartial investigations of identified criminal offences allegedly committed by members of the South African Police Service and the Municipal Police Services and make appropriate recommendations.*

### Mandate

The Independent Police Investigative Directorate exercises its functions in accordance with the Independent Police Investigative Directorate Act (2011), independently from the South African Police Service. The act gives effect to the provisions of section 206(6) of the Constitution, ensuring independent oversight of the South African Police Service and Municipal Police Services. The thrust of the directorate's work is to investigate serious and priority crimes allegedly committed by members of South African Police Service and the Municipal Police Services. This includes a greater focus on systematic corruption.

The new act, which came into effect on 1 April 2012, grants the directorate an extended mandate, which changes the directorate from a complaints driven organisation to one that prioritises the investigative function. The directorate will focus on more serious and priority crimes committed by members of the South African Police Service and the Municipal Police Services. It places stringent obligations on the South African Police Service and the Municipal Police Services for reporting on matters that must be investigated by the directorate and the implementation of disciplinary recommendations.

### Strategic goals

The directorate's overarching goal is to contribute towards ensuring a police service that is trusted by the community and operates in line with the spirit of the Constitution (1996). In terms of government's 12 outcomes, the directorate's medium term strategic focus relates to ensuring that all people in South Africa are and feel safe (outcome 3), focusing specifically on combating corruption within the justice, crime prevention and security cluster to enhance its effectiveness and its ability to serve as a deterrent against crime (output 3).

The directorate's strategic goals over the medium term are to:

- ensure public awareness of its mandate and functions through community awareness programmes and media campaigns
- establish satellite offices to increase public accessibility
- ensure an effective performance management system, including internal controls and external performance reporting procedures, to promote accountability
- establish an efficient case management system that ensures the effective completion of cases and the generation of recommendation and feedback reports within appropriate timeframes.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide the overall management of the Independent Police Investigative Directorate and support services, including strategic support to the directorate.

### Programme 2: Investigation and Information Management

**Purpose:** Coordinate and facilitate the Independent Police Investigative Directorate's processes, and develop policy and strategic frameworks that guide and report on investigations.

### Programme 3: Legal Services

**Purpose:** Manage and facilitate the provision of investigation advisory services, and provide legal and litigation advisory services.

## Selected performance indicators

**Table 23.1 Independent Police Investigative Directorate**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of community outreach events conducted per year	Administration	Outcome 12: An efficient, effective and development orientated public service and an empowered, fair and inclusive citizenship	386	307	307	306	306	306	306
Percentage of cases registered and allocated within 72 hours of receipt <sup>1</sup>	Investigation and Information Management	Outcome 3: All people in South Africa are and feel safe	100% (5 450)	96% (5 644)	98% (5 750)	91% (5 750)	98% (6 500)	98% (6 500)	98% (6 500)
Percentage of investigations of deaths in custody completed within 90 days <sup>2</sup>	Investigation and Information Management		– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	52% (148)	65% (148)	66% (148)	67% (148)
Percentage of investigations of deaths as a result of police action completed within 90 days <sup>2</sup>	Investigation and Information Management		– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	65% (320)	65% (320)	66% (320)	67% (320)

1. This indicator previously measured cases registered and allocated within 48 hours. Due to a change in the allocation process, the timeframe has now been revised to 72 hours.

2. This is a new indicator. The dashes indicate that no past performance data is available.

## The national development plan

The national development plan highlights the need to ensure that all people in South Africa live safely in a corruption free society, with an independent and fair criminal justice system. The plan also states that inspiring public confidence in the criminal justice system is the most effective deterrent to criminality. The department's work is therefore aligned with the plan through its focus on ensuring that the police service is trusted by the community and that it is seen to be playing an important role in fighting corruption, thus contributing to a capable state.

## Expenditure estimates

**Table 23.2 Independent Police Investigative Directorate**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15			2015/16
R million													
Administration	42.1	54.5	68.5	86.5	86.5	27.1%	43.0%	88.4	96.3	101.9	5.6%	41.6%	
Investigation and Information Management	62.6	72.3	83.0	106.0	106.0	19.2%	55.3%	124.3	133.9	140.6	9.9%	56.3%	
Legal Services	1.5	1.6	2.0	5.4	5.4	53.3%	1.8%	4.3	4.5	4.7	-4.4%	2.1%	
<b>Total</b>	<b>106.2</b>	<b>128.4</b>	<b>153.5</b>	<b>197.9</b>	<b>197.9</b>	<b>23.0%</b>	<b>100.0%</b>	<b>217.0</b>	<b>234.7</b>	<b>247.2</b>	<b>7.7%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				0.9	0.9			-	-	-			
<b>Economic classification</b>	<b>102.0</b>	<b>125.7</b>	<b>149.1</b>	<b>192.0</b>	<b>192.0</b>	<b>23.5%</b>	<b>97.0%</b>	<b>214.2</b>	<b>231.6</b>	<b>243.7</b>	<b>8.3%</b>	<b>98.3%</b>	
<b>Current payments</b>													
Compensation of employees	65.1	71.8	78.1	103.4	103.4	16.7%	54.3%	132.4	143.6	153.7	14.1%	59.4%	
Goods and services	36.9	53.9	71.0	88.6	88.6	33.9%	42.7%	81.8	88.0	90.0	0.5%	38.8%	
of which:													
Fleet services (including government motor transport)	5.0	4.5	5.6	3.2	3.2	-14.4%	3.1%	3.3	3.5	3.7	5.0%	1.5%	
Operating leases	4.2	15.6	22.8	29.9	29.9	91.7%	12.4%	22.6	26.0	25.2	-5.6%	11.6%	
Property payments	3.2	4.0	5.4	6.4	6.4	26.0%	3.2%	6.6	7.1	7.4	5.1%	3.1%	
Travel and subsistence	10.6	10.6	15.7	26.3	26.3	35.4%	10.8%	27.5	28.5	29.8	4.3%	12.5%	
<b>Transfers and subsidies</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>16.6%</b>	<b>0.1%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>16.3%</b>	<b>0.1%</b>	
Departmental agencies and accounts	0.1	0.1	0.1	0.1	0.1	16.6%	0.1%	0.1	0.1	0.2	16.3%	0.1%	
<b>Payments for capital assets</b>	<b>4.0</b>	<b>2.7</b>	<b>4.4</b>	<b>5.8</b>	<b>5.8</b>	<b>13.1%</b>	<b>2.9%</b>	<b>2.7</b>	<b>3.0</b>	<b>3.3</b>	<b>-16.9%</b>	<b>1.6%</b>	
Machinery and equipment	4.0	2.7	4.4	5.8	5.8	13.1%	2.9%	2.7	3.0	3.3	-16.9%	1.6%	
<b>Total</b>	<b>106.2</b>	<b>128.4</b>	<b>153.5</b>	<b>197.9</b>	<b>197.9</b>	<b>23.0%</b>	<b>100.0%</b>	<b>217.0</b>	<b>234.7</b>	<b>247.2</b>	<b>7.7%</b>	<b>100.0%</b>	

## Personnel information

**Table 23.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16				Unit Cost		
Independent Police Investigative Directorate			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	349	-	337	78.1	0.2	291	103.4	0.4	349	132.4	0.4	358	143.6	0.4	367	153.7	0.4	8.0%	100.0%
1 - 6	93	-	89	11.3	0.1	83	16.4	0.2	93	17.1	0.2	93	18.0	0.2	93	18.8	0.2	3.9%	26.5%
7 - 10	193	-	189	43.4	0.2	164	54.9	0.3	193	73.0	0.4	202	80.7	0.4	211	87.8	0.4	8.8%	56.4%
11 - 12	30	-	27	8.8	0.3	21	12.1	0.6	30	13.3	0.4	30	14.3	0.5	30	15.1	0.5	12.6%	8.1%
13 - 16	33	-	32	14.6	0.5	23	20.0	0.9	33	29.1	0.9	33	30.6	0.9	33	32.1	1.0	12.8%	8.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on conducting successful investigations to ensure that communities feel safe and trust that the police service operates in line with the spirit of the Constitution. As such, the bulk of spending over the medium term will be focused in the *Investigation and Information Management* programme and will go mainly towards providing for compensation of employees and travel and subsistence for the department's investigators. These two items are also the reason for spending increases over the medium term. The department's total allocations over the medium term will provide for the anticipated increase in the number of investigations of deaths as a result of police action from 424 in 2012/13 to 676 in 2015/16.

Spending increased significantly between 2009/10 and 2012/13 in all three programmes due to more activities relating to drafting the Independent Police Investigative Directorate Act (2011), expanding office accommodation, enhancing capacity in support services and appointing additional investigators. 19 additional officials were employed over this period to give effect to the department's new mandate as informed by the act, which also accounts for the increase in spending on compensation of employees over the same period. The

significant increase evident in expenditure on goods and services between 2009/10 and 2012/13, particularly related to travel and subsistence, was due to the consultation process involved in the formulation and enactment of the new act governing the department, as well as increased travel for investigations. The increase in expenditure on computer services between 2009/10 and 2012/13 is due to the updates to the case flow management system.

The 2013 Budget sets out additional allocations of R1.6 million in 2013/14, R2.1 million in 2014/15 and R3.9 million in 2015/16 to provide for improved conditions of service.

As the department expects to increase the number of filled posts, particularly for investigators, in line with its new mandate, posts on the approved establishment are expected to increase from 291 in 2012/13 to 367 in 2015/16. There were 58 vacancies at the end of September 2012. These vacancies were due to natural attrition, as well as newly created posts in the provincial offices that have not yet been filled. The department expects to fill these vacancies in 2013/14 and to increase its establishment by a further 18 posts over the medium term. The ratio of support to line function staff is 1:3.

## Departmental receipts

Table 23.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R thousand												
<b>Departmental receipts</b>	<b>154</b>	<b>168</b>	<b>125</b>	<b>184</b>	<b>184</b>	<b>6.1%</b>	<b>100.0%</b>	<b>180</b>	<b>189</b>	<b>198</b>	<b>2.5%</b>	<b>100.0%</b>
Sales of goods and services produced by department	69	89	111	138	138	26.0%	64.5%	111	117	123	-3.8%	65.1%
Sales by market establishments	25	42	61	86	83	49.2%	33.4%	53	56	59	-10.8%	33.4%
of which:												
Market Establishments: Rental parking: Covered and open	25	42	61	86	83	49.2%	33.4%	53	56	59	-10.8%	33.4%
Other sales	44	47	50	52	55	7.7%	31.1%	58	61	64	5.2%	31.7%
of which:												
Service rendered: Commission insurance and garnishees	44	47	50	52	55	7.7%	31.1%	58	61	64	5.2%	31.7%
Interest, dividends and rent on land	24	5	(1)	2	2	-56.3%	4.8%	2	2	2	-	1.1%
Interest	24	5	(1)	2	2	-56.3%	4.8%	2	2	2	-	1.1%
Sales of capital assets	-	-	2	-	-	-	0.3%	-	-	-	-	-
Transactions in financial assets and liabilities	61	74	13	44	44	-10.3%	30.4%	67	70	73	18.4%	33.8%
<b>Total</b>	<b>154</b>	<b>168</b>	<b>125</b>	<b>184</b>	<b>184</b>	<b>6.1%</b>	<b>100.0%</b>	<b>180</b>	<b>189</b>	<b>198</b>	<b>2.5%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 23.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
Department Management	2.7	4.1	5.2	6.0	30.1%	7.1%	7.3	8.2	8.5	12.8%	8.0%	
Corporate Services	24.8	29.9	41.9	51.5	27.6%	58.8%	51.1	56.3	59.3	4.8%	58.5%	
Office Accommodation	4.1	8.1	8.6	9.1	30.0%	11.9%	9.6	10.2	10.6	5.4%	10.6%	
Internal Audit	1.1	1.2	2.0	2.7	35.6%	2.7%	3.7	4.1	4.2	16.2%	3.9%	
Finance Administration	9.4	11.2	10.9	17.2	22.5%	19.4%	16.7	17.6	19.2	3.7%	19.0%	
<b>Total</b>	<b>42.1</b>	<b>54.5</b>	<b>68.5</b>	<b>86.5</b>	<b>27.1%</b>	<b>100.0%</b>	<b>88.4</b>	<b>96.3</b>	<b>101.9</b>	<b>5.6%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(6.3)			(11.9)	(12.7)	(12.0)			



**Table 23.5 Administration (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
	2009/10 - 2012/13		2013/14 - 2015/16									
R million	40.5	53.4	66.4	85.3	28.2%	97.5%	87.4	95.0	100.3	5.6%	98.6%	
<b>Current payments</b>												
Compensation of employees	20.7	23.7	26.4	37.0	21.4%	42.8%	41.9	44.4	46.6	8.0%	45.5%	
Goods and services	19.8	29.7	40.0	48.3	34.6%	54.8%	45.6	50.6	53.7	3.6%	53.1%	
of which:												
Fleet services (including government motor transport)	3.4	1.2	3.5	0.8	-36.8%	3.5%	0.9	0.9	1.0	4.8%	1.0%	
Operating leases	3.4	12.0	14.1	20.5	81.8%	19.9%	17.5	20.7	22.7	3.4%	21.8%	
Property payments	1.9	2.6	3.8	4.4	31.0%	5.1%	4.7	5.1	5.3	6.6%	5.2%	
Travel and subsistence	3.5	3.2	4.5	8.7	35.3%	7.9%	9.6	10.4	10.5	6.5%	10.5%	
<b>Transfers and subsidies</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>15.4%</b>	<b>0.1%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>16.7%</b>	<b>0.1%</b>	
Departmental agencies and accounts	0.1	0.1	0.1	0.1	15.4%	0.1%	0.1	0.1	0.2	16.7%	0.1%	
<b>Payments for capital assets</b>	<b>1.6</b>	<b>1.0</b>	<b>2.0</b>	<b>1.1</b>	<b>-10.9%</b>	<b>2.3%</b>	<b>0.9</b>	<b>1.1</b>	<b>1.4</b>	<b>8.0%</b>	<b>1.2%</b>	
Machinery and equipment	1.6	1.0	2.0	1.1	-10.9%	2.3%	0.9	1.1	1.4	8.0%	1.2%	
<b>Total</b>	<b>42.1</b>	<b>54.5</b>	<b>68.5</b>	<b>86.5</b>	<b>27.1%</b>	<b>100.0%</b>	<b>88.4</b>	<b>96.3</b>	<b>101.9</b>	<b>5.6%</b>	<b>100.0%</b>	
Proportion of total programme expenditure to vote expenditure	39.7%	42.5%	44.6%	43.7%			40.8%	41.0%	41.2%			

## Personnel information

**Table 23.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
Administration			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	139	-	134	26.4	0.2	118	37.0	0.3	139	41.9	0.3	139	44.4	0.3	139	46.6	0.3	5.6%	100.0%
1-6	69	-	67	8.0	0.1	61	12.3	0.2	69	12.7	0.2	69	13.4	0.2	69	14.0	0.2	4.2%	50.1%
7-10	45	-	45	9.3	0.2	39	12.0	0.3	45	14.2	0.3	45	15.1	0.3	45	15.7	0.3	4.9%	32.5%
11-12	15	-	13	4.2	0.3	9	4.7	0.5	15	6.6	0.4	15	7.2	0.5	15	7.6	0.5	18.6%	10.1%
13-16	10	-	9	4.9	0.5	9	7.9	0.9	10	8.3	0.8	10	8.8	0.9	10	9.2	0.9	3.6%	7.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on opening new satellite offices to increase the visibility of investigators and improve the accessibility of the department's services in order to ensure that the strategic goal of a transformed police service is achieved at a faster rate. As such, 21.8 per cent of spending over the medium term will go towards operating lease payments and 45.5 per cent will go towards compensation for the employees who provide support to enable the department to fulfil its mandate.

Spending in the programme increased significantly from 2009/10 as the department underwent a reorganisation in 2011/12 and 2012/13, which increased personnel numbers and thus spending on compensation of employees across all subprogrammes. The department also moved into a new building in 2010/11, which increased operating lease payments significantly from that year onwards. The increase in expenditure on computer services between 2009/10 and 2012/13 was due to an increase in dataline users as a result of the increase in personnel.

The fluctuating expenditure on fleet services between 2009/10 and 2012/13 is due to changing demand for the use of government vehicles, which is dependent on the travel needs of the programme. Spending on machinery and equipment is expected to increase in 2014/15 and 2015/16 to provide for the replacement of computers at the end of their lifespans.

The increase in expenditure on compensation of employees between 2009/10 and 2012/13 is due to 8 additional officials employed to: build capacity in the *Department Management* and *Internal Audit* subprogrammes, establish a corporate governance component, and comply with supply chain management legislation and practices in the *Finance Administration* subprogramme.

Over the medium term, expenditure on the *Internal Audit* subprogramme is expected to increase significantly mainly as a result of increased travel related costs to be incurred when the audit team conducts performance audits in the department's satellite offices. Expenditure in the *Department Management* subprogramme is also expected to increase significantly over this period due to the greater focus on the establishment and maintenance of sectoral and intergovernmental relations, and to meet the demands of the additional reporting obligations in terms of the Independent Police Investigative Directorate Act (2011).

The programme has a funded establishment of 139 posts, 21 of which were vacant at the end of September 2012. These vacancies were mainly in the *Department Management* and *Finance Administration* subprogrammes, and were the result of natural attrition. The department expects to fill all vacancies in 2013/14.

## **Programme 2: Investigation and Information Management**

### **Objectives**

- Strengthen the directorate's oversight role over the medium term by:
  - conducting investigations without fear or favour in the various categories of investigation within 90 days of receipt of a complaint
  - making appropriate recommendations on investigations in the various investigation categories within 30 days and submitting feedback within 30 days of the closure of the investigation.
- Enhance efficiency in case management over the medium term by registering and allocating cases within 72 hours of receipt, generating recommendation reports within 30 days of completion, and submitting feedback reports within 30 days of closure of investigations.

### **Subprogrammes**

- *Investigation Management* manages and conducts investigations in line with the provisions of the act. Key activities and outputs include investigating complaints and producing relevant recommendation reports. As at 30 September 2012, 354 cases were received, of which 160 investigations were completed. This subprogramme had a staff complement of 160 in 2012/13.
- *Information Management* manages information and knowledge management services through developing and maintaining a case flow management system and database, and analyses and compiles statistical information. This entails registering and allocating 98 per cent of new cases within 72 hours of receipt; generating all disciplinary and criminal recommendation reports within 30 days of completing investigations; and generating all feedback reports to complainants, victims and referral authorities within 30 days of case closures. As at 30 September 2012, 1 904 complaints were received against an annual target of 5 750, and all received complaints were registered within 48 hours. This subprogramme had a staff complement of 5 in 2012/13.
- *Policy Development and Provincial Coordination* develops investigation policy and coordinates the implementation of provincial investigation standards. Key activities over the medium term include coordinating and monitoring provincial performance against strategic targets, aligning provincial strategic and business plans, and developing and reviewing investigation guidelines and policies. As at 30 September 2012, a set of executive director guidelines was compiled and training for investigators had been coordinated. This subprogramme had a staff complement of 1 in 2012/13.

## Expenditure estimates

**Table 23.7 Investigation and Information Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R million											
Investigation Management	59.0	68.3	78.9	96.8	17.9%	93.6%	115.1	125.5	131.6	10.8%	92.9%
Information Management	3.6	4.0	4.1	6.5	22.4%	5.6%	7.0	6.2	6.5	-0.2%	5.2%
Policy Development and Provincial Coordination	-	-	-	2.7	-	0.8%	2.2	2.2	2.4	-3.1%	1.9%
<b>Total</b>	<b>62.6</b>	<b>72.3</b>	<b>83.0</b>	<b>106.0</b>	<b>19.2%</b>	<b>100.0%</b>	<b>124.3</b>	<b>133.9</b>	<b>140.6</b>	<b>9.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				7.2			14.9	16.1	17.4		
<b>Economic classification</b>											
<b>Current payments</b>	<b>60.1</b>	<b>70.7</b>	<b>80.7</b>	<b>101.3</b>	<b>19.0%</b>	<b>96.6%</b>	<b>122.5</b>	<b>132.1</b>	<b>138.8</b>	<b>11.1%</b>	<b>98.0%</b>
Compensation of employees	43.2	46.8	50.4	61.5	12.5%	62.3%	86.8	95.2	102.9	18.7%	68.6%
Goods and services	16.8	23.9	30.3	39.8	33.2%	34.2%	35.7	36.9	35.9	-3.4%	29.4%
of which:											
Fleet services (including government motor transport)	1.7	3.3	2.1	2.3	11.3%	2.9%	2.4	2.5	2.7	5.1%	2.0%
Operating leases	0.8	3.6	8.7	9.3	124.2%	6.9%	5.0	5.2	2.4	-36.4%	4.3%
Property payments	1.2	1.4	1.5	1.9	17.0%	1.9%	1.9	2.0	2.1	2.2%	1.6%
Travel and subsistence	7.0	7.3	10.9	17.5	35.9%	13.2%	17.8	18.1	19.2	3.2%	14.4%
<b>Payments for capital assets</b>	<b>2.3</b>	<b>1.6</b>	<b>2.3</b>	<b>4.6</b>	<b>25.6%</b>	<b>3.4%</b>	<b>1.8</b>	<b>1.8</b>	<b>1.8</b>	<b>-27.1%</b>	<b>2.0%</b>
Machinery and equipment	2.3	1.6	2.3	4.6	25.6%	3.4%	1.8	1.8	1.8	-27.1%	2.0%
<b>Payment of financial assets</b>	<b>0.2</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-100%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>62.6</b>	<b>72.3</b>	<b>83.0</b>	<b>106.0</b>	<b>19.2%</b>	<b>100.0%</b>	<b>124.3</b>	<b>133.9</b>	<b>140.6</b>	<b>9.9%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	58.9%	56.3%	54.0%	53.5%			57.3%	57.1%	56.9%		

## Personnel information

**Table 23.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Investigation and Information Management		196	50.4	0.3	166	61.5	0.4	202	86.8	0.4	211	95.2	0.5	220	102.9	0.5	9.8%	100.0%	
Salary level	202																		
1 - 6	21	-	20	3.3	0.2	20	3.7	0.2	21	3.9	0.2	21	4.1	0.2	21	4.3	0.2	1.6%	10.4%
7 - 10	148	-	144	34.1	0.2	125	42.9	0.3	148	58.7	0.4	157	65.7	0.4	166	72.0	0.4	9.9%	74.6%
11 - 12	13	-	12	4.1	0.3	10	5.5	0.5	13	5.7	0.4	13	6.1	0.5	13	6.3	0.5	9.1%	6.1%
13 - 16	20	-	20	8.9	0.4	11	9.5	0.9	20	18.4	0.9	20	19.4	1.0	20	20.2	1.0	22.1%	8.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on investigating matters as outlined in section 28 of the Independent Police Investigative Directorate Act (2011) and contributing to the realisation of the outcome that all people in South Africa are and feel safe (outcome 3). This includes investigating deaths in police custody, deaths as a result of police action and the discharge of an official firearm by a police officer, which is a new category of the department's work. Over the medium term, the allocations to this subprogramme provide for an increase in the number of cases registered and allocated with 72 hours of receipt from 5 750 in 2012/13 to 6 500 in 2015/16. Within the *Investigation Management* programme, which uses 93.3 per cent of the programme's allocation over the medium term, the percentage of investigations of deaths in custody completed in 90 days will increase from 52 per cent in 2012/13 to 67 per cent in 2015/16.

Spending in the *Investigation Management* subprogramme increased significantly between 2009/10 and 2012/13 due to the increasing number of investigations conducted and the building of support capacity required to manage the increase. This also accounts for the increase in expenditure on travel and subsistence and training of investigators, which grew at average annual rates of 35.9 per cent and 28 per cent between 2009/10 and

2012/13. The significant increase in expenditure on compensation of employees between 2009/10 and 2012/13 is because the number of staff increased from 149 in 2009/10 to 166 in 2012/13. Spending on compensation of employees over the medium term is expected to increase as 18 more investigators are to be appointed.

Spending on goods and services increased significantly between 2009/10 and 2012/13 due to the use of expert pathologists and ballistic experts in high profile cases. The significant increase in expenditure in the *Information Management* subprogramme between 2009/10 and 2012/13 is due to maintenance done on the case flow management system in 2012/13 to facilitate investigations and ensure that the department is able to deliver on its investigation mandate. Spending on goods and services is expected to decrease over the medium term, especially once the updates to case flow management systems are completed in 2013/14.

The programme has a funded establishment of 202 posts, 36 of which were vacant at the end of September 2012. These vacancies were mainly in the *Investigation Management* and *Information Management* subprogrammes and due to resignations and the length of the process involved in recruiting and appointing chief directors.

## **Programme 3: Legal Services**

### **Objectives**

- Ensure that investigations are conducted efficiently and within the ambit of the law by providing investigators with adequate legal advice and guidance on an ongoing basis during and after completion of investigations.

### **Subprogrammes**

- *Legal Support* manages the directorate's legal obligations, coordinates civil and labour litigation matters, and grants policing powers to investigators. In 2012/13, the focus was on finalising contracts and service level agreements, providing legal opinions in terms of civil and labour matters, and reviewing the legal compliance of the directorate's policies. Over the medium term, this subprogramme will continue to ensure that sound legal advice is provided to the directorate on legal and litigation matters. This subprogramme had a staff complement of 2 in 2012/13.
- *Investigation Advisory Services* provides support during and after investigations, provides legal advice and guidance to investigators, and ensures that all cases that are forwarded for prosecution comply with requirements of the prosecution process. In 2012/13, legal advice and guidance were provided to investigators on an ongoing basis within 48 hours of the request. Over the medium term, practice notes and directives will be issued to keep the department's investigators informed about the latest developments in criminal law, criminal procedure law and related case law. This subprogramme had a staff complement of 5 in 2012/13

## Expenditure estimates

**Table 23.9 Legal Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R million											
Legal Support	–	–	–	1.2	–	11.8%	1.2	1.3	1.3	2.5%	26.9%
Investigation Advisory Services	1.5	1.6	2.0	4.2	40.5%	88.2%	3.0	3.2	3.4	-6.7%	73.1%
<b>Total</b>	<b>1.5</b>	<b>1.6</b>	<b>2.0</b>	<b>5.4</b>	<b>53.3%</b>	<b>100.0%</b>	<b>4.3</b>	<b>4.5</b>	<b>4.7</b>	<b>-4.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				0.0			(1.4)	(1.4)	(1.5)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>1.4</b>	<b>1.6</b>	<b>2.0</b>	<b>5.4</b>	<b>55.1%</b>	<b>98.7%</b>	<b>4.2</b>	<b>4.5</b>	<b>4.6</b>	<b>-4.9%</b>	<b>99.1%</b>
Compensation of employees	1.2	1.3	1.4	4.9	61.2%	83.1%	3.8	4.0	4.2	-5.4%	89.4%
Goods and services	0.3	0.3	0.6	0.4	18.7%	15.6%	0.5	0.5	0.4	-0.2%	9.6%
of which:											
Operating leases	–	–	–	0.1	–	0.5%	0.1	0.1	0.1	5.7%	1.2%
Property payments	0.0	0.0	0.0	0.1	29.5%	1.0%	0.1	0.1	0.0	-28.9%	0.9%
Travel and subsistence	0.1	0.1	0.2	0.1	-0.3%	5.0%	0.1	0.1	0.1	-18.7%	1.6%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-22.4%</b>	<b>1.3%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>52.9%</b>	<b>0.9%</b>
Machinery and equipment	0.1	0.0	0.0	0.0	-22.4%	1.3%	0.0	0.0	0.1	52.9%	0.9%
<b>Total</b>	<b>1.5</b>	<b>1.6</b>	<b>2.0</b>	<b>5.4</b>	<b>53.3%</b>	<b>100.0%</b>	<b>4.3</b>	<b>4.5</b>	<b>4.7</b>	<b>-4.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	1.4%	1.2%	1.3%	2.7%			2.0%	1.9%	1.9%		

## Personnel information

**Table 23.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment											Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
<b>Legal Services</b>																			
Salary level	8	–	7	1.4	0.2	7	4.9	0.7	8	3.8	0.5	8	4.0	0.5	8	4.2	0.5	4.6%	100.0%
1 – 6	3	–	2	0.1	0.0	2	0.4	0.2	3	0.4	0.1	3	0.5	0.2	3	0.5	0.2	14.5%	35.5%
11 – 12	2	–	2	0.5	0.2	2	1.9	1.0	2	1.0	0.5	2	1.1	0.5	2	1.1	0.6	–	25.8%
13 – 16	3	–	3	0.8	0.3	3	2.6	0.9	3	2.4	0.8	3	2.5	0.8	3	2.6	0.9	–	38.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be to provide sound legal advice and guidance to ensure that cases forwarded for prosecution comply with legal requirements. The programme's allocations over the medium term will provide for an increase in the number of legal opinions provided to the department, as well as the finalisation of contracts and service level agreements within 30 days of the request.

Spending in the *Investigation Advisory Services* subprogramme increased significantly in 2012/13, mainly due to additional funding received in the 2012 Budget to accommodate three more staff members. This additional allocation explains the significant growth in spending on compensation of employees in this year.

The decrease in spending on machinery and equipment in 2010/11 was the result of the department deciding to delay replacing computers. The replacements will now be made over the medium term, so expenditure on this item is set to rise in 2015/16. The increase in expenditure on goods and services in 2011/12 is due to the travel expenditure incurred by consulting various stakeholders regarding the implementation of the new act.

The subprogramme has a funded establishment of 8 posts, 1 of which was vacant at the end of September 2012 as a result of natural attrition. The vacant post will be filled in 2013/14. Consultants are used to provide employee health and wellness services.



# Vote 24

## Justice and Constitutional Development

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	1 534.8	1 478.0	11.3	45.5	1 622.2	1 703.4
Court Services	5 862.4	4 804.0	25.4	1 033.0	6 223.8	6 500.7
State Legal Services	852.0	843.2	1.5	7.4	898.5	976.1
National Prosecuting Authority	3 050.4	2 970.0	9.8	70.6	3 236.2	3 357.4
Auxiliary and Associated Services	2 834.7	830.4	1 981.8	22.5	3 079.6	3 274.4
<b>Subtotal</b>	<b>14 134.2</b>	<b>10 925.5</b>	<b>2 029.8</b>	<b>1 178.9</b>	<b>15 060.3</b>	<b>15 812.1</b>
<b>Direct charge against the National Revenue Fund</b>						
Judges' Salaries	621.0	582.5	38.5	–	658.3	688.6
Magistrates' Salaries	1 954.7	1 891.9	62.8	–	2 072.0	2 167.3
<b>Total expenditure estimates</b>	<b>16 709.9</b>	<b>13 400.0</b>	<b>2 131.0</b>	<b>1 178.9</b>	<b>17 790.6</b>	<b>18 667.9</b>

Executive authority Minister of Justice and Constitutional Development  
Accounting officer Director General of Justice and Constitutional Development  
Website address [www.justice.gov.za](http://www.justice.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Uphold and protect the Constitution and the rule of law, and render accessible, fair, speedy and cost effective administration of justice in the interests of a safer and more secure South Africa.*

### Mandate

In addition to its constitutional mandate, the Department of Justice and Constitutional Development derives its legislative mandate from a number of different acts, which cover all the categories of the department's functions. These include: the establishment and functioning of the superior courts, magistrates' courts and special courts; the appointment of judges and other judicial officers, their conditions of service, discipline and training; the establishment and functioning of the National Prosecuting Authority, the Special Investigating Unit and the Asset Forfeiture Unit, the conduct of criminal proceedings, the investigation of organised crime and corruption, and the forfeiture of assets obtained through illicit means; the establishment and functioning of bodies responsible for legal aid, law reform and rule making; the appointment of masters of the high courts and the administration of the Guardian's Fund and deceased and insolvent estates; the regulation and provisioning of legal advisory services to government departments; the promotion, protection and enforcement of certain human rights; the protection of vulnerable groups; and support to Chapter 9 institutions.

### Strategic goals

The strategic goals of the department are linked to ensuring that all people in South Africa are and feel safe (outcome 3). The department aims to strengthen its leadership role and ensure the effective coordination of the justice, crime prevention and security cluster in the delivery of this outcome.

The department further undertakes to facilitate the effective and efficient resolution of disputes by providing accessible, efficient and quality administrative support, thereby improving finalisation rates of cases, efficiencies and backlogs of all criminal, civil and family matters by the courts and justice service points. In addition, it will give attention to effective and cost efficient provision of state legal services that anticipates, meets and exceeds stakeholder needs and expectations, thus reducing the exposure of government to legal risk,

improved access for citizens to quality guardian and probate services and better access to legal advice and services to the state.

Another goal of the department is the promotion of the Constitution through assisting other departments to comply with the Promotion of Administrative Justice Act (2000), inform citizens better on how to exercise their constitutional rights and promote constitutional development. The strategic goal of the National Prosecuting Authority is to improve the delivery of justice for victims of crime.

## Programme purposes

### Programme 1: Administration

**Purpose:** Manage the department, develop policies and strategies for the efficient administration of justice, and provide centralised support services.

### Programme 2: Court Services

**Purpose:** Facilitate the resolution of criminal and civil cases and family law disputes by providing accessible, efficient and quality administrative support to the courts and managing court facilities.

### Programme 3: State Legal Services

**Purpose:** Provide legal and legislative services to government. Supervise the registration of trusts and the administration of deceased and insolvent estates and estates undergoing liquidation. Manage the Guardian's Fund, prepare and promote legislation, facilitate constitutional development and undertake research in support of this.

### Programme 4: National Prosecuting Authority

**Purpose:** Provide a coordinated prosecuting service that: ensures justice is delivered to the victims of crime through general and specialised prosecutions; removes the profit from crime; and protects certain witnesses.

### Programme 5: Auxiliary and Associated Services

**Purpose:** Provide a variety of auxiliary services associated with the department's aim. Fund transfer payments to the South African Human Rights Commission, the Public Protector of South Africa, Legal Aid South Africa, the Special Investigating Unit and the President's Fund.

## Selected performance indicators

**Table 24.1 Justice and Constitutional Development**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Average court hours per day	Court Services	Outcome 3: All people in South Africa are and feel safe	3h46mins	3h50mins	4h	4h10mins	4h20mins	4h30mins	4h40mins
Number of case backlogs	Court Services		38 563	37 034	34 926	36 295	33 504	32 833	32 176
Number of criminal court cases finalised with verdict	National Prosecuting Authority		350 910	331 045	316 098	344 419	351 308	358 334	365 501
Number of criminal court cases finalised through alternative dispute resolution mechanisms	National Prosecuting Authority		118 631	129 846	132 695	137 219	142 357	145 204	148 108
Conviction rate:	National Prosecuting Authority								
- High courts			88% (1 083)	87.8% (954)	84.6% (963)	87% (982)	87% (1 002)	87% (1 022)	88% (1 042)
- Regional courts			74% (28 578)	73% (27 385)	74.3% (28 665)	74% (29 238)	74% (29 823)	74% (30 420)	74% (31 028)
- District courts			91% (281 290)	91% (265 348)	90.8% (251 030)	87% (276 068)	87% (281 589)	87% (287 221)	88% (292 965)



Table 24.1 Justice and Constitutional Development (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Specialised Prosecution Services:	National Prosecuting Authority								
- Total number of operational Thuthuzela care centres			20	27	30	35	43	50	55
- Number of persons convicted of corruption where the amount involved is more than R5 million			- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	50	50	50	50
- Conviction rate on complex commercial crime			93.6% (825)	92.5% (742)	(91.6%) (754)	93% (780)	94% (796)	(94%) (812)	94% (828)
Asset Forfeiture Unit:	National Prosecuting Authority	Outcome 3: All people in South Africa are and feel safe							
- Number of completed forfeiture cases			271	320	300	306	312	318	324
- Value of completed forfeiture cases			R184m	R212m	R163.6m	R167m	R170m	R174m	R177m
- Number of freezing orders			315	333	318	324	330	337	344
- Value of freezing orders			R491m	R549.2m	R553.4m	R600m	R615m	R630m	R650m
- Success rate			92.4% (262)	95.7% (314)	96.1% (295)	94% (306)	94% (312)	94% (318)	94% (324)

1. This is a new indicator, hence there is no historical data.

## The national development plan

The national development plan requires an effective and functional criminal justice system in order for its vision to be realised. To this end, the plan recommends that all departments in the justice, crime prevention and security cluster align their strategic plans with the seven point plan, which proposes seven transformative changes to the criminal justice system. The refined justice, crime prevention and security cluster delivery agreement and the objectives in the national development plan regarding the strengthening of the criminal justice system form the basis of the department's current strategic plan. In this regard, through the office for criminal justice system reform, the department will continue to accelerate the full integrated implementation of the seven point plan, including legislation that protects vulnerable groups, namely women, children and the girl child.

In support of the recommendations by the planning commission that there is more legal representation of the poor, the number of legal practitioners for Legal Aid South Africa will increase from 1 939 in 2012/13 to 2 010 in 2015/16.

The department will contribute to the plan's goal of building a corruption free society by continuing to strengthen the investigative capacity of the Public Protector of South Africa and the Special Investigating Unit. The number of investigative capacity practitioners in these two institutions will increase from 515 in 2012/13 to 711 in 2015/16.

## Expenditure estimates

**Table 24.2 Justice and Constitutional Development**

Programme	Audited outcome			Adjusted appropriation 2012/13	Revised estimate 2012/13	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12			2009/10 - 2012/13	2012/13		2013/14	2014/15	2015/16			2012/13 - 2015/16
R million														
Administration	989.5	1 320.8	1 441.7	1 463.9	1 463.9	13.9%	9.9%	1 534.8	1 622.2	1 703.4	5.2%	9.2%		
Court Services	4 129.2	4 284.9	4 620.0	5 377.4	5 377.4	9.2%	35.0%	5 862.4	6 223.8	6 500.7	6.5%	35.0%		
State Legal Services	548.6	670.8	697.7	784.9	784.9	12.7%	5.1%	852.0	898.5	976.1	7.5%	5.1%		
National Prosecuting Authority	2 188.2	2 495.3	2 615.4	2 839.8	2 839.8	9.1%	19.3%	3 050.4	3 236.2	3 357.4	5.7%	18.2%		
Auxiliary and Associated Services	1 705.2	1 815.1	2 095.5	2 446.3	2 446.3	12.8%	15.3%	2 834.7	3 079.6	3 274.4	10.2%	17.0%		
<b>Subtotal</b>	<b>9 560.7</b>	<b>10 586.8</b>	<b>11 470.4</b>	<b>12 912.2</b>	<b>12 912.2</b>	<b>10.5%</b>	<b>84.6%</b>	<b>14 134.2</b>	<b>15 060.3</b>	<b>15 812.1</b>	<b>7.0%</b>	<b>84.6%</b>		
<b>Direct charge against the National Revenue Fund</b>	<b>1 774.9</b>	<b>1 910.2</b>	<b>2 037.1</b>	<b>2 401.9</b>	<b>2 401.9</b>	<b>10.6%</b>	<b>15.4%</b>	<b>2 575.7</b>	<b>2 730.3</b>	<b>2 855.9</b>	<b>5.9%</b>	<b>15.4%</b>		
Judges' Salaries	601.7	644.1	710.9	709.1	709.1	5.6%	5.1%	621.0	658.3	688.6	-1.0%	3.9%		
Magistrates' Salaries	1 173.1	1 266.2	1 326.2	1 692.7	1 692.7	13.0%	10.4%	1 954.7	2 072.0	2 167.3	8.6%	11.5%		
<b>Total</b>	<b>11 335.6</b>	<b>12 497.1</b>	<b>13 507.5</b>	<b>15 314.1</b>	<b>15 314.1</b>	<b>10.5%</b>	<b>100.0%</b>	<b>16 709.9</b>	<b>17 790.6</b>	<b>18 667.9</b>	<b>6.8%</b>	<b>100.0%</b>		
Change to 2012 Budget estimate				(58.2)	(58.2)			320.3	439.3	518.6				

### Economic classification

	9 174.0	10 182.2	10 672.9	12 205.8	12 205.8	10.0%	80.2%	13 400.0	14 290.9	15 088.9	7.3%	80.3%
<b>Current payments</b>												
Compensation of employees	6 028.1	6 944.9	7 559.2	8 443.0	8 443.0	11.9%	55.0%	9 229.4	9 809.2	10 415.2	7.2%	55.3%
Goods and services	3 116.2	3 222.4	3 103.2	3 748.0	3 748.0	6.3%	25.0%	4 159.2	4 469.7	4 661.3	7.5%	24.9%
of which:												
Computer services	525.2	380.7	464.7	569.4	569.4	2.7%	3.7%	811.2	932.9	982.3	19.9%	4.8%
Agency and support / outsourced services	357.6	361.9	154.9	388.0	388.0	2.8%	2.4%	550.7	600.4	550.3	12.4%	3.1%
Operating leases	393.7	585.1	425.8	545.2	545.2	11.5%	3.7%	567.5	620.8	656.1	6.4%	3.5%
Property payments	277.6	634.7	654.7	677.1	677.1	34.6%	4.3%	745.2	779.7	900.6	10.0%	4.5%
Interest and rent on land	29.7	14.9	10.4	14.9	14.9	-20.7%	0.1%	11.5	11.9	12.4	-5.8%	0.1%
<b>Transfers and subsidies</b>	<b>1 380.5</b>	<b>1 556.3</b>	<b>1 810.9</b>	<b>2 020.7</b>	<b>2 020.7</b>	<b>13.5%</b>	<b>12.9%</b>	<b>2 131.0</b>	<b>2 251.6</b>	<b>2 376.6</b>	<b>5.6%</b>	<b>12.8%</b>
Provinces and municipalities	0.0	-	0.3	0.3	0.3	105.7%	0.0%	0.3	0.3	0.3	5.5%	0.0%
Departmental agencies and accounts	1 256.8	1 477.7	1 711.3	1 888.2	1 888.2	14.5%	12.0%	1 989.8	2 102.0	2 220.2	5.5%	12.0%
Foreign governments and international organisations	13.1	6.3	7.2	5.2	5.2	-26.5%	0.1%	5.5	5.8	6.1	5.4%	0.0%
Non-profit institutions	1.8	-	-	-	-	-100.0%	0.0%	-	-	-	-	-
Households	108.8	72.2	92.0	127.1	127.1	5.3%	0.8%	135.4	143.4	150.0	5.7%	0.8%
<b>Payments for capital assets</b>	<b>780.6</b>	<b>740.1</b>	<b>1 019.9</b>	<b>1 087.5</b>	<b>1 087.5</b>	<b>11.7%</b>	<b>6.9%</b>	<b>1 178.9</b>	<b>1 248.1</b>	<b>1 202.4</b>	<b>3.4%</b>	<b>6.9%</b>
Buildings and other fixed structures	662.0	557.2	699.6	851.0	851.0	8.7%	5.3%	1 005.1	1 075.1	1 028.6	6.5%	5.8%
Machinery and equipment	115.0	179.3	317.9	230.8	230.8	26.2%	1.6%	173.8	172.9	173.7	-9.0%	1.1%
Software and other intangible assets	3.7	3.7	2.4	5.7	5.7	15.5%	0.0%	0.0	0.0	0.0	-80.1%	0.0%
<b>Payments for financial assets</b>	<b>0.4</b>	<b>18.4</b>	<b>3.8</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>11 335.6</b>	<b>12 497.1</b>	<b>13 507.5</b>	<b>15 314.1</b>	<b>15 314.1</b>	<b>10.5%</b>	<b>100.0%</b>	<b>16 709.9</b>	<b>17 790.6</b>	<b>18 667.9</b>	<b>6.8%</b>	<b>100.0%</b>

## Personnel information

**Table 24.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
Justice and Constitutional Development			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	23 416	911	22 865	5 592.0	0.2	22 891	6 137.1	0.3	23 453	6 754.9	0.3	23 473	7 186.3	0.3	23 484	7 671.6	0.3	0.9%	100.0%
1 - 6	13 324	272	13 064	1 806.0	0.1	12 971	1 945.0	0.1	13 137	2 210.4	0.2	13 137	2 339.4	0.2	13 137	2 515.3	0.2	0.4%	56.1%
7 - 10	7 206	412	6 971	1 970.8	0.3	6 948	2 140.8	0.3	7 310	2 372.9	0.3	7 330	2 530.8	0.3	7 341	2 708.0	0.4	1.9%	31.0%
11 - 12	2 367	183	2 333	1 393.9	0.6	2 460	1 545.2	0.6	2 475	1 645.9	0.7	2 475	1 756.2	0.7	2 475	1 848.9	0.7	0.2%	10.6%
13 - 16	519	44	497	421.3	0.8	512	506.1	1.0	531	525.6	1.0	531	559.9	1.1	531	599.5	1.1	1.2%	2.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on continually improving services at courts, revamping and renewing state legal services, implementing new pieces of legislation, constructing the high courts in Polokwane and Nelspruit, and accelerating access to the services of the masters and state attorney offices. Access to court will be improved over the medium term by the number of high courts increasing from 14 in 2012/13, to 16 in

2015/16, while access to the services of the master's offices will be accelerated by increasing the number of offices from 15 in 2012/13 to 16 in 2013/14.

Between 2009/10 and 2012/13, spending in the *Administration* programme increased significantly due to the need for improved security provision at courts. In the same period, expenditure in the *State Legal Services* programme increased as a result of additional funding to implement the occupation specific dispensation for legally qualified professionals. Expenditure in the *Auxiliary and Associated Services* programme also rose to provide funding for added capacity in the public entities and constitutional institutions associated with the department. Expenditure on payments for capital assets also increased, at an average annual rate of 11.7 per cent between 2009/10 and 2012/13, due to funding for court infrastructure, which is discussed in detail in the section on infrastructure spending below.

The most significant increase in spending over the medium term is in the *Court Services* programme, mainly to support the administration of justice and the implementation of new legislation, and for the start-up costs of new courts. Budget allocations over the medium term will enable the department to increase the number of criminal court cases finalised, including those involving the alternative dispute resolution mechanism, from 493 665 in 2013/14 to 513 609 in 2015/16. Expenditure on computer services in this period is expected to increase significantly due to additional funding for modernising the criminal justice system. In addition, there will be increased spending in the *National Prosecuting Authority* programme, where R108 million is reprioritised from goods and services to fund Thuthuzela Care Centres. The centres are one-stop facilities that have been introduced as a critical part of South Africa's anti-rape strategy, aiming to reduce secondary trauma for the victim, improve conviction rates and reduce the cycle time for finalising cases.

The department has a funded establishment of 23 416 and 911 positions are filled additional to the establishment. The number of filled posts is expected to increase by 593 posts between 2012/13 and 2015/16, mainly in salary levels 7 to 10. These are entry level posts for graduates in prosecution, legal and administrative positions. The ratio of support to line function staff is 1:7. The vacancy rate at the end of 2012/13 was projected to be 2.2 per cent, due to natural attrition.

Spending on consultants decreased from R168.1 million in 2009/10 to R165.7 million in 2012/13, but is expected to increase to R171.2 million over the medium term to cater for legal costs for cases brought against the department, and other specialised outsourced services, such as sheriff services, and translations and transcriptions.

Cabinet approved reductions of R610 million have been effected over the medium term in relation to spending on goods and services and payments for capital assets as there were delays in the implementation of capital works projects.

The 2013 Budget sets out additional allocations of R535.4 million in 2013/14, R701.4 million in 2014/15 and R1 billion in 2015/16 for the following policy priorities:

- R318 million in 2013/14, R419 million in 2014/15 and R558 million in 2015/16 for the criminal justice system revamp, Thuthuzela Care Centres and security at courts
- R22 million in 2013/14, R31 million in 2014/15 and R40 million in 2015/16 for additional capacity in public entities and constitutional entities.

### Infrastructure spending

Spending on infrastructure increased from R590.1 million in 2009/10 to R1 billion in 2012/13. Over the medium term spending on infrastructure is projected to decrease, as part of the Cabinet approved budget reductions, due to delays in the implementation of capital works projects. In 2011/12, the department completed the construction of new courts in Ntuzuma in KwaZulu-Natal, and Kathlehong and Tsakane in Gauteng, at a cost of R606.3 million. The construction of the multi-year project for the Polokwane high court is due for completion in 2014/15 at a cost of R460 million. In 2013/14, the department will begin the construction of the new Nelspruit high court, which is due for completion in 2015/16, at a cost of R560 million. When completed, the two high courts will offer full services and operate independently from the Pretoria high court. This will improve access to services, speed up the finalisation of cases and improve overall service delivery.

Other construction projects include the improvement of courts to make them accessible to people with physical disabilities, the extension to the Johannesburg high court, and the building of new magistrates' offices in

Plettenberg Bay in Western Cape and Port Shepstone in KwaZulu-Natal. The South Gauteng high court project is due for completion in 2013/14 at a projected cost of R333.7 million. The Plettenberg Bay and Port Shepstone projects are at the design stage and will cost R260 million and R226.8 million to complete.

## Departmental receipts

Table 24.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
<b>Departmental receipts</b>	<b>382 853</b>	<b>414 242</b>	<b>387 253</b>	<b>394 393</b>	<b>328 893</b>	<b>-4.9%</b>	<b>100.0%</b>	<b>408 710</b>	<b>472 745</b>	<b>498 690</b>	<b>14.9%</b>	<b>100.0%</b>
Tax receipts	–	–	–	240	240	–	–	300	315	330	11.2%	0.1%
<b>Sales of goods and services produced by department</b>	<b>15 881</b>	<b>65 744</b>	<b>59 165</b>	<b>47 416</b>	<b>47 416</b>	<b>44.0%</b>	<b>12.4%</b>	<b>49 746</b>	<b>52 076</b>	<b>54 072</b>	<b>4.5%</b>	<b>11.9%</b>
Sales by market establishments	3 232	5 913	6 871	5 930	5 930	22.4%	1.5%	5 955	5 980	6 255	1.8%	1.4%
of which:												
Market Establishment: Rental dwelling	2 629	5 323	6 177	5 377	5 377	26.9%	1.3%	5 400	5 423	5 672	1.8%	1.3%
Market Establishment: Non-residential buildings	38	40	47	–	–	-100.0%	–	–	–	–	–	–
Market Establishment: Rental parking: Covered and open	565	550	647	553	553	-0.7%	0.2%	555	557	583	1.8%	0.1%
Administration fees	94	23	35	27	27	-34.0%	–	30	33	34	8.0%	–
of which:												
Game licences	62	6	7	7	7	-51.7%	–	8	9	9	8.7%	–
Request for information: Promotion of Access to Information Act (2000)	32	17	28	20	20	-14.5%	–	22	24	25	7.7%	–
Other sales	12 555	59 808	52 259	41 459	41 459	48.9%	11.0%	43 761	46 063	47 783	4.8%	10.5%
of which:												
Services rendered: Commission on insurance and garnishee	4 959	3 810	4 579	4 200	4 200	-5.4%	1.2%	4 400	4 600	4 412	1.7%	1.0%
Services rendered: Insolvent estates: Master office	1 919	2	40 731	27 000	27 000	141.4%	4.6%	29 000	31 000	32 426	6.3%	7.0%
Services rendered: Fee for recovery of debt	4 979	54 976	4 319	9 200	9 200	22.7%	4.9%	9 300	9 400	9 834	2.2%	2.2%
Services rendered: Photocopies and faxes	623	996	2 574	1 007	1 007	17.4%	0.3%	1 008	1 009	1 055	1.6%	0.2%
Sale of assets less than R5 000	75	24	56	52	52	-11.5%	–	53	54	56	2.5%	–
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>17</b>	<b>40</b>	<b>19</b>	<b>10</b>	<b>10</b>	<b>-16.2%</b>	<b>–</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>9.1%</b>	<b>–</b>
of which:												
Scrap	4	40	1	10	10	35.7%	–	11	12	13	9.1%	–
Waste paper	13	–	18	–	–	-100.0%	–	–	–	–	–	–
Transfers received	817	–	–	–	–	-100.0%	0.1%	–	–	–	–	–
Fines, penalties and forfeits	296 461	306 677	294 821	314 994	257 494	-4.6%	76.4%	325 334	385 437	407 767	16.6%	80.5%
Interest, dividends and rent on land	28 116	11 278	2 187	10 000	2 000	-58.6%	2.9%	10 500	11 000	11 506	79.2%	2.0%
Interest	28 116	11 278	2 187	10 000	2 000	-58.6%	2.9%	10 500	11 000	11 506	79.2%	2.0%
Sales of capital assets	264	81	300	160	160	-15.4%	0.1%	168	175	180	4.0%	–
Transactions in financial assets and liabilities	41 297	30 422	30 761	21 573	21 573	-19.5%	8.2%	22 651	23 730	24 822	4.8%	5.4%
<b>Total</b>	<b>382 853</b>	<b>414 242</b>	<b>387 253</b>	<b>394 393</b>	<b>328 893</b>	<b>-4.9%</b>	<b>100.0%</b>	<b>408 710</b>	<b>472 745</b>	<b>498 690</b>	<b>14.9%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 24.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
Ministry	33.7	35.7	36.3	36.5	70.0	2.7%	2.7%	38.5	40.7	43.0	5.6%	2.5%
Management	51.5	35.6	43.8	70.0	70.0	10.8%	3.9%	70.7	74.1	81.5	5.2%	4.7%
Corporate Services	455.4	580.0	760.7	663.2	663.2	13.3%	47.2%	683.3	720.8	756.0	4.5%	44.6%
Office Accommodation	448.9	669.4	600.9	694.2	694.2	15.6%	46.3%	742.2	786.7	822.9	5.8%	48.2%
<b>Total</b>	<b>989.5</b>	<b>1 320.8</b>	<b>1 441.7</b>	<b>1 463.9</b>	<b>1 463.9</b>	<b>13.9%</b>	<b>100.0%</b>	<b>1 534.8</b>	<b>1 622.2</b>	<b>1 703.4</b>	<b>5.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(298.7)				(318.5)	(340.2)	(349.3)		

Table 24.5 Administration (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Economic classification</b>											
<b>Current payments</b>	<b>957.9</b>	<b>1 248.0</b>	<b>1 196.9</b>	<b>1 404.8</b>	<b>13.6%</b>	<b>92.2%</b>	<b>1 478.0</b>	<b>1 564.2</b>	<b>1 642.8</b>	<b>5.4%</b>	<b>96.3%</b>
Compensation of employees	220.5	282.5	325.8	413.0	23.3%	23.8%	409.2	433.4	461.0	3.7%	27.1%
Goods and services	737.3	965.3	870.9	991.7	10.4%	68.4%	1 068.6	1 130.7	1 181.6	6.0%	69.1%
of which:											
Computer services	17.3	47.4	9.3	18.2	1.7%	1.8%	45.0	47.4	49.6	39.8%	2.5%
Agency and support / outsourced services	15.3	53.0	7.5	42.8	40.9%	2.3%	60.7	64.5	66.0	15.5%	3.7%
Operating leases	340.5	499.7	409.3	469.6	11.3%	33.0%	496.0	545.7	572.4	6.8%	32.9%
Property payments	182.4	174.0	194.7	235.4	8.9%	15.1%	250.9	252.9	264.5	4.0%	15.9%
Interest and rent on land	0.1	0.2	0.1	0.2	8.8%	-	0.2	0.2	0.2	2.3%	-
<b>Transfers and subsidies</b>	<b>17.8</b>	<b>7.9</b>	<b>12.9</b>	<b>10.7</b>	<b>-15.6%</b>	<b>0.9%</b>	<b>11.3</b>	<b>12.0</b>	<b>12.6</b>	<b>5.4%</b>	<b>0.7%</b>
Provinces and municipalities	0.0	-	0.0	0.0	86.6%	-	0.0	0.0	0.0	7.2%	-
Departmental agencies and accounts	4.3	-	5.1	5.3	7.5%	0.3%	5.6	5.9	6.2	5.4%	0.4%
Foreign governments and international organisations	13.1	6.3	7.2	5.2	-26.5%	0.6%	5.5	5.8	6.1	5.4%	0.4%
Households	0.4	1.6	0.6	0.2	-20.7%	0.1%	0.2	0.2	0.2	5.3%	-
<b>Payments for capital assets</b>	<b>13.8</b>	<b>64.8</b>	<b>231.8</b>	<b>48.3</b>	<b>51.8%</b>	<b>6.9%</b>	<b>45.5</b>	<b>46.0</b>	<b>48.1</b>	<b>-0.2%</b>	<b>3.0%</b>
Buildings and other fixed structures	0.3	-	-	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	10.3	64.8	229.3	48.2	67.3%	6.8%	45.4	45.9	48.0	-0.1%	3.0%
Software and other intangible assets	3.2	-	2.4	0.1	-64.9%	0.1%	0.0	0.0	0.0	-31.3%	-
<b>Payments for financial assets</b>	<b>-</b>	<b>0.0</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>989.5</b>	<b>1 320.8</b>	<b>1 441.7</b>	<b>1 463.9</b>	<b>13.9%</b>	<b>100.0%</b>	<b>1 534.8</b>	<b>1 622.2</b>	<b>1 703.4</b>	<b>5.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>10.3%</b>	<b>12.5%</b>	<b>12.6%</b>	<b>11.3%</b>			<b>10.9%</b>	<b>10.8%</b>	<b>10.8%</b>		

## Details of selected transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	4.3	-	5.1	5.3	7.5%	0.3%	5.6	5.9	6.2	5.4%	0.4%
Safety and security sector education and training authority	4.3	-	5.1	5.3	7.5%	0.3%	5.6	5.9	6.2	5.4%	0.4%
Households											
Social benefits											
Current	0.4	1.6	0.6	0.2	-20.7%	0.1%	0.2	0.2	0.2	5.3%	-
Employee social benefits	0.4	1.6	0.6	0.2	-20.7%	0.1%	0.2	0.2	0.2	5.3%	-
Foreign governments and international organisations											
Current	13.1	6.3	7.2	5.2	-26.5%	0.6%	5.5	5.8	6.1	5.4%	0.4%
International Criminal Court	13.1	6.3	7.2	5.2	-26.5%	0.6%	5.5	5.8	6.1	5.4%	0.4%

## Personnel information

Table 24.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Administration	Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment														Number			
		Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total Average (%)		
				2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16					
<b>Salary level</b>	<b>1 541</b>	<b>31</b>	<b>1 423</b>	<b>325.8</b>	<b>0.2</b>	<b>1 341</b>	<b>413.0</b>	<b>0.3</b>	<b>1 541</b>	<b>409.2</b>	<b>0.3</b>	<b>1 541</b>	<b>433.4</b>	<b>0.3</b>	<b>1 541</b>	<b>461.0</b>	<b>0.3</b>	<b>4.7%</b>	<b>100.0%</b>
1-6	532	16	477	45.9	0.1	477	56.0	0.1	532	56.5	0.1	532	59.8	0.1	532	63.1	0.1	3.7%	34.8%
7-10	737	13	682	127.5	0.2	599	155.5	0.3	737	156.9	0.2	737	165.9	0.2	737	175.0	0.2	7.2%	47.1%
11-12	185	1	183	79.5	0.4	184	96.9	0.5	185	97.8	0.5	185	103.4	0.6	185	109.1	0.6	0.2%	12.4%
13-16	87	1	81	72.9	0.9	81	104.5	1.3	87	98.0	1.1	87	104.3	1.2	87	113.8	1.3	2.4%	5.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on attaining an unqualified audit report in each year of the MTEF period by addressing previous audit qualifications on third party funds and avoiding incurring irregular expenditure. This will be done by providing for capacity in regional offices to deal with third party funds

internally, rather than by hiring consultants as in the past. This will require a marginal increase in spending on compensation of employees and on travel and subsistence over the medium term.

Between 2009/10 and 2012/13, significant spending was evident in the *Office Accommodation* subprogramme due to additional funding for the increased cost of municipal services and accommodation charges. The increase in expenditure on compensation of employees over this period was due vacant senior manager posts in the *Ministry, Management and Corporate Services* subprogrammes being filled. Spending on consultants increased between 2009/10 and 2012/13 due to the specialised skills required for work on asset management and third party funds. Over the medium term, the costs of consultants are expected to decrease as the asset management function and the administration of third party funds is gradually brought in-house.

Expenditure on computer services in the *Administration* programme will increase over the medium term as the department invests in an information system in 2013/14 to improve the administration of third party funds.

The programme has a funded establishment of 1 541 posts and 31 posts are filled additional to the establishment. There were 200 vacancies at the end of September 2012, mainly due to natural attrition. It is projected that all funded posts will be filled in 2013/14, the majority of which are in salary levels 7 to 10.

## Programme 2: Court Services

### Objectives

- Ensure that justice proceedings are prompt by:
  - reducing case backlogs through 78 dedicated case backlog courts from 34 926 in 2011/12 to 32 176 by 2015/16
  - designating at least a single one-stop child justice centre in each province by 2014/15
  - converting 24 identified branch courts per year until 2018/19 to provide full court services, through extending their jurisdictions and by providing additional staff, training and accommodation.
- Provide adequate family law litigation services and family mediation services to protect the interests of children by increasing the finalisation of all cases handled by the family advocate annually from the current 33 per cent to 55 per cent in 2013/14.

### Subprogrammes

- *Constitutional Court* funds the activities and operations of the Constitutional Court, which has jurisdiction over constitutional matters only. The court has 10 judges and a minimum of 8 judges must hear a case, with the chief justice or deputy chief justice presiding. By the end of 2012/13, 120 of the 126 cases brought before the court will have been finalised. In the interim, support and funds are also provided to the newly established Office of the Chief Justice. This subprogramme had a staff complement of 81 in 2012/13.
- *Supreme Court of Appeal* funds the activities and operations of the Supreme Court of Appeal, which adjudicates appeals and questions of law from the high courts. The court has 25 judges, including a president and deputy president, and a minimum of 3 to 5 judges sit per case. By the end of 2012/13, the court will have received and finalised 126 criminal appeals, 672 civil appeals and 1 064 civil petitions. This subprogramme had a staff complement of 55 in 2012/13.
- *High Courts* funds the activities and operations of the various high court divisions, which have jurisdiction over the defined geographical areas in which they are located. There are currently 14 high courts and 190 high court judges. By the end of 2012/13, high courts will have finalised 3 888 criminal cases, 1 292 civil appeals, 2 347 automatic review cases, 14 851 civil motion applications and 10 906 civil default judgments. This subprogramme had a staff complement of 1 087.
- *Specialised Courts* funds the activities and operations of labour and labour appeal courts, the land claims court, the special tribunal, and family courts. By the end of 2012/13, 155 land claims court cases will have been settled, and 10 502 labour court and labour appeal court cases will have been settled. This subprogramme had a staff complement of 115 in 2012/13.
- *Lower Courts* is discussed in more detail below.

- *Family Advocate* funds family advocate offices, which make recommendations to courts where there is litigation and mediation relating to children in family matters. The family advocate's office also deals with minor children who were abducted or retained in foreign countries in relation to the Hague Convention on the Civil Aspects of International Child Abduction. By the end of 2012/13, 15 210 new cases will have been received and 13 256 will have been finalised. This subprogramme had a staff complement of 329 in 2012/13.
- *Magistrate's Commission* funds the Magistrate's Commission, which makes recommendations on the appointment and tenure of magistrates. In 2011/12, with the approval of the Minister of Justice and Constitutional Development, the commission appointed 2 magistrates on various levels. A further 134 magistrates will have been appointed by the end of 2012/13. This subprogramme had a staff complement of 20 in 2012/13.
- *Government Motor Transport* funds vehicles for judges and departmental officials. This subprogramme's total budget is used for purchasing vehicles. By the end of 2012/13, 44 vehicles for use by the courts and 14 vehicles for newly appointed judges will have been purchased.
- *Facilities Management* funds the building and upgrading of courts and justice service delivery points. In 2012/13, R858 million was spent on the construction of new courts infrastructure, while R142 million was spent on infrastructure upgrades, repairs, maintenance and additions.
- *Administration of Courts* funds the management of courts' administration and performance evaluation functions, with 1 national office and 9 provincial offices. This subprogramme had a staff complement of 1 081 in 2012/13.

## Expenditure estimates

**Table 24.7 Court Services**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
R million												
Constitutional Court	70.8	74.7	91.0	125.7	21.1%	2.0%	124.0	130.2	136.4	2.7%	2.2%	
Supreme Court of Appeal	20.6	13.5	20.9	20.0	-0.9%	0.4%	20.4	21.8	23.5	5.4%	0.4%	
High Courts	310.1	324.9	353.8	326.5	1.7%	7.1%	343.0	363.3	400.3	7.0%	6.0%	
Specialised Courts	34.5	35.3	41.5	39.0	4.2%	0.8%	37.0	40.9	42.3	2.8%	0.7%	
Lower Courts	2 644.1	2 740.8	2 911.4	3 286.7	7.5%	62.9%	3 600.2	3 830.7	4 081.4	7.5%	61.8%	
Family Advocate	100.8	101.8	105.9	129.8	8.8%	2.4%	137.1	145.9	148.6	4.6%	2.3%	
Magistrate's Commission	9.9	9.4	10.4	12.0	6.8%	0.2%	13.3	14.3	17.1	12.6%	0.2%	
Government Motor Transport	18.5	24.9	23.2	25.9	11.9%	0.5%	33.0	28.5	24.8	-1.4%	0.5%	
Facilities Management	590.1	624.1	700.4	1 005.8	19.4%	15.9%	1 161.7	1 241.4	1 202.6	6.1%	19.2%	
Administration of Courts	329.8	335.6	361.5	406.1	7.2%	7.8%	392.7	406.8	423.7	1.4%	6.8%	
<b>Total</b>	<b>4 129.2</b>	<b>4 284.9</b>	<b>4 620.0</b>	<b>5 377.4</b>	<b>9.2%</b>	<b>100.0%</b>	<b>5 862.4</b>	<b>6 223.8</b>	<b>6 500.7</b>	<b>6.5%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				92.8			253.8	271.7	274.8			
<b>Economic classification</b>												
<b>Current payments</b>	<b>3 419.5</b>	<b>3 670.5</b>	<b>3 872.6</b>	<b>4 459.4</b>	<b>9.3%</b>	<b>83.8%</b>	<b>4 804.0</b>	<b>5 098.6</b>	<b>5 424.7</b>	<b>6.7%</b>	<b>82.6%</b>	
Compensation of employees	2 025.5	2 331.4	2 570.2	2 830.3	11.8%	53.0%	3 212.4	3 402.3	3 651.8	8.9%	54.7%	
Goods and services	1 390.1	1 335.2	1 301.2	1 626.0	5.4%	30.7%	1 588.5	1 693.1	1 769.5	2.9%	27.9%	
of which:												
Computer services	100.8	61.8	102.2	59.0	-16.3%	1.8%	59.1	74.9	74.8	8.2%	1.1%	
Agency and support / outsourced services	250.8	210.0	113.8	259.1	1.1%	4.5%	283.2	298.9	229.1	-4.0%	4.5%	
Operating leases	34.4	19.2	0.4	32.7	-1.7%	0.5%	27.3	28.9	30.6	-2.1%	0.5%	
Property payments	19.5	391.8	385.0	359.0	164.1%	6.3%	396.7	427.1	534.6	14.2%	7.2%	
Interest and rent on land	4.0	3.8	1.2	3.1	-7.5%	0.1%	3.2	3.2	3.3	2.1%	0.1%	
<b>Transfers and subsidies</b>	<b>31.4</b>	<b>10.9</b>	<b>13.8</b>	<b>22.8</b>	<b>-10.1%</b>	<b>0.4%</b>	<b>25.4</b>	<b>26.9</b>	<b>28.1</b>	<b>7.3%</b>	<b>0.4%</b>	
Provinces and municipalities	0.0	-	0.3	0.2	114.5%	-	0.3	0.3	0.3	5.2%	-	
Non-profit institutions	1.8	-	-	-	-100.0%	-	-	-	-	-	-	
Households	29.6	10.9	13.5	22.5	-8.7%	0.4%	25.1	26.6	27.9	7.3%	0.4%	
<b>Payments for capital assets</b>	<b>678.3</b>	<b>603.6</b>	<b>730.4</b>	<b>895.2</b>	<b>9.7%</b>	<b>15.8%</b>	<b>1 033.0</b>	<b>1 098.3</b>	<b>1 047.9</b>	<b>5.4%</b>	<b>17.0%</b>	
Buildings and other fixed structures	640.6	542.5	683.6	834.4	9.2%	14.7%	982.6	1 051.6	1 004.1	6.4%	16.2%	
Machinery and equipment	37.7	61.1	46.7	60.7	17.2%	1.1%	50.3	46.7	43.8	-10.3%	0.8%	
Software and other intangible assets	0.0	-	-	0.0	89.5%	-	-	-	-	-100.0%	-	
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>3.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>4 129.2</b>	<b>4 284.9</b>	<b>4 620.0</b>	<b>5 377.4</b>	<b>9.2%</b>	<b>100.0%</b>	<b>5 862.4</b>	<b>6 223.8</b>	<b>6 500.7</b>	<b>6.5%</b>	<b>100.0%</b>	
Proportion of total programme expenditure to vote expenditure	43.2%	40.5%	40.3%	41.6%			41.5%	41.3%	41.1%			

Table 24.7 Court Services (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	29.6	10.5	10.8	22.5	-8.7%	0.4%	25.1	26.6	27.9	7.3%	0.4%
Employee social benefits	29.6	10.5	10.8	22.5	-8.7%	0.4%	25.1	26.6	27.9	7.3%	0.4%
<b>Non-profit institutions</b>											
<b>Current</b>	1.8	-	-	-	-100.0%	-	-	-	-	-	-
National Institute for Crime Prevention and Reintegration of Offenders	1.8	-	-	-	-100.0%	-	-	-	-	-	-

## Personnel information

Table 24.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Court Services	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
Salary level	14 708	79	14 538	2 570.2	0.2	14 633	2 830.3	0.2	14 708	3 212.4	0.2	14 708	3 402.3	0.2	14 708	3 651.8	0.2	0.2%	100.0%
1 - 6	10 949	58	10 839	1 471.5	0.1	10 895	1 613.4	0.1	10 949	1 857.7	0.2	10 949	1 964.5	0.2	10 949	2 113.3	0.2	0.2%	74.4%
7 - 10	3 303	21	3 253	870.9	0.3	3 285	958.1	0.3	3 303	1 079.4	0.3	3 303	1 144.2	0.3	3 303	1 229.4	0.4	0.2%	22.5%
11 - 12	373	-	363	165.0	0.5	370	189.4	0.5	373	202.0	0.5	373	215.6	0.6	373	226.8	0.6	0.3%	2.5%
13 - 16	83	-	83	62.7	0.8	83	69.4	0.8	83	73.3	0.9	83	78.0	0.9	83	82.2	1.0	-	0.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on enhancing the administration of the courts, improving case flow management, building new courts, and refurbishing existing ones. Owing to the labour intensive nature of this programme, 53 per cent of spending over the seven-year period is on compensation of employees. The programme's budget allocations over the medium term will enable the department to reduce the number of case backlogs from 33 504 in 2013/14 to 32 176 in 2015/16.

The increase in expenditure in the *Constitutional Court* subprogramme between 2009/10 and 2012/13 was due to the establishment of the South African Judicial Education Institute in 2008 and the Office of the Chief Justice in 2010. The increase in expenditure on the *Facilities Management* subprogramme in the same period was due to additional funding for building new courts. Expenditure on consultants decreased between 2009/10 and 2012/13, as the department reduced its use of consultant staff in favour of contract employees.

Spending on consultants over the medium term is projected to rise due to higher spending on specialised services such as translation, transcription, cash in transit services and sheriffs' fees. Consultants are used for these services as it would be more costly to set up the functions for in-house delivery. The use of sheriffs is regulated by law and the department is obliged to use them.

There were 14 708 funded posts and 79 posts filled additional to the establishment as at 30 September 2012. 75 of these posts were projected to be vacant at the end of 2012/13 due to natural attrition. The vacancy rate is expected to drop to zero in 2013/14, with plans to appoint additional personnel mainly within salary levels 7 to 10.

As part of the Cabinet approved reductions over the medium term, the department will decrease expenditure on buildings and other fixed structures by 4.5 per cent in 2015/16, due to delays experienced by the Department of Public Works in implementing capital works projects.



R108 million has been reprioritised from spending on travel and subsistence under goods and services to funding the start-up costs of new courts and Thuthuzela Care Centres established by the National Prosecuting Authority.

## Subprogramme: Lower Courts

This subprogramme funds the activities and operations of the various regional and district courts. There are more than 1 886 courtrooms dealing with district and regional court cases across the country. Small claims courts, which deal with certain civil matters involving up to R12 000, are in place countrywide. There are currently 78 backlog courts to reduce case backlogs. By the end of 2012/13, 75 434 new regional court criminal cases will have been enrolled and 88 040 will have been disposed; 855 107 new, less serious, criminal cases at district courts will have been enrolled and 901 178 cases will have been disposed.

## Expenditure estimates

Table 24.9 Lower Courts

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>2 531.6</b>	<b>2 706.5</b>	<b>2 881.9</b>	<b>3 257.8</b>	<b>8.8%</b>	<b>98.2%</b>	<b>3 569.3</b>	<b>3 798.0</b>	<b>4 047.2</b>	<b>7.5%</b>	<b>99.1%</b>
Compensation of employees	1 517.5	1 754.4	1 915.7	2 100.7	11.5%	62.9%	2 449.2	2 584.7	2 776.5	9.7%	67.0%
Goods and services	1 010.2	948.3	965.0	1 153.9	4.5%	35.2%	1 117.0	1 210.0	1 267.3	3.2%	32.1%
of which:											
Computer services	96.5	55.5	98.7	52.4	-18.4%	2.6%	53.1	68.9	68.4	9.3%	1.6%
Agency and support / outsourced services	223.0	153.9	90.6	173.4	-8.0%	5.5%	183.9	193.1	118.4	-12.0%	4.5%
Operating leases	24.0	11.4	(5.2)	24.8	1.1%	0.5%	20.1	20.8	22.2	-3.6%	0.6%
Property payments	3.1	335.2	371.8	281.7	348.5%	8.6%	312.6	336.7	440.0	16.0%	9.3%
Interest and rent on land	4.0	3.8	1.2	3.1	-7.5%	0.1%	3.2	3.2	3.3	2.1%	0.1%
<b>Transfers and subsidies</b>	<b>12.9</b>	<b>9.7</b>	<b>9.9</b>	<b>17.1</b>	<b>10.1%</b>	<b>0.4%</b>	<b>19.9</b>	<b>21.1</b>	<b>22.1</b>	<b>8.9%</b>	<b>0.5%</b>
Provinces and municipalities	0.0	-	0.2	0.2	90.0%	-	0.2	0.2	0.2	5.0%	-
Non-profit institutions	1.8	-	-	-	-100.0%	-	-	-	-	-	-
Households	11.1	9.7	9.7	17.0	15.3%	0.4%	19.8	21.0	21.9	8.9%	0.5%
<b>Payments for capital assets</b>	<b>99.7</b>	<b>24.7</b>	<b>18.5</b>	<b>11.7</b>	<b>-51.0%</b>	<b>1.3%</b>	<b>11.0</b>	<b>11.5</b>	<b>12.1</b>	<b>1.1%</b>	<b>0.3%</b>
Buildings and other fixed structures	93.4	0.0	-	-	-100.0%	0.8%	-	-	-	-	-
Machinery and equipment	6.3	24.7	18.5	11.7	23.1%	0.5%	11.0	11.5	12.1	1.1%	0.3%
Payments for financial assets	-	-	1.2	-	-	-	-	-	-	-	-
<b>Total</b>	<b>2 644.1</b>	<b>2 740.8</b>	<b>2 911.4</b>	<b>3 286.7</b>	<b>7.5%</b>	<b>100.0%</b>	<b>3 600.2</b>	<b>3 830.7</b>	<b>4 081.4</b>	<b>7.5%</b>	<b>100.0%</b>
Proportion of total subprogramme expenditure to programme expenditure	64.0%	64.0%	63.0%	61.1%			61.4%	61.5%	62.8%		

## Personnel information

Table 24.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)	
			2011/12	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16					
<b>Lower Courts</b>			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost
Salary level	11 870	79	11 820	1 915.7	0.2	11 864	2 100.7	0.2	11 870	2 449.2	0.2	11 870	2 584.7	0.2	11 870	2 776.5	0.2
1 - 6	9 604	58	9 554	1 287.9	0.1	9 583	1 412.3	0.1	9 604	1 646.5	0.2	9 604	1 737.7	0.2	9 604	1 866.6	0.2
7 - 10	2 182	21	2 182	589.3	0.3	2 196	646.2	0.3	2 182	753.4	0.3	2 182	795.1	0.4	2 182	854.1	0.4
11 - 12	67	-	67	27.4	0.4	68	30.1	0.4	67	35.0	0.5	67	37.0	0.6	67	39.7	0.6
13 - 16	17	-	17	11.1	0.7	17	12.2	0.7	17	14.2	0.8	17	15.0	0.9	17	16.1	0.9

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term in the *Lower Courts* subprogramme will be on the administration of the numerous regional and district courts. The effective management of the courts requires high numbers of personnel.

Between 2009/10 and 2012/13, the increase in expenditure on compensation of employees was due to additional funding for improved conditions of services. Over the same period, expenditure on computer services fluctuated, but increased significantly on the actual machinery and equipment, as computers were replaced. In 2012/13, spending on agency support increased significantly because of payments due to assessors and casual court interpreters.

Over the medium term, spending on consultants is expected to rise significantly as a result of increases in specialised services such as sheriffs, translators and transcriptions fees. Expenditure increases in property payments will be evident due to the transfer of the security services budget from the *Administration* programme to this subprogramme.

The subprogramme has a funded establishment of 11 870 posts and 79 posts are filled additional to the establishment. It is expected that the vacancy rate will be reduced to zero in 2013/14 with plans to appoint additional personnel within salary levels 1 to 6.

## **Programme 3: State Legal Services**

### **Objectives**

- Improve the legal system by:
  - preparing at least 10 bills and 20 subordinate legislative instruments (regulations, proclamations and notices) for annual submission to the minister over the medium term
  - preparing approximately 7 rules of court and rule amendments for submission to the Rules Board for Courts of Law in 2013/14.
- Facilitate law reform by developing at least 7 research documents for submission to the South African Law Reform Commission for consideration and approval in 2013/14.
- Reduce litigation costs for the department by 25 per cent on an annual basis by implementing a blueprint on state litigation which will serve to set ground rules, instil uniformity, direct the relationship between client departments, increase communication between client departments and the state attorney, and avoid postponements, by 2013/14.
- Improve the administration of estates and the Guardian's Fund in 2013/14 by:
  - issuing 90 per cent of letters of appointment in deceased estates within 15 days of receipt of all required documents
  - examining 90 per cent of liquidation and distribution accounts in large estates (over R125 000) within 15 days of receipt of all required documents
  - providing 90 per cent of beneficiaries of the Guardian's Fund with access to funds within 40 days of application, after all necessary documentation has been received
  - issuing 90 per cent of certificates of appointment in bankruptcy matters within 10 days of receipt of all required documents
  - examining 90 per cent of liquidation and distribution accounts in bankruptcy matters within 15 days of receipt of all required documents
  - issuing 90 per cent of letters of authority in trusts within 14 days of receipt of all required documents
  - paying 90 per cent of Guardian's Fund money to beneficiaries through electronic fund transfer in 2013/14
  - establishing a master's office in Nelspruit in 2013/14.
- Promote and strengthen constitutional development by enhancing the implementation of the Promotion of Equality and Prevention of Unfair Discrimination Act (2000) through the rollout of the training programme for civil society organisations in all 9 provinces on an ongoing basis.

### **Subprogrammes**

- *State Law Advisors* provides legal advice, representation and legislative drafting services to the executive, all state departments, state owned enterprises and autonomous government bodies through the Office of the Chief State Law Advisor. By the end of 2012/13, the office will have received more than 900 requests for legal opinions, 35 requests for preliminary opinions on draft bills and 460 pieces of work on bills and

legislative instruments. The office also translates bills into all official languages and deals with about 60 to 70 requests for these services per year. This subprogramme had a staff complement of 92 in 2012/13.

- *Litigation and Legal Services* provides attorney, conveyance and notary services to the executive, all state departments, state owned enterprises and other government bodies through the 11 offices of the state attorney; and provides legal support to the department and the ministry. By the end of 2012/13, 3 104 briefs will have been issued and 7 091 cases will have been enrolled. This subprogramme had a staff complement of 668 in 2012/13.
- *Legislative Development and Law Reform* conducts research, and prepares and promotes new and amending legislation. By the end of 2012/13, 7 research documents will have been developed for submission to the South African Law Reform Commission for consideration and approval; 14 bills and 16 subordinate legislative instruments (regulations, proclamations and notices) will have been prepared for submission to the minister; and 5 rules of court or rule amendments will have been submitted to the Rules Board for Courts of Law for consideration and approval. This subprogramme had a staff complement of 63 in 2012/13.
- *Master of the High Court* funds the master's office, which supervises the administration of deceased and insolvent estates, trusts, curatorship and the Guardian's Fund. There are 15 master's offices. By the end of 2012/13, 89 836 files on estates worth less than R125 000 and 38 599 files on estates worth more than R125 000 will have been finalised. This subprogramme had a staff complement of 1 049 in 2012/13.
- *Constitutional Development* conducts research; coordinates the implementation of constitutionally mandated legislation such as the Promotion of Equality and Prevention of Unfair Discrimination Act (2000) and the Promotion of Administrative Justice Act (2000); promotes the Constitution and its values; assists and protects independent institutions supporting constitutional democracy to ensure their independence and effectiveness; and coordinates, promotes and develops programmes in support of social justice and participatory democracy. By the end of 2012/13, this branch will have carried out 3 programmes on the promotion of administrative justice across the country and will have held workshops and campaigns on promoting the Constitution. This subprogramme had a staff complement of 49 in 2012/13.

## Expenditure estimates

**Table 24.11 State Legal Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
State Law Advisors	33.9	42.2	49.4	56.6	18.6%	6.7%	58.7	63.3	72.6	8.7%	7.2%
Litigation and Legal Services	215.3	243.1	267.5	277.8	8.9%	37.1%	311.4	327.5	349.6	8.0%	36.1%
Legislative Development and Law Reform	36.6	35.7	38.9	57.6	16.3%	6.2%	61.1	64.9	69.0	6.2%	7.2%
Master of the High Court	251.1	328.6	331.0	357.4	12.5%	46.9%	382.7	402.4	439.3	7.1%	45.0%
Constitutional Development	11.6	21.2	11.0	35.5	45.1%	2.9%	38.2	40.4	45.5	8.7%	4.5%
<b>Total</b>	<b>548.6</b>	<b>670.8</b>	<b>697.7</b>	<b>784.9</b>	<b>12.7%</b>	<b>100.0%</b>	<b>852.0</b>	<b>898.5</b>	<b>976.1</b>	<b>7.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				16.7			45.2	46.7	85.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>540.5</b>	<b>647.8</b>	<b>687.7</b>	<b>776.2</b>	<b>12.8%</b>	<b>98.2%</b>	<b>843.2</b>	<b>889.2</b>	<b>966.3</b>	<b>7.6%</b>	<b>99.0%</b>
Compensation of employees	445.8	520.4	595.1	666.5	14.3%	82.5%	712.1	758.3	835.0	7.8%	84.6%
Goods and services	94.1	126.7	92.5	109.1	5.1%	15.6%	130.5	130.2	130.6	6.2%	14.3%
of which:											
Computer services	0.6	0.4	1.0	0.6	-3.9%	0.1%	0.5	0.5	0.6	0.2%	0.1%
Agency and support / outsourced services	9.1	1.3	0.4	3.7	-26.1%	0.5%	3.8	4.0	4.2	4.5%	0.4%
Operating leases	3.1	28.6	0.0	23.7	97.4%	2.1%	25.3	26.8	28.1	5.7%	3.0%
Property payments	0.5	0.2	0.3	0.4	-4.9%	0.1%	0.2	0.3	0.3	-11.6%	-
Interest and rent on land	0.5	0.7	0.2	0.6	3.3%	0.1%	0.6	0.7	0.7	5.2%	0.1%
<b>Transfers and subsidies</b>	<b>2.5</b>	<b>2.2</b>	<b>2.7</b>	<b>1.4</b>	<b>-17.9%</b>	<b>0.3%</b>	<b>1.5</b>	<b>1.6</b>	<b>1.6</b>	<b>5.4%</b>	<b>0.2%</b>
Provinces and municipalities	0.0	-	0.0	0.0	58.7%	-	0.0	0.0	0.0	7.7%	-
Households	2.5	2.2	2.6	1.4	-18.2%	0.3%	1.5	1.5	1.6	5.4%	0.2%
<b>Payments for capital assets</b>	<b>5.6</b>	<b>6.4</b>	<b>7.4</b>	<b>7.3</b>	<b>9.3%</b>	<b>1.0%</b>	<b>7.4</b>	<b>7.8</b>	<b>8.1</b>	<b>3.9%</b>	<b>0.9%</b>
Machinery and equipment	5.5	6.4	7.4	7.2	9.7%	1.0%	7.4	7.8	8.1	3.9%	0.9%
Software and other intangible assets	0.1	-	-	0.0	-46.7%	-	-	-	-	-100.0%	-
<b>Payments for financial assets</b>	<b>-</b>	<b>14.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>548.6</b>	<b>670.8</b>	<b>697.7</b>	<b>784.9</b>	<b>12.7%</b>	<b>100.0%</b>	<b>852.0</b>	<b>898.5</b>	<b>976.1</b>	<b>7.5%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	5.7%	6.3%	6.1%	6.1%			6.0%	6.0%	6.2%		

Table 24.11 State Legal Services (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
<b>Details of selected transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	2.5	2.2	2.6	1.4	-18.2%	0.3%	1.5	1.5	1.6	5.4%	0.2%
Employee social benefits	2.5	2.2	2.6	1.4	-18.2%	0.3%	1.5	1.5	1.6	5.4%	0.2%

## Personnel information

Table 24.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Salary level	Post status as at 30 September 2012	Number of funded posts	Number of posts additional to the establishment	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
				Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>State Legal Services</b>				1 891	595.1	0.3	1 929	666.5	0.3	2 155	712.1	0.3	2 155	758.3	0.4	2 155	835.0	0.4	3.8%	100.0%
1 – 6	2 155	2		738	119.6	0.2	770	129.7	0.2	833	138.9	0.2	833	147.7	0.2	833	162.1	0.2	2.7%	38.9%
7 – 10				757	247.4	0.3	760	268.8	0.4	887	287.5	0.3	887	305.3	0.3	887	335.9	0.4	5.3%	40.8%
11 – 12				286	144.9	0.5	288	166.1	0.6	308	177.6	0.6	308	189.7	0.6	308	208.6	0.7	2.3%	14.4%
13 – 16				110	83.2	0.8	111	102.0	0.9	127	108.1	0.9	127	115.5	0.9	127	128.3	1.0	4.6%	5.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on capacitating the *Constitutional Development* subprogramme, expanding services in the master's and state attorney offices, streamlining legal services, and making them more accessible. The number of state attorneys is expected to increase from 12 in 2012/13 to 15 in 2015/16. Over the medium term, the budget allocations will enable the department to improve the legal system by preparing at least 10 bills and 20 subordinate legislative instruments for submission to the Minister of Justice and Constitutional Development. The *Master of the High Court* subprogramme is expected to take up 45 per cent of the total programme spending over this period, as its services have to be accessible to all citizens, especially vulnerable groups.

Expenditure on compensation of employees takes up 84.6 per cent of total programme spending over the seven-year period. Between 2009/10 and 2012/13, expenditure on this item increased significantly due to the implementation of the occupation specific dispensation for legally qualified professionals and additional funding for improved conditions of service. This also explains the significant increases in spending in the *State Law Advisors* and *Legislative Development and Law Reform* programmes in the same period. The increase in expenditure in the *Constitutional Development* subprogramme in this period was to establish and capacitate the subprogramme. Expenditure on operating leases decreased significantly in 2011/12 due to a once-off lease payment for the master's office, which is now part of the office accommodation budget.

There were 2 155 funded posts in the programme as at 30 September 2012 and 2 posts filled additional to the establishment. 10.5 per cent of these posts were projected to be vacant at the end of 2012/13, due to natural attrition. The posts are expected to be filled by 2015/16, and there are plans to appoint additional personnel, mainly within salary levels 7 to 10.

Spending on consultants is projected to increase at an average annual rate of 22 per cent between 2012/13 and 2015/16, mainly to cater for legal costs associated with cases against the department and the minister.

## Programme 4: National Prosecuting Authority

### Objectives

- Improve the rate of successful prosecution by:
  - increasing the number of convictions in the regional and high court from 30 220 in 2012/13 to 32 070 by 2015/16
  - increasing the number of criminal court prosecutions finalised, including alternative dispute resolution mechanisms from 481 638 in 2012/13 to 513 609 by 2015/16.
- Improve conviction of cases that require specialised prosecution by:
  - ensuring that 100 people are convicted for corruption where the amount involved is more than R5 million by 2013/14
  - increasing the number of convictions in complex commercial crime cases from 780 (93 per cent) in 2012/13 to 828 (94 per cent) by 2015/16
  - expanding the number of Thuthuzela Care Centres from 35 in 2012/13 to 55 by 2015/16.
- Contribute to the effectiveness of the criminal justice system by ensuring that threatened witnesses are successfully protected.
- Remove the profit from crime by increasing the impact of asset forfeiture by:
  - increasing the number of completed forfeiture cases from 306 in 2012/13 to 324 by 2015/16
  - increasing the value of freezing orders from R600 million in 2012/13 to R650 million by 2015/16.

### Subprogrammes

- *National Prosecutions Service* is discussed in more detail below.
- *Specialised Prosecutions Services* deals with priority crimes litigation, sexual offences and community affairs, and specialised commercial crime. By the end of 2012/13, the number of Thuthuzela Care Centres is expected to have increased to 35 and 769 complex commercial crime cases will have been finalised. This subprogramme had a staff complement of 363 in 2012/13.
- *Asset Forfeiture Unit* seizes assets that are the proceeds of crime or have been part of an offence through a criminal or civil process. By the end of 2012/13, the unit will have completed 306 matters, restrained assets to the value of R600 million and achieved a success rate of 95 per cent against a target of 94 per cent. This subprogramme had a staff complement of 134 in 2012/13.
- *Office for Witness Protection* provides for protection, support and related services to vulnerable and intimidated witnesses and related persons in judicial proceedings in terms of the Witness Protection Act (1998). By the end of 2012/13, the office will have admitted approximately 500 witnesses and related persons. This subprogramme had a staff complement of 156 in 2012/13.
- *Support Services* provides corporate support services in terms of finance, human resources, ICT, strategy support, communication and risk management to the National Prosecuting Authority. This subprogramme had a staff complement of 378.

### Expenditure estimates

Table 24.13 National Prosecuting Authority

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Specialised Prosecutions Service	1 300.2	1 622.9	1 722.7	1 840.8	12.3%	64.0%	1 968.2	2 097.1	2 192.3	6.0%	64.9%
National Specialised Prosecutions	269.2	207.0	229.1	237.9	-4.0%	9.3%	294.3	317.0	334.7	12.1%	9.5%
Asset Forfeiture Unit	78.6	157.0	104.5	109.3	11.6%	4.4%	116.7	124.1	129.9	5.9%	3.8%
Office for Witness Protection	120.4	128.0	132.9	155.0	8.8%	5.3%	159.6	167.8	174.2	4.0%	5.3%
Support Services	419.8	380.4	426.2	496.8	5.8%	17.0%	511.5	530.1	526.3	1.9%	16.5%
<b>Total</b>	<b>2 188.2</b>	<b>2 495.3</b>	<b>2 615.4</b>	<b>2 839.8</b>	<b>9.1%</b>	<b>100.0%</b>	<b>3 050.4</b>	<b>3 236.2</b>	<b>3 357.4</b>	<b>5.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				24.0			85.8	91.0	67.6		

Table 24.13 National Prosecuting Authority (continued)

Economic classification	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
R million	2 098.5	2 427.8	2 567.1	2 752.7	9.5%	97.1%	2 970.0	3 153.7	3 273.5	5.9%	97.3%	
<b>Current payments</b>												
Compensation of employees	1 620.2	1 952.2	2 101.0	2 227.3	11.2%	77.9%	2 421.3	2 592.4	2 723.8	6.9%	79.8%	
Goods and services	453.2	465.4	457.3	514.4	4.3%	18.6%	541.2	553.5	541.5	1.7%	17.2%	
<i>of which:</i>												
Computer services	56.7	29.3	38.8	70.8	7.7%	1.9%	72.8	75.3	64.5	-3.1%	2.3%	
Agency and support / outsourced services	15.1	16.9	7.3	6.9	-23.1%	0.5%	17.4	17.4	18.2	38.2%	0.5%	
Operating leases	15.7	34.9	16.0	15.4	-0.8%	0.8%	14.8	15.1	20.6	10.2%	0.5%	
Property payments	75.2	68.8	74.6	82.3	3.0%	3.0%	97.3	99.4	101.2	7.1%	3.0%	
Interest and rent on land	25.1	10.2	8.9	11.0	-24.1%	0.5%	7.5	7.9	8.2	-9.2%	0.3%	
<b>Transfers and subsidies</b>	<b>18.9</b>	<b>7.4</b>	<b>7.4</b>	<b>9.3</b>	<b>-21.0%</b>	<b>0.4%</b>	<b>9.8</b>	<b>10.3</b>	<b>10.7</b>	<b>4.7%</b>	<b>0.3%</b>	
Departmental agencies and accounts	1.4	1.8	2.0	2.3	19.3%	0.1%	2.4	2.6	2.7	4.7%	0.1%	
Households	17.6	5.6	5.4	7.0	-26.4%	0.4%	7.4	7.7	8.0	4.7%	0.2%	
<b>Payments for capital assets</b>	<b>70.3</b>	<b>56.1</b>	<b>40.5</b>	<b>77.8</b>	<b>3.4%</b>	<b>2.4%</b>	<b>70.6</b>	<b>72.2</b>	<b>73.2</b>	<b>-2.0%</b>	<b>2.4%</b>	
Buildings and other fixed structures	21.0	14.7	15.9	16.6	-7.6%	0.7%	22.4	23.6	24.5	13.8%	0.7%	
Machinery and equipment	49.3	41.3	24.6	61.2	7.5%	1.7%	48.1	48.6	48.7	-7.3%	1.7%	
<b>Payments for financial assets</b>	<b>0.4</b>	<b>3.9</b>	<b>0.3</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>2 188.2</b>	<b>2 495.3</b>	<b>2 615.4</b>	<b>2 839.8</b>	<b>9.1%</b>	<b>100.0%</b>	<b>3 050.4</b>	<b>3 236.2</b>	<b>3 357.4</b>	<b>5.7%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>22.9%</b>	<b>23.6%</b>	<b>22.8%</b>	<b>22.0%</b>			<b>21.6%</b>	<b>21.5%</b>	<b>21.2%</b>			

## Details of transfers and subsidies

Departmental agencies and accounts											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>1.4</b>	<b>1.8</b>	<b>2.0</b>	<b>2.3</b>	<b>19.3%</b>	<b>0.1%</b>	<b>2.4</b>	<b>2.6</b>	<b>2.7</b>	<b>4.7%</b>	<b>0.1%</b>
Safety and security sector education and training authority	1.4	1.8	2.0	2.3	19.3%	0.1%	2.4	2.6	2.7	4.7%	0.1%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>9.8</b>	<b>5.6</b>	<b>5.4</b>	<b>7.0</b>	<b>-10.5%</b>	<b>0.3%</b>	<b>7.4</b>	<b>7.7</b>	<b>8.0</b>	<b>4.7%</b>	<b>0.2%</b>
Employee social benefits	9.8	5.6	5.4	7.0	-10.5%	0.3%	7.4	7.7	8.0	4.7%	0.2%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>7.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employee social benefits	7.8	-	-	-	-100.0%	0.1%	-	-	-	-	-

## Personnel information

Table 24.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16								
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
<b>National Prosecuting Authority</b>			<b>5 013</b>	<b>2 101.0</b>	<b>0.4</b>	<b>4 988</b>	<b>2 227.3</b>	<b>0.4</b>	<b>5 049</b>	<b>2 421.3</b>	<b>0.5</b>	<b>5 069</b>	<b>2 592.4</b>	<b>0.5</b>	<b>5 080</b>	<b>2 723.8</b>	<b>0.5</b>	<b>0.6%</b>	<b>100.0%</b>
Salary level	5 012	799	5 013	2 101.0	0.4	4 988	2 227.3	0.4	5 049	2 421.3	0.5	5 069	2 592.4	0.5	5 080	2 723.8	0.5	0.6%	100.0%
1 - 6	1 010	198	1 010	169.1	0.2	829	145.9	0.2	823	157.3	0.2	823	167.4	0.2	823	176.7	0.2	-0.2%	16.3%
7 - 10	2 279	378	2 279	725.0	0.3	2 304	758.3	0.3	2 383	849.1	0.4	2 403	915.3	0.4	2 414	967.6	0.4	1.6%	47.1%
11 - 12	1 501	181	1 501	1 004.5	0.7	1 618	1 092.8	0.7	1 609	1 168.6	0.7	1 609	1 247.5	0.8	1 609	1 304.3	0.8	-0.2%	31.9%
13 - 16	222	42	223	202.5	0.9	237	230.3	1.0	234	246.2	1.1	234	262.1	1.1	234	275.1	1.2	-0.4%	4.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The bulk of spending in this programme is in the *Specialised Prosecutions Service* subprogramme.

The spending focus over the medium term will be on capacitating the *Specialised Prosecution Service* subprogramme. Expenditure will be on increasing the number of operational Thuthuzela Care Centres to 55 by 2015/16, and the number of persons convicted of corruption for amounts higher than R5 million to 200 by 2015/16.

Expenditure on compensation of employees increased significantly in 2010/11 due to the implementation of the second phase of the occupation specific dispensation for legally qualified professionals and additional funding for improved conditions of service. Between 2009/10 and 2012/13, expenditure in the *Asset Forfeiture Unit* subprogramme increased at an average annual rate of 11.6 per cent due to the payment of curator fees, which are paid by the National Prosecuting Authority for looking after assets frozen in terms of the Prevention of Organised Crime Act (1998).

In the same period, expenditure in the *Specialised Prosecutions Service* subprogramme decreased in 2010/11 due to the transferral of the former Directorate of Special Operations to the South African Police Service in 2009/10. Spending in this subprogramme is, however, expected to increase at an average annual rate of 12.1 per cent over the medium term due to the additional funding for the establishment of Thuthuzela Care Centres.

Over the medium term, expenditure on travelling and subsistence is expected to increase significantly due to higher than inflation increases in the fuel price. Spending on consultants is projected to decrease over this period as more internal resources are used. Other cost-saving measures include using in-house facilities to host certain events, and reducing spending on catering and travel and subsistence allowances.

The programme has a funded establishment of 5 012 posts and 799 positions are filled additional to the establishment. It is anticipated that the programme's establishment will increase to 5 080 in 2015/16 to provide for more capacity in the *Specialised Prosecutions Services* subprogramme and the establishment of more Thuthuzela Care Centres.

### Subprogramme: National Prosecutions Service

This subprogramme is primarily responsible for general prosecutions and the appeals that may follow, which includes resolving criminal matters outside of the formal trial process through alternative dispute resolution mechanisms, settling admissions of guilt for minor offences and considering dockets brought by the police where persons have not been charged. On average, there are 1 685 courts in session countrywide each day. By the end of 2012/13, 481 638, or 88 per cent, of criminal court cases will have been finalised, including those involving alternative dispute resolution mechanisms, with 30 220 convictions in the regional and district courts.

### Expenditure estimates

Table 24.15 National Prosecutions Service

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>1 293.5</b>	<b>1 615.8</b>	<b>1 717.0</b>	<b>1 834.0</b>	<b>12.3%</b>	<b>99.6%</b>	<b>1 962.0</b>	<b>2 090.7</b>	<b>2 185.7</b>	<b>6.0%</b>	<b>99.7%</b>
Compensation of employees	1 211.9	1 532.0	1 639.5	1 751.9	13.1%	94.6%	1 877.4	2 008.5	2 109.5	6.4%	95.7%
Goods and services	81.3	83.6	77.4	81.5	0.1%	5.0%	84.2	81.8	75.7	-2.4%	4.0%
Interest and rent on land	0.2	0.2	0.1	0.6	34.9%	-	0.4	0.4	0.5	-9.3%	-
<b>Transfers and subsidies</b>	<b>4.6</b>	<b>4.6</b>	<b>4.3</b>	<b>3.0</b>	<b>-12.7%</b>	<b>0.3%</b>	<b>3.2</b>	<b>3.4</b>	<b>3.5</b>	<b>4.7%</b>	<b>0.2%</b>
Households	4.6	4.6	4.3	3.0	-12.7%	0.3%	3.2	3.4	3.5	4.7%	0.2%
<b>Payments for capital assets</b>	<b>2.1</b>	<b>2.0</b>	<b>1.4</b>	<b>3.8</b>	<b>22.3%</b>	<b>0.1%</b>	<b>3.1</b>	<b>3.1</b>	<b>3.1</b>	<b>-6.0%</b>	<b>0.2%</b>
Buildings and other fixed structures	0.1	0.2	-	0.1	7.1%	-	0.1	0.2	0.2	13.9%	-
Machinery and equipment	2.0	1.8	1.4	3.7	22.9%	0.1%	2.9	3.0	3.0	-6.7%	0.2%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.6</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 300.2</b>	<b>1 622.9</b>	<b>1 722.7</b>	<b>1 840.8</b>	<b>12.3%</b>	<b>100.0%</b>	<b>1 968.2</b>	<b>2 097.1</b>	<b>2 192.3</b>	<b>6.0%</b>	<b>100%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>59.4%</b>	<b>65.0%</b>	<b>65.9%</b>	<b>64.8%</b>			<b>64.5%</b>	<b>64.8%</b>	<b>65.3%</b>		

## Personnel information

**Table 24.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16				
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost			
<b>National Prosecutions Service</b>		<b>4 032</b>	<b>558</b>	<b>4 032</b>	<b>1 640</b>	<b>0.4</b>	<b>3 956</b>	<b>1 752</b>	<b>0.4</b>	<b>3 977</b>	<b>1 877</b>	<b>0.5</b>	<b>3 977</b>	<b>2 008</b>	<b>0.5</b>	<b>3 977</b>	<b>2 110</b>	<b>0.5</b>	<b>0.2%</b>	<b>100.0%</b>
1 – 6	835	152	835	142	0.2	644	114	0.2	635	121	0.2	635	129	0.2	635	137	0.2	-0.5%	16.0%	
7 – 10	1 923	291	1 923	628.0	0.3	1 930	650.6	0.3	1 972	710.6	0.4	1 972	759.8	0.4	1 972	798.6	0.4	0.7%	49.4%	
11 – 12	1 139	100	1 139	743.2	0.7	1 243	846.3	0.7	1 231	894.6	0.7	1 231	957.4	0.8	1 231	1 004.1	0.8	-0.3%	31.1%	
13 – 16	135	15	135	126.4	0.9	139	141.4	1.0	139	151.3	1.1	139	161.8	1.2	139	170.0	1.2	-	3.5%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on finalising cases. The budget allocation will enable the subprogramme to increase the number of cases finalised each year from 481 638 in 2012/13 to 513 609 in 2015/16.

Between 2009/10 and 2012/13, expenditure increased at an average annual rate of 12.3 per cent due to the implementation of the occupation specific dispensation for legally qualified professionals. Over the medium term, the biggest cost driver is compensation of employees, which accounts for 95 per cent of total subprogramme spending.

The number of funded posts is 4 032 and 558 positions are filled additional to this establishment. Personnel numbers are projected to increase to 3 977 in 2013/14 due to the shift in focus to serious crimes which falls under the *Specialised Prosecutions Service* subprogramme. The vacancy rate was projected to be 2 per cent at the end 2012/13, because of the moratorium on filling vacant posts.

## Programme 5: Auxiliary and Associated Services

### Subprogrammes

- *Legal Aid South Africa* funds Legal Aid South Africa, which provides legal aid to indigent people and legal representation at the state's expense, as set out in the Constitution. By the end of 2012/13, the entity expects to have finalised 425 095 legal matters. The entity had 2 591 funded posts in 2012/13.
- *Special Investigating Unit* funds the Special Investigating Unit, which provides professional forensic investigating and litigation services to all state institutions at national, provincial and local levels to combat maladministration, corruption and fraud; and protects state assets and public funds. By the end of 2012/13, 9 000 cases for criminal prosecution, civil litigation and disciplinary processes will have been prepared. This subprogramme had a funded staff complement of 668 in 2012/13.
- *Public Protector of South Africa* funds the Public Protector of South Africa, which investigates any alleged improper conduct in state affairs, public administration, or any sphere of government; as well as any conduct that results in any impropriety or prejudice. By the end of 2012/13, 20 160 complaints will have been finalised. This subprogramme had a funded staff complement of 300 in 2012/13.
- *South African Human Rights Commission* funds the South African Human Rights Commission, which promotes and monitors the observance of human rights in South Africa. By the end of 2012/13, the commission will have finalised 9 764 cases. This subprogramme had a funded staff complement of 176 in 2012/13.
- *Justice Modernisation* designs and implements IT infrastructure and networks; and re-engineers, automates and integrates business processes for the administration of civil and criminal justice in the integrated justice system.
- *President's Fund* provides funding for reparations flowing from the findings of the Truth and Reconciliation Commission. To date, 16 560 victims have been paid the once-off individual reparation amount of



R30 000 each and 47 families were paid R17 000 each towards the reburial of missing victims whose remains were located and exhumed. In 2012/13, draft regulations for education and health assistance were being finalised and a memorandum of understanding was concluded with the Independent Development Trust, which will undertake the community reparation aspect on behalf of the department.

## Expenditure estimates

**Table 24.17 Auxiliary and Associated Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
R million												
Legal Aid South Africa	917.4	1 116.4	1 137.5	1 255.1	11.0%	54.9%	1 360.7	1 454.0	1 534.7	6.9%	48.2%	
Special Investigating Unit	154.7	171.1	323.2	340.7	30.1%	12.3%	305.9	296.8	313.1	-2.8%	10.8%	
Public Protector of South Africa	108.9	114.1	153.7	183.1	18.9%	6.9%	199.3	217.6	230.4	8.0%	7.1%	
South African Human Rights Commission	70.1	74.4	89.8	101.5	13.1%	4.2%	116.0	125.1	133.2	9.5%	4.1%	
Justice Modernisation	454.1	339.2	391.3	565.8	7.6%	21.7%	852.9	986.1	1 063.0	23.4%	29.8%	
<b>Total</b>	<b>1 705.2</b>	<b>1 815.1</b>	<b>2 095.5</b>	<b>2 446.3</b>	<b>12.8%</b>	<b>100.0%</b>	<b>2 834.7</b>	<b>3 079.6</b>	<b>3 274.4</b>	<b>10.2%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(2.2)			254.0	370.2	440.4			

### Economic classification

<b>Current payments</b>	<b>441.5</b>	<b>329.8</b>	<b>381.4</b>	<b>506.8</b>	<b>4.7%</b>	<b>20.6%</b>	<b>830.4</b>	<b>962.2</b>	<b>1 038.0</b>	<b>27.0%</b>	<b>28.7%</b>
Goods and services	441.5	329.8	381.4	506.8	4.7%	20.6%	830.4	962.2	1 038.0	27.0%	28.7%
of which:											
Computer services	349.9	241.7	313.4	420.9	6.4%	16.4%	633.8	734.8	792.9	23.5%	22.2%
Agency and support / outsourced services	67.3	80.8	25.8	75.5	3.9%	3.1%	185.5	215.6	232.9	45.6%	6.1%
Operating leases	-	2.7	-	3.8	-	0.1%	4.1	4.3	4.5	5.7%	0.1%
<b>Transfers and subsidies</b>	<b>1 251.1</b>	<b>1 475.9</b>	<b>1 704.2</b>	<b>1 880.5</b>	<b>14.5%</b>	<b>78.3%</b>	<b>1 981.8</b>	<b>2 093.5</b>	<b>2 211.4</b>	<b>5.6%</b>	<b>70.2%</b>
Departmental agencies and accounts	1 251.1	1 475.9	1 704.2	1 880.5	14.5%	78.3%	1 981.8	2 093.5	2 211.4	5.6%	70.2%
<b>Payments for capital assets</b>	<b>12.6</b>	<b>9.3</b>	<b>9.9</b>	<b>58.9</b>	<b>67.3%</b>	<b>1.1%</b>	<b>22.5</b>	<b>23.9</b>	<b>25.0</b>	<b>-24.9%</b>	<b>1.1%</b>
Machinery and equipment	12.2	5.7	9.9	53.4	63.7%	1.0%	22.5	23.9	25.0	-22.4%	1.1%
Software and other intangible assets	0.4	3.7	-	5.5	135.5%	0.1%	-	-	-	-100.0%	-
<b>Total</b>	<b>1 705.2</b>	<b>1 815.1</b>	<b>2 095.5</b>	<b>2 446.3</b>	<b>12.8%</b>	<b>100.0%</b>	<b>2 834.7</b>	<b>3 079.6</b>	<b>3 274.4</b>	<b>10.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>17.8%</b>	<b>17.1%</b>	<b>18.3%</b>	<b>18.9%</b>			<b>20.1%</b>	<b>20.4%</b>	<b>20.7%</b>		

### Details of selected transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	2009/10	2010/11	2011/12	2012/13	Average growth rate (%)	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	Average growth rate (%)	Expenditure/total: Average (%)
Legal Aid South Africa	917.4	1 116.4	1 137.5	1 255.1	11.0%	54.9%	1 360.7	1 454.0	1 534.7	6.9%	48.2%
Special Investigating Unit	154.7	171.1	323.2	340.7	30.1%	12.3%	305.9	296.8	313.1	-2.8%	10.8%
Public Protector of South Africa	108.9	114.1	153.7	183.1	18.9%	6.9%	199.3	217.6	230.4	8.0%	7.1%
South African Human Rights Commission	70.1	74.4	89.8	101.5	13.1%	4.2%	116.0	125.1	133.2	9.5%	4.1%

## Expenditure trends

This programme's budget is mainly dominated by transfers to public entities and constitutional institutions. The spending focus over the medium term will be on building capacity in these entities and constitutional institutions, as well as accelerating the modernisation projects administered by the department on behalf of the justice, crime prevention and security cluster. The modernisation of the criminal justice system is in line with government's priority of modernising all aspects of the system.

Significant spending is evident in transfers and subsidies between 2009/10 and 2012/13, due to additional funding to increase personnel capacity in the entities and constitutional institutions. Over the medium term, expenditure in the *Justice Modernisation* subprogramme is expected to increase significantly as a result of funds that were reprioritised from the Department of Police to the Department Justice and Constitutional Development for the revamp of the criminal justice system. This allocation also explains the projected increase in expenditure on goods and services over the medium term.

Expenditure on machinery and equipment increased by 63.7 per cent between 2009/10 and 2012/13, mainly due to the purchase and replacement of desktop computers and servers as part of the modernisation of justice information systems. The significant increase in expenditure on agency and support services over the medium term is due to an increase in the number of external service providers for computer related services.

## Public entities and other agencies

### Legal Aid South Africa

#### Mandate and goals

The Legal Aid Board, trading as Legal Aid South Africa, was established in terms of section 2 of the Legal Aid Act (1969) to provide legal aid to indigent people as well as legal representation at the state's expense to eligible people in terms of the Constitution. It is required to provide independent and impartial legal aid, with the intention of improving justice and public confidence in the law and the administration of justice. It aims to be a leader in the provision of accessible, sustainable, ethical, independent and quality legal services to the poor and vulnerable. To this end, the entity has identified the following priority groups: children in civil matters; every detained person, including sentenced prisoners; every accused person who wishes to appeal or review a court decision in a higher court; women, particularly in divorces, maintenance and domestic violence cases; and the landless, especially eviction cases.

The organisation's strategic goals over the medium term are to:

- enhance and expand new forms of access to legal aid
- deliver legal aid that is client focused
- ensure sound, rights based legal aid services that deliver the desired outcomes
- proactively contribute to making the justice system function more effectively and efficiently
- strengthen the brand to position the organisation as a respected and acclaimed legal service provider
- ensure both financial and non-financial sustainability
- attract and retain staff through prudent talent management
- develop an effective IT platform that increases clients' access to legal aid services
- ensure effective information management to improve reporting, accountability and performance.

#### Selected performance indicators

**Table 24.18: Legal Aid South Africa**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new legal matters approved for legal aid per year:	Legal aid services and special projects	416 149	421 381	428 653	440 949	443 508	446 195	449 016
- Criminal matters		387 121	389 914	382 125	389 768	389 768	389 768	389 768
- Civil matters		29 028	31 467	46 528	51 181	53 740	56 427	59 248
Number of legal matters finalised per year:	Legal aid services and special projects	422 882	405 907	414 517	425 095	428 241	431 702	435 509
- Criminal matters		391 231 (92%)	385 612 (95%)	385 918 (93%)	393 636 (93%)	393 636 (92%)	393 636 (91%)	393 636 (90%)
- Civil matters		31 651 (8%)	20 295 (5%)	28 599 (7%)	31 459 (7%)	34 605 (8%)	38 066 (9%)	41 873 (10%)
Ratio of legal aid practitioners per district court per year	Legal aid services and special projects	1:1	1:1	1:1	1:1	1:1	1:1	1:1
Ratio of legal aid practitioners per regional courts per year	Legal aid services and special projects	1.18:1	1.20:1	1.21:1	1.25:1	1.25:1	1.25:1	1.25:1

## Programmes/activities/objectives

Table 24.19 Legal Aid South Africa

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Administration	145.6	135.8	152.2	160.4	3.3%	13.5%	176.9	191.1	211.0	9.6%	13.0%
Legal aid services	773.4	919.8	947.3	1 053.2	10.8%	83.0%	1 152.1	1 229.5	1 288.9	7.0%	83.2%
Special projects	21.6	49.9	30.0	57.1	38.3%	3.5%	49.1	51.9	54.3	-1.7%	3.8%
<b>Total expense</b>	<b>940.6</b>	<b>1 105.6</b>	<b>1 129.5</b>	<b>1 270.7</b>	<b>10.5%</b>	<b>100.0%</b>	<b>1 378.2</b>	<b>1 472.5</b>	<b>1 554.2</b>	<b>6.9%</b>	<b>100.0%</b>

## Expenditure estimates

Table 24.20 Legal Aid South Africa

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>21.3</b>	<b>20.9</b>	<b>21.9</b>	<b>15.6</b>	<b>-9.9%</b>	<b>1.8%</b>	<b>17.5</b>	<b>18.5</b>	<b>19.6</b>	<b>7.9%</b>	<b>1.3%</b>
Other non-tax revenue	21.3	20.9	21.9	15.6	-9.9%	1.8%	17.5	18.5	19.6	7.9%	1.3%
Transfers received	917.4	1 116.4	1 137.5	1 255.1	11.0%	98.2%	1 360.7	1 454.0	1 534.7	6.9%	98.7%
<b>Total revenue</b>	<b>938.7</b>	<b>1 137.3</b>	<b>1 159.4</b>	<b>1 270.7</b>	<b>10.6%</b>	<b>100.0%</b>	<b>1 378.2</b>	<b>1 472.5</b>	<b>1 554.2</b>	<b>6.9%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>940.6</b>	<b>1 105.6</b>	<b>1 129.5</b>	<b>1 270.7</b>	<b>10.5%</b>	<b>100.0%</b>	<b>1 378.2</b>	<b>1 472.5</b>	<b>1 554.2</b>	<b>6.9%</b>	<b>100.0%</b>
Compensation of employees	658.9	768.0	844.3	911.9	11.4%	71.5%	1 004.1	1 068.6	1 083.7	5.9%	71.7%
Goods and services	255.1	303.7	254.5	320.2	7.9%	25.6%	333.2	360.8	425.4	9.9%	25.3%
Depreciation	25.5	33.4	30.3	38.5	14.7%	2.9%	40.7	43.0	45.1	5.4%	2.9%
Interest, dividends and rent on land	1.1	0.5	0.4	0.1	-54.8%	0.1%	0.1	0.1	0.0	-23.0%	0.0%
<b>Total expenses</b>	<b>940.6</b>	<b>1 105.6</b>	<b>1 129.5</b>	<b>1 270.7</b>	<b>10.5%</b>	<b>100.0%</b>	<b>1 378.2</b>	<b>1 472.5</b>	<b>1 554.2</b>	<b>6.9%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(2.0)</b>	<b>32.0</b>	<b>30.0</b>	<b>-</b>	<b>-100.0%</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Statement of financial position</b>											
Carrying value of assets	102.2	120.9	112.3	83.8	-6.4%	26.8%	88.4	92.8	97.0	5.0%	20.9%
<i>of which:</i>											
<i>Acquisition of assets</i>	23.5	52.2	20.8	23.5	0.0%	7.6%	25.6	26.9	35.2	14.4%	6.4%
Receivables and prepayments	7.1	9.1	15.4	6.1	-5.1%	2.4%	6.4	6.8	7.1	5.1%	1.5%
Cash and cash equivalents	229.2	276.6	296.2	311.0	10.7%	70.8%	328.4	344.8	360.7	5.1%	77.6%
Non-current assets held for sale	0.4	0.0	0.1	0.1	-34.4%	0.0%	0.1	0.1	0.1	5.1%	0.0%
<b>Total assets</b>	<b>338.9</b>	<b>406.6</b>	<b>423.9</b>	<b>400.9</b>	<b>5.8%</b>	<b>100.0%</b>	<b>423.3</b>	<b>444.5</b>	<b>464.9</b>	<b>5.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	163.0	194.8	224.7	192.5	5.7%	49.3%	205.4	217.3	227.2	5.7%	48.6%
Finance lease	6.8	3.8	2.0	2.2	-31.9%	1.0%	2.3	2.4	2.5	5.1%	0.5%
Trade and other payables	54.9	63.1	63.9	67.7	7.2%	15.9%	71.5	75.1	78.5	5.1%	16.9%
Provisions	114.1	144.9	133.3	138.6	6.7%	33.8%	144.1	149.8	156.7	4.2%	34.0%
<b>Total equity and liabilities</b>	<b>338.9</b>	<b>406.6</b>	<b>423.9</b>	<b>400.9</b>	<b>5.8%</b>	<b>100.0%</b>	<b>423.3</b>	<b>444.5</b>	<b>464.9</b>	<b>5.1%</b>	<b>100.0%</b>

## Personnel information

**Table 24.21 Legal Aid South Africa**

Salary level	Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number		
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/ total: Average (%)	
			2011/12			2012/13			2013/14			2014/15			2015/16					
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
	2 591	48	2 554	844.3	0.3	2 543	900.3	0.4	2 695	1 004.1	0.4	2 695	1 068.6	0.4	2 695	1 083.7	0.4	2012/13 - 2015/16	2.0%	100.0%
1 – 6	1 064	17	1 023	135.3	0.1	1 047	113.9	0.1	1 180	170.6	0.1	1 180	184.8	0.2	1 181	192.7	0.2	4.1%	43.1%	
7 – 10	671	15	716	185.8	0.3	656	217.9	0.3	584	184.6	0.3	584	164.8	0.3	584	165.4	0.3	-3.8%	22.7%	
11 – 12	669	8	660	369.2	0.6	661	414.5	0.6	702	426.3	0.6	702	491.3	0.7	702	479.2	0.7	2.0%	26.0%	
13 – 16	187	8	155	154.0	1.0	179	153.9	0.9	228	222.6	1.0	228	227.8	1.0	228	246.5	1.1	8.5%	8.1%	

1. Rand million.

## Expenditure trends

The bulk of revenue for the Legal Aid Board, trading as Legal Aid South Africa, comes from a transfer from the department.

The spending focus over the medium term will be on increasing the number of legal practitioners to accelerate the provision of legal aid, particularly on civil matters. The increase in the number of legal practitioners from 1 939 in 2012/13 to 2 010 in 2015/16 will enable the board to increase the number of civil matters finalised from 31 459 to 41 873 during the same period.

Between 2009/10 and 2012/13, the increase in expenditure on the special projects programme was due to additional funding from the Department of Justice and Constitutional Development for the implementation of legislation that protects vulnerable groups, specifically the Children's Act (2005) and the Child Justice Act (2008). The significant increase in expenditure on compensation of employees in this period was due to funds being received for the implementation of phase 2 of the occupation specific dispensation for legally qualified professionals.

The board's legal aid services programme will continue to be the largest driver of spending over the medium term, and this is in line with its mandate of providing legal aid to indigents. The budget allocations for the medium term will enable Legal Aid South Africa to increase the number of cases finalised from 428 241 in 2013/14 to 435 509 in 2015/16.

Expenditure on goods and services is projected to increase at an average annual rate of 9.9 per cent between 2012/13 and 2015/16 due to the renewal of various IT contracts concerned with wide area networks, computer disaster recovery and computer software licences. A vehicle tracking device contract will also be renewed.

The board has a funded establishment of 2 591. Judicare, which outsources legal representation to private practitioners, and is used in areas where Legal Aid South Africa does not have offices or capacity, will be maintained at current levels. The board also aims to appoint additional staff in 2013/14 to increase civil work. The ratio of support staff to line function staff is 1:3.

As part of cost savings measures, Legal Aid South Africa has implemented a capital asset replacement programme in which assets are replaced when they are fully depreciated and those in good condition continue to be used. Furniture related assets are only replaced as and when they are impaired. In addition, the lifespan of certain assets, such as vehicles, has also been extended as part of these cost saving measures. As a result, a saving of R16 million was realised in 2012/13 and will be redirected towards Judicare and the improvement of IT infrastructure over the medium term.

The 2013 Budget sets out additional allocations of R38.7 million in 2013/14, R53.6 million in 2014/15 and R70.3 million in 2015/16 for increasing the availability of legal practitioners, improving conditions of service, and implementing the Children's Act (2005) and the Child Justice Act (2008).

## **Other public entities and agencies**

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Public Protector of South Africa** is mandated to investigate any conduct in state affairs or in the public administration in any sphere of government that is alleged to be improper or result in any impropriety or prejudice. It also reports on such conduct and takes appropriate remedial action. Its total budget in 2013/14 is R199.8 million.
- The **South African Human Rights Commission** is an independent statutory body established to support constitutional democracy by promoting, protecting and monitoring human rights. The commission's total budget for 2013/14 is R116 million.
- The **Special Investigating Unit** investigates cases referred to it by the president, providing forensic investigating and litigation services to all state institutions at all levels to combat maladministration, corruption and fraud, and to protect state assets and public money. The unit's total budget for 2013/14 is R532.5 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
<b>R million</b>										
<b>Departmental infrastructure</b>										
Nelspruit high court	New high court building for the province	Design	560.0	14.8	5.0	74.8	50.0	21.2	264.0	82.0
Polokwane high court	New high court building for the province	Construction	460.0	35.5	51.4	126.4	104.9	64.0	-	-
Ntuzuma magistrate's office	New magistrate's office building	Construction	267.9	20.8	61.5	-	10.0	140.0	-	-
Port Shepstone magistrate's office	New magistrate's office building	Design	226.8	11.9	-	-	45.0	195.2	47.0	48.1
South Gauteng high court	Extensions to existing building	Construction	333.8	11.6	77.0	-	32.0	66.3	-	-
Accessibility Programme: Phase 2	Accessibility to court facilities	Feasibility	100.0	7.2	-	0.7	12.5	114.5	100.0	104.6
Plettenberg Bay magistrate's office	New magistrate's office building	Design	260.0	-	-	-	-	20.0	108.0	15.0
Oriando magistrate's office: New Canada	New magistrate's office building	Feasibility	209.9	-	-	0.3	-	5.0	10.0	93.8
Kathlehong magistrate's office	New magistrate's office building	Hand over	319.8	7.2	78.9	146.2	10.0	-	-	-
Mamelodi magistrate's office	New magistrate's office building	Tender	101.0	4.4	0.1	-	40.0	21.5	24.6	-
Booyens magistrate's office	New magistrate's office building	Feasibility	262.4	12.7	-	-	1.0	1.0	-	-
Galeshewe magistrate's office	New magistrate's office building	Handed over	56.0	14.1	1.4	-	-	-	-	-
Richard's Bay magistrate's office	New magistrate's office building	On hold	155.0	1.3	3.4	-	-	5.0	15.0	99.4
Kagiso magistrate's office	New magistrate's office building	Construction	68.8	7.5	28.3	18.7	4.6	-	-	-
Colesberg magistrate's office	New magistrate's office building	Handed over	31.3	6.5	-	-	-	-	-	-
Jan Kempdorp magistrate's office	New magistrate's office building	Design	55.8	1.3	6.8	-	47.5	41.0	3.5	10.5
Hankey magistrate's office	New magistrate's office building	Construction	34.7	8.3	8.9	0.1	1.0	30.0	18.4	31.4
Teakane magistrate's office	New magistrate's office building	Hand over	18.6	1.7	4.5	-	1.1	-	-	-
Eikangala magistrate's office	New magistrate's office building	Handed over	20.8	4.0	3.0	0.8	337.4	-	-	-
Garies magistrate's office	New magistrate's office building	Design	25.0	-	-	-	-	-	-	-
Ashton periodical court	New magistrate's office building	Handed over	9.4	5.0	1.2	113.3	2.0	30.0	30.7	8.4
Lothair periodical court	New magistrate's office building	Design	7.4	-	0.5	1.5	-	-	-	-
Lutzville periodical court	New magistrate's office building	Handed over	11.8	4.4	1.8	0.4	-	6.1	0.7	36.6
Bityi periodical court	New magistrate's office building	Design	50.0	0.0	0.4	0.3	-	-	-	-
Dimbaza periodical court	New magistrate's office building	Tender	75.0	0.2	0.6	-	5.0	21.6	12.0	12.6
Bloemfontein Supreme Court of Appeal	Extensions to existing building	Hand over	103.0	11.1	11.9	-	2.0	24.6	10.4	20.9
Pietermaritzburg Master's Office: Colonial building	Extensions to existing building	Handed over	125.9	42.1	36.5	-	5.2	-	-	-
Butterworth magistrate's office	Extensions to existing building	Construction	49.9	29.0	5.9	0.5	2.0	-	-	-
Stanger magistrate's office	Extensions to existing building	Handed over	52.5	4.0	6.6	1.9	-	-	-	-
Soshanguve magistrate's office	Extensions to existing building	Design	53.0	-	-	-	6.0	-	-	-
Port Elizabeth high court	Extensions to existing building	Design	79.6	0.6	0.3	2.3	27.3	14.7	21.2	24.1
Thembalethu magistrate's office	Extensions to existing building	Hand over	26.7	8.4	10.2	9.3	10.0	111.3	9.5	-
Humansdorp magistrate's office	Extensions to existing building	Design	16.3	0.0	-	-	0.7	-	-	-
Bredasdorp magistrate's office	Extensions to existing building	Handed over	20.4	3.4	1.8	1.0	-	-	2.9	-
Calvinia magistrate's office	Extensions to existing building	Design	13.2	-	0.2	-	-	-	-	-
KwaMbonambi periodical court	Extensions to existing building	Design	13.8	0.5	0.0	-	-	-	-	-
Umtata magistrate's office	Extensions to existing building	Design	123.7	-	2.5	-	1.0	27.5	49.1	-
Cala magistrate's office	Extensions to existing building	Design	9.3	-	0.3	-	2.0	41.2	93.7	-
Tarkastad magistrate's office	Extensions to existing building	Construction	14.0	4.3	3.0	-	-	3.1	5.0	-

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation 2012/13	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
<b>R million</b>										
<b>Departmental infrastructure</b>										
Schwabezer-Reneke magistrate's office	Extensions to existing building	Construction	14.1	1.0	6.0	0.0	-	2.1	2.0	-
Danielskuil periodical court	Extensions to existing building	Construction	10.0	1.9	2.4	1.4	5.7	0.2	50.0	-
Nyoni periodical court	Extensions to existing building	Design	13.8	0.0	-	-	0.5	-	-	-
Wolmaranstad magistrate's office	Extensions to existing building	Design	13.6	0.5	-	0.2	-	3.7	8.6	-
Bisho high court	Extensions to existing building	Design	8.3	-	0.4	0.0	-	5.0	1.5	-
Mount Ayliff magistrate's office	Extensions to existing building	Design	12.3	-	0.9	-	2.0	-	21.9	108.8
Barkley East magistrate's office	Extensions to existing building	Design	5.5	-	0.2	-	-	3.1	26.9	-
Whittlesea magistrate's office	Extensions to existing building	Design	39.2	-	1.4	-	-	3.0	3.4	-
Christianna magistrate's office	Extensions to existing building	Design	12.1	0.1	-	-	-	1.0	5.0	-
Fraserburg magistrate's office	Extensions to existing building	Design	7.6	-	-	-	-	11.0	5.0	-
Deben periodical court	Extensions to existing building	Handed over	3.6	0.5	-	-	-	14.5	3.6	-
Umbumbulu magistrate's office	Extensions to existing building	Design	18.3	0.8	0.2	-	-	-	-	-
Riversdale magistrate's office	Extensions to existing building	Construction	18.1	0.9	3.0	9.1	5.0	3.8	15.0	-
Galvendale magistrate's office	Extensions to existing building	Construction	1.2	8.2	11.0	-	2.8	-	-	-
Repairs and maintenance	Repairs and maintenance to various offices	Various	190.8	78.8	79.6	80.0	5.2	1.2	45.0	-
Upgrading, renovations and refurbishments	Upgrading of various offices	Various	92.5	144.3	105.0	105.0	88.1	77.6	98.2	23.0
Various smaller courts	Upgrading of various offices	Design	125.5	25.3	-	0.2	93.3	-	-	92.5
Various smaller courts	Smaller construction projects	Construction	52.3	44.1	-	6.0	10.0	-	-	125.5
Goodwood magistrate's office	New magistrate's office building	Feasibility	145.5	-	-	-	-	-	76.2	52.3
Planning for various courts	Smaller construction projects	Identification	72.3	-	-	-	-	10.0	10.0	125.5
Tshilwathusiku magistrate's office	New magistrate's office building	Design	69.6	-	-	-	28.0	-	10.0	52.3
Tsineng magistrate's office	New magistrate's office building	Identification	49.2	-	-	-	5.0	10.0	24.0	35.6
<b>Total</b>			<b>5 397.5</b>	<b>590.1</b>	<b>624.1</b>	<b>700.4</b>	<b>1 005.8</b>	<b>1 161.7</b>	<b>1 241.4</b>	<b>1 202.6</b>





# Vote 25

## Police

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	17 348.6	15 746.6	298.5	1 303.6	18 325.5	19 283.0
Visible Policing	31 539.7	30 246.2	182.9	1 110.6	33 517.7	35 415.5
Detective Services	14 348.5	13 720.4	58.2	569.9	15 121.0	15 923.4
Crime Intelligence	2 715.3	2 660.9	8.6	45.8	2 871.3	3 034.3
Protection and Security Services	1 964.9	1 922.7	4.3	37.9	2 079.0	2 197.5
<b>Total expenditure estimates</b>	<b>67 917.1</b>	<b>64 296.8</b>	<b>552.6</b>	<b>3 067.7</b>	<b>71 914.6</b>	<b>75 853.8</b>

Executive authority

Minister of Police

Accounting officer

National Commissioner of the South African Police Service

Website address

[www.saps.gov.za](http://www.saps.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Prevent, combat and investigate crime, maintain public order, protect and secure the inhabitants of South Africa and their property, and uphold and enforce the law.*

### Mandate

The South African Police Service derives its powers and functions from section 205 of the Constitution and from the South African Police Service Act (1995). This legislation regulates the police service in terms of its core function, which is to prevent, investigate and combat crime.

### Strategic goals

Ensuring that all people in South Africa are and feel safe (outcome 3) is the broad outcome for the justice, crime prevention and security cluster. To deliver on this outcome and ensure safer communities, the department's ongoing strategic goals are to:

- reduce the number of all serious crimes, contact crimes and trio crimes
- increase activities to prevent and combat border crime
- increase the percentage of court ready case dockets for all serious crimes, contact crimes and trio crimes
- increase the detection rate for all serious crimes, contact crimes and trio crimes, including organised crimes and crimes against women and children
- increase the conviction rates for all serious crimes, contact crimes and trio crimes.

Another broad outcome that the department's strategic plan addresses is an efficient, effective and development orientated public service (outcome 12), specifically in relation to service delivery quality and access. The main focus is on ensuring adequate availability of and access to police service points by bringing police service points

closer to communities. This goal has been prioritised in the department's medium term infrastructure and capital asset plan, with particular emphasis on constructing police stations in rural areas.

## Programme purposes

### Programme 1: Administration

**Purpose:** Develop policy and manage the department, including providing administrative support.

### Programme 2: Visible Policing

**Purpose:** Enable police stations to institute and preserve safety and security, and provide for specialised interventions and the policing of South Africa's borders.

### Programme 3: Detective Services

**Purpose:** Enable the investigative work of the South African Police Service, including providing support to investigators in terms of forensic evidence and the criminal record centre.

### Programme 4: Crime Intelligence

**Purpose:** Manage crime intelligence and analyse crime information, and provide technical support for investigations and crime prevention operations.

### Programme 5: Protection and Security Services

**Purpose:** Provide protection and security services to all identified dignitaries and government interests.

## Selected performance indicators

Table 25.1 Police

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13 <sup>1</sup>	2013/14	2014/15	2015/16
Number of serious crimes <sup>2</sup> per year	Visible Policing	Outcome 3: All people in South Africa are and feel safe	1 909 566	1 839 645	1 825 548	1 766 795	1 731 459	1 696 830	1 662 893
Number of contact crimes per year	Visible Policing		676 445	638 468	623 486	Between 588 412 and 552 211	Between 564 876 and 513 556	Between 542 281 and 477 607	Between 520 589 and 416 274
Number of trio crimes <sup>3</sup> per year	Visible Policing		47 222	42 183	42 192	Between 38 876 and 36 484	Between 37 321 and 33 930	Between 35 828 and 31 555	Between 34 394 and 29 346
Detection rate for serious crimes per year	Detective Services		46.16% (1 108 674)	51.84% (1 092 861)	53.41% (1 134 355)	55% (1 066 859)	56.5% (1 082 861)	58% (1 099 10 33)	59.5% (1 115 589)
Detection rate for contact crimes per year	Detective Services		59.62% (459 319)	56.99% (445 123)	60.66% (449 575)	60% (406 621)	61.5% (412 720)	63% (418 910)	64% (423 099)
Detection rate for trio crimes per year	Detective Services		14.77% (10 841)	16.02% (10 900)	20.98% (12 602)	23% (11 671)	24.5% (11 846)	26% (12 023)	27% (12 143)
Percentage of trial ready case dockets for serious crime	Detective Services		– <sup>4</sup>	30.84% (155 933)	48.17% (249 879)	36.84% (165 429)	51.84% (190 243)	54.84% (195 950)	57.84% (201 828)

Table 25.1 Police (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13 <sup>1</sup>	2013/14	2014/15	2015/16
Conviction rate for serious crimes per year	Detective Services	Outcome 3: All people in South Africa are and feel safe	88.83% (314 670)	87.65% (309 295)	86.19% (307 580)	88.50% (312 208)	88.80% (313 144)	88.80% (313 144)	88.80% (313 144)
Percentage of court ready case dockets for serious commercial crime related charges per year	Detective Services		— <sup>4</sup>	25.6% <sup>5</sup>	50% <sup>5</sup>	30% <sup>5</sup>	32% <sup>5</sup>	34% <sup>5</sup>	36% <sup>5</sup>
Percentage of original previous conviction reports per year for formally charged individuals generated within a certain number of days	Detective Services		63.41% (750 844) generated within 30 days	81.46% (994 020) generated within 30 days	93.88% (1 137 423) generated within 20 days	82% generated within 20 days	83% generated within 18 days	86% generated within 16 days	88% generated within 14 days
Number of network operations conducted per year	Crime Intelligence		24 368	24 384	49 019	28 145	29 552	32 507	34 058
Percentage of national key points evaluated in compliance with the National Key Points Act (1980) per year	Protection and Security Services		83.3% (130)	99.4% (164)	98% (171)	100% (182)	100% (197)	100% (197)	100% (197)

1. The targets in this column are as published in the South African Police Service's annual performance plan for 2012/13 and do not represent actual performance information for 2012/13. When the annual performance plan 2012/13 was finalised in January/February 2012, the actual audited figures of 2010/11 were used as the baselines to calculate the targets for 2012/13. The figures for 2011/12 were published in September 2012.
2. The definition of serious crime has changed from last year and now excludes crime detected as a result of police action. As a result, the historical data differs from that published in the 2012 ENE. Serious crime still includes contact crimes, contact related crimes, property related crimes and other serious crimes.
3. Trio crimes include house robbery, business robbery and carjacking.
4. This indicator was introduced in 2010/11.
5. This percentage is a composite calculation. No single absolute number could be provided.

## The national development plan

The national development plan promotes the safety of all citizens as one of its key objectives, affirming that safety and security are necessary for the achievement of its goals of economic growth, equality, transformation and employment creation. The plan recommends that the building of a safer society would be strengthened by professionalising the police service, and by increasing community participation in community safety. An integrated approach between departments in the justice, crime prevention and security cluster is promoted.

The department will continue to implement strategies in alignment with the national development plan's goals, including professionalising the service as part of its administrative functions, enhancing the safety of women and children, and building community participation and partnerships in terms of its visible policing strategy. These elements will be intensified through the ongoing implementation of ministerial priorities.

The department will also continue to align its strategic plans with the seven-point plan of the criminal justice system review, which is endorsed by the national development plan; and adopt an integrated approach with the departments in the justice, crime prevention and security cluster.

In support of the national development plan's recommendations regarding the fight against corruption, the department will accelerate the refinement of the anti-corruption strategy. This will be done giving due diligence to Cabinet approved minimum anti-corruption capacity requirements and the direction provided by the justice, crime prevention and security cluster delivery agreement. The department's internal and external corruption fighting objectives will include collaboration with various government structures and departments through the anti-corruption task team and the Public Service Commission's integrity

## Expenditure estimates

Table 25.2 Police

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
Administration	12 600.2	13 945.6	14 481.6	15 933.3	15 933.3	8.1%	25.6%	17 348.6	18 325.5	19 283.0	6.6%	25.4%
Visible Policing	23 458.0	25 799.9	27 450.3	29 515.1	29 515.1	8.0%	47.7%	31 539.7	33 517.7	35 415.5	6.3%	46.6%
Detective Services	8 449.2	10 120.1	11 917.1	13 542.9	13 542.9	17.0%	19.8%	14 348.5	15 121.0	15 923.4	5.5%	21.1%
Crime Intelligence	1 814.8	2 115.7	2 395.6	2 590.6	2 590.6	12.6%	4.0%	2 715.3	2 871.3	3 034.3	5.4%	4.0%
Protection and Security Services	1 340.3	1 548.4	1 688.6	1 806.8	1 806.8	10.5%	2.9%	1 964.9	2 079.0	2 197.5	6.7%	2.9%
<b>Total</b>	<b>47 662.5</b>	<b>53 529.7</b>	<b>57 933.1</b>	<b>63 388.7</b>	<b>63 388.7</b>	<b>10.0%</b>	<b>100.0%</b>	<b>67 917.1</b>	<b>71 914.6</b>	<b>75 853.8</b>	<b>6.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				903.3	903.3			995.8	1 066.6	1 746.8		
<b>Economic classification</b>												
<b>Current payments</b>	<b>44 424.9</b>	<b>49 733.6</b>	<b>54 426.2</b>	<b>59 975.3</b>	<b>59 975.3</b>	<b>10.5%</b>	<b>93.7%</b>	<b>64 296.8</b>	<b>68 141.8</b>	<b>71 905.3</b>	<b>6.2%</b>	<b>94.7%</b>
Compensation of employees	33 771.5	38 415.3	42 427.7	46 833.2	46 833.2	11.5%	72.6%	50 416.7	53 274.9	56 371.5	6.4%	74.1%
Goods and services	10 653.4	11 318.3	11 998.5	13 142.1	13 142.1	7.2%	21.2%	13 880.1	14 866.9	15 533.8	5.7%	20.6%
of which:												
Computer services	2 078.9	2 130.7	2 257.4	3 288.9	3 288.9	16.5%	4.4%	3 087.5	3 069.3	3 183.0	-1.1%	4.5%
Inventory: Fuel, oil and gas	1 537.4	1 639.1	1 970.6	1 750.5	1 750.5	4.4%	3.1%	1 921.1	2 182.4	2 292.0	9.4%	2.9%
Operating leases	1 503.5	1 704.5	1 837.8	2 132.8	2 132.8	12.4%	3.2%	2 254.2	2 395.7	2 505.9	5.5%	3.3%
Property payments	807.4	947.3	1 013.9	922.7	922.7	4.5%	1.7%	1 073.7	1 145.7	1 199.0	9.1%	1.6%
<b>Transfers and subsidies</b>	<b>437.8</b>	<b>500.3</b>	<b>505.5</b>	<b>493.8</b>	<b>493.8</b>	<b>4.1%</b>	<b>0.9%</b>	<b>552.6</b>	<b>578.3</b>	<b>604.9</b>	<b>7.0%</b>	<b>0.8%</b>
Provinces and municipalities	25.2	25.7	29.8	26.6	26.6	1.8%	0.0%	28.0	29.6	31.0	5.2%	0.0%
Departmental agencies and accounts	20.8	23.9	26.8	29.4	29.4	12.2%	0.0%	30.7	31.8	33.3	4.2%	0.0%
Non-profit institutions	-	-	1.0	-	-		0.0%	-	-	-		
Households	391.8	450.7	447.9	437.8	437.8	3.8%	0.8%	493.9	516.9	540.7	7.3%	0.7%
<b>Payments for capital assets</b>	<b>2 798.8</b>	<b>3 292.9</b>	<b>2 994.8</b>	<b>2 919.6</b>	<b>2 919.6</b>	<b>1.4%</b>	<b>5.4%</b>	<b>3 067.7</b>	<b>3 194.4</b>	<b>3 343.5</b>	<b>4.6%</b>	<b>4.5%</b>
Buildings and other fixed structures	1 070.1	1 182.1	671.1	794.6	794.6	-9.4%	1.7%	1 036.9	1 099.9	1 149.5	13.1%	1.5%
Machinery and equipment	1 726.8	2 109.9	2 322.1	2 124.8	2 124.8	7.2%	3.7%	2 030.6	2 094.2	2 193.7	1.1%	3.0%
Biological assets	1.9	0.9	1.6	0.3	0.3	-48.7%	0.0%	0.3	0.3	0.3	4.1%	0.0%
<b>Payments for financial assets</b>	<b>1.0</b>	<b>2.9</b>	<b>6.6</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>47 662.5</b>	<b>53 529.7</b>	<b>57 933.1</b>	<b>63 388.7</b>	<b>63 388.7</b>	<b>10.0%</b>	<b>100.0%</b>	<b>67 917.1</b>	<b>71 914.6</b>	<b>75 853.8</b>	<b>6.2%</b>	<b>100.0%</b>

## Personnel information

Table 25.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
<b>Police</b>			<b>Number</b>	<b>Unit</b>	<b>Cost</b>	<b>Number</b>	<b>Unit</b>	<b>Cost</b>	<b>Number</b>	<b>Unit</b>	<b>Cost</b>	<b>Number</b>	<b>Unit</b>	<b>Cost</b>	<b>Number</b>	<b>Unit</b>	<b>Cost</b>		
Salary level	199 038	-	199 367	42 427.7	0.2	198 184	46 833.2	0.2	199 936	50 416.7	0.3	199 936	53 274.9	0.3	199 936	56 371.5	0.3	0.3%	100.0%
1 - 6	129 677	-	129 176	27 428.1	0.2	128 395	30 279.6	0.2	131 738	33 124.2	0.3	133 120	35 333.1	0.3	134 502	37 755.8	0.3	1.6%	66.1%
7 - 10	66 479	-	67 343	14 398.7	0.2	66 902	15 877.3	0.2	65 315	16 575.5	0.3	63 933	17 180.8	0.3	62 551	17 807.5	0.3	-2.2%	32.4%
11 - 12	2 099	-	2 086	441.5	0.2	2 107	495.0	0.2	2 099	523.9	0.2	2 099	556.7	0.3	2 099	591.5	0.3	-0.1%	1.1%
13 - 16	784	-	762	159.4	0.2	780	181.4	0.2	784	193.1	0.2	784	204.4	0.3	784	216.6	0.3	0.2%	0.4%

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

2. Rand million. Figures are based on estimates as the PERSAL system does not reflect the level of detail required for this table.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on maintaining overall capacity in terms of personnel numbers, physical resources, capital infrastructure, skills development, and technological enhancements related to the information and telecommunications environments to support the reduction of contact and trio crimes by 4 per cent to 7 per cent per year. The bulk of spending over this period is in the *Visible Policing* programme, which accounts for 46.6 per cent of the department's total budget owing to the labour intensive nature of policing.

A significant increase was evident in expenditure in the *Detective Services* and *Crime Intelligence* programmes between 2009/10 and 2012/13. These increases were due to additional allocations for: investing in capital infrastructure and technological enhancements, especially in the forensic science and investigative functions; additional capacity for the directorate for priority crime investigations; upgrading the IT network; and reviewing and modernising the criminal justice system to create an integrated criminal justice environment. Over the same period, expenditure on buildings and fixed structures decreased because projects were rescheduled by the Department of Public Works to 2013/14. This explains the projected growth over the medium term.

The 2013 Budget sets out additional allocations of R1.3 billion in 2013/14, R1.5 billion in 2014/15 and R2.2 billion in 2015/16 for improved conditions of service; and R72.5 million in 2013/14 for security during the 2014 African Nations Championship. R300 million in 2013/14, R400 million in 2014/15 and R450 million in 2015/16 have also been reprioritised from this department to the Department of Justice and Constitutional Development for the criminal justice sector revamp and modernisation programme.

The department has a funded establishment of 199 038 posts. The number of filled posts is expected to increase from 198 184 in 2012/13 to 199 936 in 2013/14 as a result of the filling of vacancies, as well as plans to appoint additional personnel in forensic services units and for security personnel. Personnel numbers are expected to remain at this level in 2014/15 and 2015/16. This marks a significant change from the outcome of the 2012 Budget process, where personnel numbers were seen to be decreasing. The ratio of support staff to line function staff is 0.2:1.

Spending on consulting services increased from R111.4 million in 2009/10 to R136.4 million in 2012/13, and is expected to increase to R149.2 million in 2015/16. Consultants are mainly used for analysing the maceration of human remains, forensic accounting and auditing for investigations, and translating documents and transcribing the proceedings of hearings for investigations.

### Infrastructure spending

Spending on infrastructure decreased from R1.1 billion in 2009/10 to R794.6 million in 2012/13, and is expected to increase to R1.1 billion over the medium term. The decrease in 2011/12 was mainly due to the rescheduling of projects from that year to begin in 2013/14. Allocations earmarked for infrastructure will mainly be used to build and upgrade police stations.

The construction of a forensic science laboratory in Parow began in 2003/04 and was completed in 2012/13 at a cost of R658.3 million. The new laboratory complex will accommodate all the different forensic disciplines to eliminate the duplication of certain administration processes. The laboratory will also increase the South African Police Service's capacity to analyse evidence.

## Departmental receipts

Table 25.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
Departmental receipts	347 572	287 737	288 760	307 317	307 317	-4.0%	100.0%	273 495	274 388	307 219	-	100.0%
Sales of goods and services produced by department	147 655	123 816	128 165	129 224	129 224	-4.3%	42.9%	118 930	118 935	138 600	2.4%	43.5%
Administration fees	42 969	16 321	14 652	16 400	16 400	-27.5%	7.3%	15 250	14 155	14 850	-3.3%	5.2%
of which:												
Firearm licences	42 969	16 321	14 652	16 400	16 400	-27.5%	7.3%	15 250	14 155	14 850	-3.3%	5.2%
Other sales	104 686	107 495	113 513	112 824	112 824	2.5%	35.6%	103 680	104 780	123 750	3.1%	38.3%
of which:												
House rentals	33 063	35 344	33 136	33 640	33 640	0.6%	11.0%	34 250	34 109	37 500	3.7%	12.0%
Commission on insurance	33 170	37 630	43 277	44 278	44 278	10.1%	12.9%	34 220	33 687	47 000	2.0%	13.7%
Other	38 453	34 521	37 100	34 906	34 906	-3.2%	11.8%	35 210	36 984	39 250	4.0%	12.6%
Sales of scrap, waste, arms and other used current goods	21 214	9 814	7 521	9 870	9 870	-22.5%	3.9%	8 875	9 258	9 900	0.1%	3.3%
of which:												
Sales of scrap, waste and other used goods	21 214	9 814	7 521	9 870	9 870	-22.5%	3.9%	8 875	9 258	9 900	0.1%	3.3%
Fines, penalties and forfeits	10 043	12 276	25 657	14 251	14 251	12.4%	5.1%	14 850	13 960	15 250	2.3%	5.0%
Interest, dividends and rent on land	1 365	1 116	771	782	782	-16.9%	0.3%	885	858	1 019	9.2%	0.3%
Interest	1 365	1 116	771	782	782	-16.9%	0.3%	885	858	1 019	9.2%	0.3%
Sales of capital assets	4 879	1 141	5 089	1 190	1 190	-37.5%	1.0%	1 215	1 163	3 200	39.1%	0.6%
Transactions in financial assets and liabilities	162 416	139 574	121 557	152 000	152 000	-2.2%	46.7%	128 740	130 214	139 250	-2.9%	47.3%
Total	347 572	287 737	288 760	307 317	307 317	-4.0%	100.0%	273 495	274 388	307 219	-	100.0%

## Programme 1: Administration

### Expenditure estimates

Table 25.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Ministry	25.3	18.9	23.3	26.0	0.9%	0.2%	27.7	29.1	30.6	5.6%	0.2%
Management	52.6	76.1	85.7	103.8	25.5%	0.6%	111.9	117.2	122.6	5.7%	0.6%
Corporate Services	10 652.1	11 694.4	11 881.4	12 964.2	6.8%	82.9%	14 178.6	14 967.0	15 769.8	6.7%	81.6%
Office Accommodation	1 870.2	2 156.2	2 491.2	2 839.2	14.9%	16.4%	3 030.5	3 212.3	3 360.0	5.8%	17.6%
<b>Total</b>	<b>12 600.2</b>	<b>13 945.6</b>	<b>14 481.6</b>	<b>15 933.3</b>	<b>8.1%</b>	<b>100.0%</b>	<b>17 348.6</b>	<b>18 325.5</b>	<b>19 283.0</b>	<b>6.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(347.9)			186.5	216.4	19 283.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>11 070.5</b>	<b>12 193.5</b>	<b>13 308.4</b>	<b>14 603.2</b>	<b>9.7%</b>	<b>89.8%</b>	<b>15 746.6</b>	<b>16 637.5</b>	<b>17 518.3</b>	<b>6.3%</b>	<b>91.0%</b>
Compensation of employees	5 642.9	6 220.2	7 035.1	7 859.7	11.7%	47.0%	8 516.9	9 008.0	9 531.5	6.6%	49.3%
Goods and services	5 427.6	5 973.3	6 273.3	6 743.5	7.5%	42.9%	7 229.7	7 629.5	7 986.8	5.8%	41.7%
of which:											
Computer services	1 914.8	2 096.5	2 022.9	2 228.8	5.2%	14.5%	2 319.0	2 440.3	2 556.6	4.7%	13.5%
Inventory: Fuel, oil and gas	121.0	126.2	158.0	156.4	8.9%	1.0%	167.6	205.9	215.4	11.2%	1.1%
Operating leases	1 413.0	1 603.4	1 741.8	2 033.5	12.9%	11.9%	2 146.3	2 275.7	2 380.4	5.4%	12.5%
Property payments	578.5	674.4	774.6	770.2	10.0%	4.9%	917.2	971.1	1 015.8	9.7%	5.2%
Transfers and subsidies	219.8	295.1	265.5	251.9	4.6%	1.8%	298.5	311.3	325.6	8.9%	1.7%
Provinces and municipalities	3.5	3.4	4.7	3.9	4.0%	-	4.1	4.4	4.6	5.2%	-
Departmental agencies and accounts	20.8	23.9	26.8	29.4	12.2%	0.2%	30.7	31.8	33.3	4.2%	0.2%
Households	195.5	267.8	234.0	218.5	3.8%	1.6%	263.7	275.2	287.8	9.6%	1.5%
Payments for capital assets	1 308.8	1 454.1	901.0	1 078.2	-6.3%	8.3%	1 303.6	1 376.7	1 439.1	10.1%	7.3%
Buildings and other fixed structures	1 055.8	1 174.7	670.0	794.6	-9.0%	6.5%	1 036.9	1 099.9	1 149.5	13.1%	5.8%
Machinery and equipment	251.2	278.5	229.7	283.4	4.1%	1.8%	266.4	276.5	289.3	0.7%	1.6%
Biological assets	1.8	0.9	1.4	0.3	-48.0%	-	0.3	0.3	0.3	4.1%	-
Payments for financial assets	1.0	2.9	6.6	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>12 600.2</b>	<b>13 945.6</b>	<b>14 481.6</b>	<b>15 933.3</b>	<b>8.1%</b>	<b>100.0%</b>	<b>17 348.6</b>	<b>18 325.5</b>	<b>19 283.0</b>	<b>6.6%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	26.4%	26.1%	25.0%	25.1%			25.5%	25.5%	25.4%		

Table 25.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate		
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16	
R million												
<b>Details of transfers and subsidies</b>												
<b>Departmental agencies and accounts</b>												
<b>Departmental agencies (non-business entities)</b>												
<b>Current</b>	20.8	23.9	26.8	29.4	12.2%	0.2%	30.7	31.8	33.3	4.2%	0.2%	
Safety and Security Sector Education and Training Authority	20.8	23.9	26.8	29.4	12.2%	0.2%	30.7	31.8	33.3	4.2%	0.2%	
<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>	108.2	145.3	100.3	132.1	6.9%	0.9%	137.7	144.1	150.7	4.5%	0.8%	
Employee social benefits	108.2	145.3	100.3	132.1	6.9%	0.9%	137.7	144.1	150.7	4.5%	0.8%	
<b>Provinces and municipalities</b>												
<b>Municipalities</b>												
<b>Municipal bank accounts</b>												
<b>Current</b>	3.5	3.4	4.7	3.9	4.0%	-	4.1	4.4	4.6	5.2%	-	
Vehicle licences	3.5	3.4	4.7	3.9	4.0%	-	4.1	4.4	4.6	5.2%	-	
<b>Households</b>												
<b>Other transfers to households</b>												
<b>Current</b>	87.4	122.5	133.7	86.4	-0.4%	0.8%	126.0	131.1	137.1	16.6%	0.7%	
Claims against the state	87.4	122.5	133.7	86.4	-0.4%	0.8%	126.0	131.1	137.1	16.6%	0.7%	

## Personnel information

Table 25.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	Unit Cost	Cost	2012/13	Unit Cost	Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16		
<b>Administration</b>			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	37 223	-	35 905	7 035.1	0.2	35 713	7 859.7	0.2	37 705	8 516.9	0.2	37 410	9 008.0	0.2	37 114	9 531.5	0.3	1.3%	100.0%
1-6	23 459	-	22 239	4 357.4	0.2	21 958	4 832.5	0.2	24 140	5 452.8	0.2	24 032	5 786.7	0.2	23 924	6 144.1	0.3	2.9%	63.6%
7-10	12 729	-	12 657	2 480.0	0.2	12 718	2 799.0	0.2	12 530	2 830.3	0.2	12 343	2 972.0	0.2	12 155	3 121.7	0.3	-1.5%	33.6%
11-12	754	-	745	146.0	0.2	760	167.3	0.2	754	170.3	0.2	754	181.6	0.2	754	193.6	0.3	-0.3%	2.0%
13-16	281	-	264	51.7	0.2	277	61.0	0.2	281	63.5	0.2	281	67.7	0.2	281	72.2	0.3	0.5%	0.8%

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

2. Rand million. Figures are based on estimates as the PERSAL system does not reflect the level of detail required for this table.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on sustaining corporate support functions to support the execution of the line function operational activities of the South African Police Service. These corporate support functions include human resources and supply chain management, computer services and operating leases.

The significant increase in spending in the *Management* subprogramme between 2009/10 and 2012/13 was due to an increase in the staff establishment and the additional funding required by the Secretary for Police. The increase in spending in the *Corporate Services* subprogramme between 2009/10 and 2012/13 was due to the department's renewed focus on developing human capital and skills; replacing boarded vehicles; creating new employee health and wellness centres; and purchasing uniforms, weapons and ammunition. Significant growth was evident in operating leases and in the *Office Accommodation* subprogramme between 2009/10 and 2012/13 due to general increases in the leasehold prices and annual increases in accommodation budgets devolved.

The significant projected increase in spending over the medium term on buildings and other fixed structures is for the provision of basic services at police stations and to build ramps to improve the stations' accessibility to disabled individuals.

The programme has a funded establishment of 37 223 posts. The number of filled posts is expected to increase from 35 713 in 2012/13 to 37 705 in 2013/14 due to vacancies being filled and plans to appoint additional security personnel. Personnel numbers are expected to decrease to 37 410 in 2014/15 and 37 114 in 2015/16 as

the department aligns its filled posts to its approved establishment. Spending on consultant services increased from R105.4 million in 2009/10 to R129.5 million in 2012/13, and is expected to increase to R141.4 million in 2015/16. Consultants are mainly used for legal services.

## Programme 2: Visible Policing

### Objectives

- Provide a proactive and responsive policing service to discourage and prevent priority crimes by:
  - reducing the number of serious crimes from 1 825 548 in 2011/12 to 1 662 893 in 2015/16
  - reducing the number of contact crimes from 623 486 in 2011/12 to between 520 589 and 416 274 by 2015/16
  - reducing the number of trio crimes from 42 192 in 2011/12 to between 34 394 and 29 346 by 2015/16
  - reacting to 100 per cent crime related hits as a result of movement control system screenings on wanted persons and circulated stolen and robbed vehicles in 2015/16.

### Subprogrammes

- *Crime Prevention* provides for basic crime prevention and visible policing services rendered at police stations, including community service centres. In 2011/12, 777 140 priority crime arrests were made during 28 163 crime prevention operations, an increase of 88 203 arrests made compared to 2010/11. In the first half of 2012/13, 388 638 priority crime arrests were made during 19 852 crime prevention operations, 15 231 stolen or robbed vehicles were recovered in relation to 33 888 circulated as stolen or robbed vehicles, and 7 014 stolen and lost firearms were recovered in relation to 4 319 reported stolen and lost firearms. This was against 2012/13 year-end targets of 84.3 per cent firearms recovered and 46 per cent vehicles recovered. This subprogramme had a staff complement of 93 206 in 2012/13.
- *Border Security* provides for the policing of South African borders. In 2011/12, 22 742 arrests were made at ports of entry and exit for illegal firearms and ammunition, stolen vehicles, illicit drugs, illegal goods, maritime related offences and violations in terms of the Immigration Act (2002). In the first half of 2012/13: 10 751 arrests were made at ports of entry and exit for illegal firearms and ammunition, stolen vehicles, illegal drugs, illegal goods, maritime related offences and violations in terms of the act; and the South African Police Service reacted to all crime related hits as a result of movement control system screening of 1 819 wanted persons and 1 443 circulated stolen or robbed vehicles. This subprogramme had a staff complement of 6 333 in 2012/13.
- *Specialised Interventions* provides for interventions in medium to high risk operations including the air wing, the special task force, crime combating units and the protection of valuable and/or dangerous cargo. In 2011/12, the national intervention unit made 1 124 arrests during 1 909 interventions and the special task force made 134 arrests during 249 operations; and 11 938 crowd related incidents were recorded, comprising 10 744 peaceful incidents and 1 194 unrest related incidents, with 3 543 arrests made during these incidents. In the first half of 2012/13, 5 186 peaceful incidents and 1 026 unrest related incidents were policed by the South African Police Service. This subprogramme had a staff complement of 8 044 in 2012/13.

### Expenditure estimates

Table 25.7 Visible Policing

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Crime Prevention	20 356.8	22 600.0	23 929.1	25 696.4	8.1%	87.2%	27 355.0	29 085.8	30 732.9	6.1%	86.8%
Border Security	1 327.0	1 482.5	1 434.6	1 493.5	4.0%	5.4%	1 575.5	1 666.4	1 761.6	5.7%	5.0%
Specialised Interventions	1 774.3	1 717.3	2 086.6	2 325.2	9.4%	7.4%	2 609.1	2 765.6	2 921.0	7.9%	8.2%
<b>Total</b>	<b>23 458.0</b>	<b>25 799.9</b>	<b>27 450.3</b>	<b>29 515.1</b>	<b>8.0%</b>	<b>100.0%</b>	<b>31 539.7</b>	<b>33 517.7</b>	<b>35 415.5</b>	<b>6.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				830.6			434.3	488.2	35 415.5		



Table 25.7 Visible Policing (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
R million												
<b>Current payments</b>	<b>22 189.5</b>	<b>24 753.9</b>	<b>26 372.1</b>	<b>28 276.2</b>	<b>8.4%</b>	<b>95.6%</b>	<b>30 246.2</b>	<b>32 169.9</b>	<b>34 005.8</b>	<b>6.3%</b>	<b>95.9%</b>	
Compensation of employees	18 700.2	21 226.9	22 913.4	25 165.0	10.4%	82.8%	26 877.9	28 378.8	30 028.3	6.1%	85.0%	
Goods and services	3 489.3	3 527.1	3 458.6	3 111.2	-3.8%	12.8%	3 368.4	3 791.1	3 977.4	8.5%	11.0%	
<i>of which:</i>												
Computer services	12.2	4.8	8.7	11.1	-3.1%	-	12.1	13.7	14.3	9.0%	-	
Inventory: Fuel, oil and gas	878.9	939.3	1 111.0	863.4	-0.6%	3.6%	940.5	1 085.4	1 144.5	9.9%	3.1%	
Operating leases	64.8	72.1	67.1	62.3	-1.3%	0.3%	67.9	76.7	80.3	8.8%	0.2%	
Property payments	166.3	191.4	165.9	84.8	-20.1%	0.6%	81.7	92.6	97.4	4.7%	0.3%	
<b>Transfers and subsidies</b>	<b>155.8</b>	<b>146.6</b>	<b>167.8</b>	<b>174.2</b>	<b>3.8%</b>	<b>0.6%</b>	<b>182.9</b>	<b>192.1</b>	<b>201.0</b>	<b>4.9%</b>	<b>0.6%</b>	
Provinces and municipalities	15.6	16.3	18.5	16.0	1.0%	0.1%	16.8	17.8	18.6	5.1%	0.1%	
Non-profit institutions	-	-	1.0	-	-	-	-	-	-	-	-	
Households	140.2	130.3	148.3	158.1	4.1%	0.5%	166.0	174.3	182.3	4.9%	0.5%	
<b>Payments for capital assets</b>	<b>1 112.8</b>	<b>899.4</b>	<b>910.4</b>	<b>1 064.8</b>	<b>-1.5%</b>	<b>3.8%</b>	<b>1 110.6</b>	<b>1 155.6</b>	<b>1 208.8</b>	<b>4.3%</b>	<b>3.5%</b>	
Buildings and other fixed structures	9.3	4.4	0.6	-	-100.0%	-	-	-	-	-	-	
Machinery and equipment	1 103.4	894.9	909.6	1 064.8	-1.2%	3.7%	1 110.6	1 155.6	1 208.8	4.3%	3.5%	
Biological assets	0.1	-	0.2	-	-100.0%	-	-	-	-	-	-	
<b>Total</b>	<b>23 458.0</b>	<b>25 799.9</b>	<b>27 450.3</b>	<b>29 515.1</b>	<b>8.0%</b>	<b>100.0%</b>	<b>31 539.7</b>	<b>33 517.7</b>	<b>35 415.5</b>	<b>6.3%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>49.2%</b>	<b>48.2%</b>	<b>47.4%</b>	<b>46.6%</b>			<b>46.4%</b>	<b>46.6%</b>	<b>46.7%</b>			

## Details of selected transfers and subsidies

<b>Households</b>												
<b>Social benefits</b>												
<b>Current</b>	<b>102.3</b>	<b>94.6</b>	<b>112.5</b>	<b>112.1</b>	<b>3.1%</b>	<b>0.4%</b>	<b>117.8</b>	<b>125.1</b>	<b>130.9</b>	<b>5.3%</b>	<b>0.4%</b>	
Employee social benefits	102.3	94.6	112.5	112.1	3.1%	0.4%	117.8	125.1	130.9	5.3%	0.4%	
<b>Non-profit institutions</b>												
<b>Current</b>	<b>-</b>	<b>-</b>	<b>1.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Education trust	-	-	1.0	-	-	-	-	-	-	-	-	
<b>Provinces and municipalities</b>												
<b>Municipalities</b>												
<b>Municipal bank accounts</b>												
<b>Current</b>	<b>15.6</b>	<b>16.3</b>	<b>18.5</b>	<b>16.0</b>	<b>1.0%</b>	<b>0.1%</b>	<b>16.8</b>	<b>17.8</b>	<b>18.6</b>	<b>5.1%</b>	<b>0.1%</b>	
Vehicle licences	15.6	16.3	18.5	16.0	1.0%	0.1%	16.8	17.8	18.6	5.1%	0.1%	
<b>Households</b>												
<b>Other transfers to households</b>												
<b>Current</b>	<b>37.9</b>	<b>35.7</b>	<b>35.8</b>	<b>46.0</b>	<b>6.7%</b>	<b>0.1%</b>	<b>48.2</b>	<b>49.2</b>	<b>51.5</b>	<b>3.8%</b>	<b>0.1%</b>	
Claims against the state	0.1	0.7	0.5	-	-100.0%	-	-	-	-	-	-	
Detainee medical expenses	37.8	35.0	35.3	46.0	6.8%	0.1%	48.2	49.2	51.5	3.8%	0.1%	

## Personnel information

Table 25.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
Visible Policing			Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit		
Salary level	107 300	-	108 920	22 913.4	0.2	107 583	25 165.0	0.2	107 686	26 877.9	0.2	108 225	28 378.8	0.3	108 764	30 028.3	0.3	0.6%	100.0%
1 - 6	75 295	-	75 999	15 987.9	0.2	75 113	17 569.9	0.2	76 447	19 080.8	0.2	77 710	20 413.4	0.3	78 972	21 854.7	0.3	2.0%	71.4%
7 - 10	31 035	-	31 950	6 721.3	0.2	31 499	7 368.0	0.2	30 269	7 555.0	0.2	29 545	7 712.3	0.3	28 822	7 907.5	0.3	-2.9%	27.7%
11 - 12	624	-	626	131.7	0.2	625	146.2	0.2	624	155.7	0.2	624	162.9	0.3	624	171.2	0.3	-0.1%	0.6%
13 - 16	346	-	345	72.6	0.2	346	80.9	0.2	346	86.4	0.2	346	90.3	0.3	346	94.9	0.3	-	0.3%

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

2. Rand million. Figures are based on estimates as the PERSAL system does not reflect the level of detail required for this table.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing basic policing services. In addition, victim friendly facilities will be further enhanced and the capacity of equestrian, national intervention and special task force units will be strengthened.

The bulk of spending in this programme over the seven-year period is concentrated in the *Crime Prevention* subprogramme, mainly because of its labour intensive nature. The allocations to this programme are focused on visible policing services rendered at police stations and community service centres. Thus far, the allocations have contributed to a decrease in the number of trio crimes (house robbery, business robbery and carjacking), from 47 222 in 2009/10 to between 38 876 and 36 484 in 2012/13. The number of serious crimes is expected to decrease from 1 909 566 in 2009/10 to 1 662 893 in 2015/16, while the number of trio crimes is expected to decrease further to between 34 394 and 29 346 in 2015/16.

Expenditure on compensation of employees increased significantly between 2009/10 and 2012/13 due to the additional allocations for new recruits, security for the 2010 FIFA World Cup and improved conditions of service. In 2012/13, funds were reprioritised from spending on goods and services to compensation of employees for capacity building. This also accounts for the decrease in spending on goods and services over this period. Spending fluctuations on machinery and equipment over the seven-year period is attributed to once-off capital purchases made in 2009 for the 2010 FIFA World Cup. Spending on this item normalises over the medium term.

The programme has a funded establishment of 107 300, which is expected to increase to 108 764 in 2015/16 as a result of plans to strengthen capacity in the equestrian, national intervention and special task force units. Consultants are mainly used for forensic accounting and auditing for investigative purposes.

## Programme 3: Detective Services

### Objectives

- Contribute to the successful prosecution of crime by:
  - increasing the detection rate for serious crimes from 53.41 per cent (1 134 355 charges) in 2011/12 to 59.5 per cent (1 115 589 charges) in 2015/16
  - increasing the detection rate for contact crimes from 60.66 per cent (449 575 charges) in 2011/12 to 64 per cent (423 099 charges) in 2015/16
  - increasing the detection rate for trio crimes from 20.98 per cent (12 602 charges) in 2011/12 to 27 per cent (12 143 charges) in 2015/16
  - increasing the trial ready case dockets rate for serious crimes from 48.17 per cent (249 879) in 2011/12 to 57.84 per cent (201 828) in 2015/16
  - increasing the conviction rate for serious crimes from 86.2 per cent (307 580) in 2011/12 to 88.8 per cent (313 144) in 2015/16
  - increasing the court ready case dockets for serious commercial crime related charges from a projected 30 per cent in 2012/13 to 36 per cent in 2015/16
  - generating 88 per cent of original previous conviction reports for formally charged individuals within 14 days by 2015/16, from a baseline of 81.5 per cent reports generated within 20 days in 2010/11.

### Subprogrammes

- *Crime Investigations* is discussed in more detail below.
- *Criminal Record Centre* provides for an effective and credible criminal record centre in respect of crime scene management or processing, and provides criminal history and related information. In 2011/12, 1 211 598 offenders' previous conviction reports for crime related fingerprints were generated, of which 93.9 per cent was generated within 20 days; and 1 018 829 commercial, non-criminal related enquiries were received to determine whether persons applying for firearm licences, professional driver's permits and employment have had any previous convictions. In the first half of 2012/13, 96.2 per cent of

offenders' previous conviction reports for crime related fingerprints was generated within 20 days, against a 2012/13 year-end target of 82 per cent. This subprogramme had a staff complement of 5 451 in 2012/13.

- *Forensic Science Laboratory* funds forensic science laboratories, which provide specialised evidence related technical analysis and support to investigators. In 2011/12, 323 388 entries were analysed, of which 77.4 per cent were analysed within 28 working days. In the first half of 2012/13, forensic analysts received 240 362 entries, of which 54.55 per cent were analysed within 28 working days, against a 2012/13 year-end target of 92 per cent. This subprogramme had a staff complement of 1 476 in 2012/13.
- *Specialised Investigations* provides for the prevention, combating and investigation of national priority offences, including the investigation of organised crime syndicates, serious and violent crime, commercial crime and corruption. In 2011/12, 46 organised crime groups were successfully dismantled, resulting in the arrest of 165 suspects; 16 clandestine drug laboratories were detected and dismantled; and the specialised commercial crime unit received 18 088 cases, made 8 347 arrests and convicted 5 616 persons on 27 379 counts. In the first half of 2012/13, a 72.2 per cent detection rate for serious commercial crime related charges was achieved, against a 2012/13 year-end target of 50 per cent. This subprogramme had a staff complement of 2 802 in 2012/13.

## Expenditure estimates

**Table 25.9 Detective Services**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Crime Investigations	6 111.5	6 939.3	7 942.0	8 591.2	12.0%	67.2%	9 418.6	10 099.6	10 662.4	7.5%	65.8%
Criminal Record Centre	842.2	1 157.8	1 330.2	1 699.9	26.4%	11.4%	1 882.1	1 971.6	2 080.5	7.0%	13.0%
Forensic Science Laboratory	593.5	1 033.3	1 567.8	2 025.2	50.5%	11.9%	1 753.9	1 683.8	1 739.5	-4.9%	12.2%
Specialised Investigations	901.9	989.8	1 077.1	1 226.6	10.8%	9.5%	1 293.9	1 366.0	1 441.0	5.5%	9.0%
<b>Total</b>	<b>8 449.2</b>	<b>10 120.1</b>	<b>11 917.1</b>	<b>13 542.9</b>	<b>17.0%</b>	<b>100.0%</b>	<b>14 348.5</b>	<b>15 121.0</b>	<b>15 923.4</b>	<b>5.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				383.2			276.0	246.6	15 923.4		
<b>Economic classification</b>											
<b>Current payments</b>	<b>8 091.0</b>	<b>9 182.1</b>	<b>10 771.0</b>	<b>12 819.7</b>	<b>16.6%</b>	<b>92.8%</b>	<b>13 720.4</b>	<b>14 485.8</b>	<b>15 255.8</b>	<b>6.0%</b>	<b>95.5%</b>
Compensation of employees	6 691.3	7 733.6	8 894.3	9 912.0	14.0%	75.5%	10 843.4	11 468.7	12 135.3	7.0%	75.3%
Goods and services	1 399.8	1 448.6	1 876.7	2 907.8	27.6%	17.3%	2 877.0	3 017.1	3 120.6	2.4%	20.2%
of which:											
Computer services	150.7	28.3	224.9	1 047.1	90.8%	3.3%	754.3	613.2	609.8	-16.5%	5.1%
Inventory: Fuel, oil and gas	461.3	493.1	610.7	637.0	11.4%	5.0%	712.2	784.4	820.5	8.8%	5.0%
Operating leases	17.2	17.6	20.1	26.1	15.0%	0.2%	28.3	30.9	32.3	7.4%	0.2%
Property payments	47.0	61.5	54.0	55.6	5.8%	0.5%	60.8	67.0	70.1	8.0%	0.4%
<b>Transfers and subsidies</b>	<b>50.3</b>	<b>43.7</b>	<b>53.1</b>	<b>55.4</b>	<b>3.3%</b>	<b>0.5%</b>	<b>58.2</b>	<b>61.3</b>	<b>64.1</b>	<b>4.9%</b>	<b>0.4%</b>
Provinces and municipalities	4.9	4.7	5.3	5.4	3.4%	-	5.7	6.0	6.3	5.4%	-
Households	45.4	39.0	47.9	50.0	3.3%	0.4%	52.5	55.2	57.8	4.9%	0.4%
<b>Payments for capital assets</b>	<b>307.9</b>	<b>894.2</b>	<b>1 092.9</b>	<b>667.7</b>	<b>29.4%</b>	<b>6.7%</b>	<b>569.9</b>	<b>573.9</b>	<b>603.5</b>	<b>-3.3%</b>	<b>4.1%</b>
Buildings and other fixed structures	2.8	2.9	0.4	-	-100.0%	-	-	-	-	-	-
Machinery and equipment	305.1	891.3	1 092.6	667.7	29.8%	6.7%	569.9	573.9	603.5	-3.3%	4.1%
<b>Total</b>	<b>8 449.2</b>	<b>10 120.1</b>	<b>11 917.1</b>	<b>13 542.9</b>	<b>17.0%</b>	<b>100.0%</b>	<b>14 348.5</b>	<b>15 121.0</b>	<b>15 923.4</b>	<b>5.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>17.7%</b>	<b>18.9%</b>	<b>20.6%</b>	<b>21.4%</b>			<b>21.1%</b>	<b>21.0%</b>	<b>21.0%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>45.4</b>	<b>38.9</b>	<b>47.8</b>	<b>50.0</b>	<b>3.3%</b>	<b>0.4%</b>	<b>52.5</b>	<b>55.2</b>	<b>57.8</b>	<b>4.9%</b>	<b>0.4%</b>
Employee social benefits	45.4	38.9	47.8	50.0	3.3%	0.4%	52.5	55.2	57.8	4.9%	0.4%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>4.9</b>	<b>4.7</b>	<b>5.3</b>	<b>5.4</b>	<b>3.4%</b>	<b>-</b>	<b>5.7</b>	<b>6.0</b>	<b>6.3</b>	<b>5.4%</b>	<b>-</b>
Vehicle licences	4.9	4.7	5.3	5.4	3.4%	-	5.7	6.0	6.3	5.4%	-

## Personnel information

**Table 25.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Detective Services</b>																			
<b>Salary level</b>	<b>39 189</b>	-	<b>39 050</b>	<b>8 894.3</b>	<b>0.2</b>	<b>39 297</b>	<b>9 912.0</b>	<b>0.3</b>	<b>39 477</b>	<b>10 843.4</b>	<b>0.3</b>	<b>39 477</b>	<b>11 468.7</b>	<b>0.3</b>	<b>39 477</b>	<b>12 135.3</b>	<b>0.3</b>	<b>-0.4%</b>	<b>100.0%</b>
1 – 6	21 159	-	21 162	4 820.0	0.2	21 396	5 396.8	0.3	21 545	5 918.0	0.3	21 922	6 304.1	0.3	22 298	6 761.0	0.3	0.3%	54.9%
7 – 10	17 494	-	17 372	3 956.7	0.2	17 367	4 380.5	0.3	17 396	4 778.2	0.3	17 019	5 006.9	0.3	16 643	5 206.6	0.3	-1.4%	43.7%
11 – 12	431	-	418	95.2	0.2	430	108.5	0.3	431	118.4	0.3	431	126.8	0.3	431	134.8	0.3	0.1%	1.1%
13 – 16	105	-	98	22.3	0.2	104	26.2	0.3	105	28.8	0.3	105	30.9	0.3	105	32.8	0.3	0.3%	0.3%

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

2. Rand million. Figures are based on estimates as the PERSAL system does not reflect the level of detail required for this table.

3. As at 30 September 2012.

## Expenditure trends

The bulk of this programme's spending goes towards the *Crime Investigations* subprogramme, which is discussed in further detail in the following section. The spending focus of the balance of the programme over the medium term will be on providing accurate criminal records and other information, and funding the forensic libraries that provide specialised technical analysis and support to criminal investigations to contribute to the successful prosecution of criminal offences.

Spending in the *Forensic Science Laboratory* subprogramme increased significantly between 2009/10 and 2012/13 because of an additional allocation for the criminal justice system revamp initiative and the acquisition of specialised technical analysis equipment and related resources, including semi-automated equipment with enhanced chemistries for better results to be obtained on degraded and problematic DNA samples. Expenditure in the *Criminal Record Centre* subprogramme also increased significantly over the same period due to funding received for the criminal justice system revamp initiative.

Spending on compensation of employees increased significantly between 2009/10 and 2012/13 due to increased provisions made for providing capacity to the detective services function. This included the transfer of the directorate of special operations from the Department of Justice and Constitutional Development to this programme in 2009/10.

The programme has a funded establishment of 39 189, which is expected to increase to 39 477 in 2013/14 as a result of plans to strengthen capacity in the forensic services units. Personnel numbers are expected to remain at this level in 2014/15 and 2015/16. Consultants in this programme are mainly used for forensic and accounting services to support crime investigations.

## Subprogramme: Crime Investigations

This subprogramme accommodates detectives at police stations who investigate general and serious crimes, including crimes against women and children. Between 2010/11 and 2011/12, the detection rate for contact crimes increased from 57 per cent to 61 per cent, and the detection rate for trio crimes increased from 16 per cent to 21 per cent. In the first half of 2012/13, detection rates of 62 per cent for contact crimes and 23 per cent for trio crimes were achieved against targets of 60 per cent and 23 per cent.

## Expenditure estimates

**Table 25.11 Crime Investigations**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
<b>Current payments</b>	<b>5 896.2</b>	<b>6 731.8</b>	<b>7 720.4</b>	<b>8 305.7</b>	<b>12.1%</b>	<b>96.9%</b>	<b>9 119.3</b>	<b>9 785.3</b>	<b>10 333.5</b>	<b>7.6%</b>	<b>96.8%</b>
Compensation of employees	5 034.0	5 834.6	6 679.6	7 291.1	13.1%	84.0%	7 949.2	8 407.5	8 896.2	6.9%	83.9%
Goods and services	862.3	897.2	1 040.8	1 014.6	5.6%	12.9%	1 170.1	1 377.7	1 437.3	12.3%	12.9%
of which:											
Computer services	0.1	0.1	0.2	0.1	14.3%	–	0.1	0.1	0.2	9.5%	–
Inventory: Fuel, oil and gas	378.6	400.2	491.4	445.8	5.6%	5.8%	499.3	559.3	585.0	9.5%	5.4%
Operating leases	10.9	11.5	13.2	11.2	0.9%	0.2%	12.6	14.1	14.7	9.5%	0.1%
Property payments	29.4	35.8	31.7	16.8	-17.0%	0.4%	18.8	21.1	22.0	9.5%	0.2%
<b>Transfers and subsidies</b>	<b>42.6</b>	<b>36.0</b>	<b>42.8</b>	<b>48.6</b>	<b>4.5%</b>	<b>0.6%</b>	<b>51.0</b>	<b>53.6</b>	<b>56.1</b>	<b>4.9%</b>	<b>0.5%</b>
Provinces and municipalities	3.8	3.6	3.8	4.4	4.9%	0.1%	4.6	4.9	5.1	5.4%	–
Households	38.8	32.5	39.1	44.2	4.5%	0.5%	46.4	48.7	51.0	4.9%	0.5%
<b>Payments for capital assets</b>	<b>172.7</b>	<b>171.4</b>	<b>178.8</b>	<b>237.0</b>	<b>11.1%</b>	<b>2.6%</b>	<b>248.3</b>	<b>260.7</b>	<b>272.7</b>	<b>4.8%</b>	<b>2.6%</b>
Buildings and other fixed structures	0.0	0.0	0.2	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	172.7	171.4	178.6	237.0	11.1%	2.6%	248.3	260.7	272.7	4.8%	2.6%
<b>Total</b>	<b>6 111.5</b>	<b>6 939.3</b>	<b>7 942.0</b>	<b>8 591.2</b>	<b>12.0%</b>	<b>100.0%</b>	<b>9 418.6</b>	<b>10 099.6</b>	<b>10 662.4</b>	<b>7.5%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>72.3%</b>	<b>68.6%</b>	<b>66.6%</b>	<b>63.4%</b>			<b>65.6%</b>	<b>66.8%</b>	<b>67.0%</b>		

## Personnel information

**Table 25.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
<b>Crime Investigations</b>																			
<b>Salary level 29 092</b>			<b>29 315</b>	<b>6 679.6</b>	<b>0.2</b>	<b>29 568</b>	<b>7 291.1</b>	<b>0.2</b>	<b>29 053</b>	<b>7 949.2</b>	<b>0.3</b>	<b>28 560</b>	<b>8 407.5</b>	<b>0.3</b>	<b>28 367</b>	<b>8 896.2</b>	<b>0.3</b>	<b>-1.4%</b>	<b>100.0%</b>
1 – 6	16 177	–	16 157	3 681.5	0.2	16 435	4 052.6	0.2	16 536	4 524.4	0.3	16 420	4 833.7	0.3	16 603	5 206.9	0.3	0.3%	57.1%
7 – 10	12 672	–	12 930	2 946.2	0.2	12 892	3 179.0	0.2	12 274	3 358.3	0.3	11 897	3 502.3	0.3	11 521	3 613.1	0.3	-3.7%	42.0%
11 – 12	199	–	190	43.3	0.2	198	48.8	0.2	199	54.4	0.3	199	58.6	0.3	199	62.4	0.3	0.2%	0.7%
13 – 16	44	–	38	8.7	0.2	43	10.6	0.2	44	12.0	0.3	44	13.0	0.3	44	13.8	0.3	0.8%	0.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on tracing wanted persons and re-establishing the family violence, child protection and sexual offences units. Specific attention will also be given to expanding and refocusing the stock theft units, investigating crime and victim support programmes. These initiatives are aimed at supporting the department's strategic objective of increasing the detection rate for all serious crimes, contact crimes and trio crimes. The detection rate for serious crimes is expected to increase from 53.4 per cent in 2011/12 to 59.5 per cent in 2015/16, and for trio crimes from 21 per cent in 2011/12 to 27 per cent in 2015/16.

Spending on compensation of employees increased significantly between 2009/10 and 2012/13, mainly due to the appointment of additional detectives to strengthen the subprogramme's detection capacity. This growth brought with it a 7.2 per cent increase in the detection rate for contact crime between 2009/10 and 2011/12. Spending on travel and subsistence is expected to increase significantly over the medium term to support the target of increasing the detection rate for serious crime by 4.5 per cent over this period, as detectives travel to different crime scenes to conduct investigations.

The subprogramme has a funded establishment of 29 092 posts, and there were no vacancies in 2012/13. The number of filled posts is expected to decrease from 29 568 in 2012/13 to 28 367 in 2015/16 due to natural attrition. Consultants used in the subprogramme provide mainly forensic services to support crime investigations.

## Programme 4: Crime Intelligence

### Objectives

- Contribute to combating crime by increasing the number of crime intelligence operations from 24 384 conducted in 2010/11 to 34 058 in 2015/16 in support of crime prevention, investigation and prosecution.

### Subprogrammes

- Crime Intelligence Operations* provides for intelligence based criminal investigations. In 2011/12, 49 019 operations were conducted compared to 24 384 in 2010/11, resulting in 17 266 arrests and the recovery of goods valued at R661 022 353. In the first half of 2012/13, 17 125 crime intelligence operations were conducted against a 2012/13 year-end target of 28 145 operations. This subprogramme had a staff complement of 3 324 in 2012/13.
- Intelligence and Information Management* provides for the analysis of crime intelligence patterns that will facilitate crime detection in support of crime prevention and crime investigation. In 2011/12, 635 532 operational analyses and strategic analysis reports were produced. In the first half of 2012/13, 155 830 operational analyses and strategic analysis reports were produced against a 2012/13 year-end target of 256 181. This subprogramme had a staff complement of 5 882 in 2012/13.

### Expenditure estimates

Table 25.13 Crime Intelligence

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Crime Intelligence Operations	706.9	819.9	944.3	1 033.7	13.5%	39.3%	1 103.2	1 166.2	1 231.9	6.0%	40.4%
Intelligence and Information Management	1 107.9	1 295.8	1 451.3	1 556.9	12.0%	60.7%	1 612.1	1 705.2	1 802.5	5.0%	59.6%
<b>Total</b>	<b>1 814.8</b>	<b>2 115.7</b>	<b>2 395.6</b>	<b>2 590.6</b>	<b>12.6%</b>	<b>100.0%</b>	<b>2 715.3</b>	<b>2 871.3</b>	<b>3 034.3</b>	<b>5.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				41.4			23.1	30.9	3 034.3		

#### Economic classification

<b>Current payments</b>	<b>1 767.2</b>	<b>2 073.5</b>	<b>2 352.7</b>	<b>2 538.6</b>	<b>12.8%</b>	<b>97.9%</b>	<b>2 660.9</b>	<b>2 814.1</b>	<b>2 974.5</b>	<b>5.4%</b>	<b>98.0%</b>
Compensation of employees	1 569.3	1 848.2	2 119.3	2 305.0	13.7%	87.9%	2 412.6	2 551.7	2 700.0	5.4%	88.9%
Goods and services	197.8	225.2	233.3	233.6	5.7%	10.0%	248.3	262.4	274.5	5.5%	9.1%
of which:											
Computer services	0.9	1.0	0.9	1.7	21.6%	0.1%	1.8	1.9	2.0	5.9%	0.1%
Inventory: Fuel, oil and gas	57.3	59.6	67.3	73.5	8.6%	2.9%	78.4	82.8	86.6	5.6%	2.9%
Operating leases	6.9	9.4	7.6	9.0	8.9%	0.4%	9.6	10.1	10.6	5.8%	0.4%
Property payments	7.1	9.6	11.9	7.9	3.5%	0.4%	8.4	8.9	9.3	5.7%	0.3%
<b>Transfers and subsidies</b>	<b>9.0</b>	<b>12.6</b>	<b>16.4</b>	<b>8.2</b>	<b>-3.0%</b>	<b>0.5%</b>	<b>8.6</b>	<b>9.1</b>	<b>9.5</b>	<b>5.0%</b>	<b>0.3%</b>
Provinces and municipalities	0.7	0.7	0.8	0.7	0.8%	-	0.8	0.8	0.8	5.2%	-
Households	8.3	11.9	15.6	7.5	-3.3%	0.5%	7.9	8.3	8.7	4.9%	0.3%
<b>Payments for capital assets</b>	<b>38.6</b>	<b>29.6</b>	<b>26.6</b>	<b>43.8</b>	<b>4.3%</b>	<b>1.6%</b>	<b>45.8</b>	<b>48.1</b>	<b>50.3</b>	<b>4.7%</b>	<b>1.7%</b>
Machinery and equipment	38.6	29.6	26.6	43.8	4.3%	1.6%	45.8	48.1	50.3	4.7%	1.7%
<b>Total</b>	<b>1 814.8</b>	<b>2 115.7</b>	<b>2 395.6</b>	<b>2 590.6</b>	<b>12.6%</b>	<b>100.0%</b>	<b>2 715.3</b>	<b>2 871.3</b>	<b>3 034.3</b>	<b>5.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>3.8%</b>	<b>4.0%</b>	<b>4.1%</b>	<b>4.1%</b>			<b>4.0%</b>	<b>4.0%</b>	<b>4.0%</b>		

#### Details of selected transfers and subsidies

<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>8.3</b>	<b>11.9</b>	<b>15.6</b>	<b>7.5</b>	<b>-3.3%</b>	<b>0.5%</b>	<b>7.9</b>	<b>8.3</b>	<b>8.7</b>	<b>4.9%</b>	<b>0.3%</b>
Employee social benefits	8.3	11.9	15.6	7.5	-3.3%	0.5%	7.9	8.3	8.7	4.9%	0.3%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>	<b>0.7</b>	<b>0.8%</b>	<b>-</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>5.2%</b>	<b>-</b>
Vehicle licences	0.7	0.7	0.8	0.7	0.8%	-	0.8	0.8	0.8	5.2%	-

## Personnel information

**Table 25.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost	
<b>Crime Intelligence</b>																			
Salary level	9 011	–	9 173	2 119.3	0.2	9 206	2 305.0	0.3	8 866	2 412.6	0.3	8 728	2 551.7	0.3	8 591	2 700.0	0.3	-2.3%	100.0%
1 – 6	5 025	–	5 044	1 165.4	0.2	5 132	1 284.9	0.3	4 945	1 345.7	0.3	4 870	1 423.8	0.3	4 795	1 507.0	0.3	-2.2%	55.8%
7 – 10	3 713	–	3 848	889.0	0.2	3 798	950.9	0.3	3 647	992.6	0.3	3 585	1 048.1	0.3	3 523	1 107.2	0.3	-2.5%	41.1%
11 – 12	244	–	249	57.5	0.2	245	61.3	0.3	244	66.4	0.3	244	71.3	0.3	244	76.7	0.3	-0.1%	2.8%
13 – 16	29	–	32	7.4	0.2	31	7.8	0.3	29	7.9	0.3	29	8.5	0.3	29	9.1	0.3	-2.2%	0.3%

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

2. Rand million. Figures are based on estimates as the PERSAL system does not reflect the level of detail required for this table.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on enhancing overall capacity and aligning functions with the organisational profile of the crime intelligence division, which will be reviewed in 2013/14. The bulk of spending in this programme goes towards compensation of employees, mainly in the *Intelligence and Information Management* subprogramme as crime intelligence functions are labour intensive.

As such, spending on compensation of employees increased significantly between 2009/10 and 2012/13 because the department enhanced the capacity of the crime intelligence division in support of the programme's objectives. This enabled the department to increase the number of operational analyses and strategic analysis reports produced, from 234 020 reports in 2009/10 to 353 628 reports in 2011/12. These reports are used by the department to facilitate crime detection in support of crime prevention and crime investigation.

Over the medium term, expenditure in both subprogrammes is expected to increase to provide for an increased number of crime intelligence operations in support of crime prevention, investigation and prosecution.

The programme has a funded establishment of 9 011 posts and there are no vacancies expected for 2012/13. The number of filled posts is expected to decrease from 9 206 in 2012/13 to 8 591 in 2015/16 as the department aligns its filled posts to its approved establishment. The department is currently reviewing this programme's organisational structure to create a more appropriate distribution of personnel over the medium term.

## Programme 5: Protection and Security Services

### Objectives

- Minimise security violations through:
  - ongoing protection of all identified dignitaries and local and foreign dignitaries while in transit without any security breaches
  - ongoing protection of the locations in which dignitaries including persons related to the president and the deputy president are present, without any security breaches
  - auditing 50 per cent (124) of a total of 248 strategic installations and evaluating 100 per cent (197) national key points in 2015/16.

### Subprogrammes

- *VIP Protection Services* provides for the protection of the president, deputy president, former presidents, their spouses, and other identified dignitaries while in transit. In the first half of 2012/13, protection was provided to 317 South African and foreign dignitaries without security breaches against a 2012/13 year-end target of 100 per cent protection provided without security breaches. This subprogramme had a staff complement of 1 813 in 2012/13.

- Static and Mobile Security provides for the protection of other local and foreign dignitaries and the places in which all dignitaries, including persons related to the president and the deputy president, are present. In the first half of 2012/13, protection at 154 residences and installations was provided with 2 security breaches occurring, against a 2012/13 year-end target of 100 per cent protection provided with no security breaches. This subprogramme had a staff complement of 3 576 in 2012/13.
- Government Security Regulator provides for security regulations and evaluations, and the administration of national key points and strategic installations. In the first half of 2012/13, 96 national key points and 69 strategic installations were evaluated, against 2012/13 year-end targets of 182 and 124. This subprogramme had a staff complement of 271 in 2012/13.
- Operational Support provides administrative support for the programme, including personnel development. This subprogramme had a staff complement of 725 in 2012/13.

## Expenditure estimates

**Table 25.15 Protection and Security Services**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
VIP Protection Services	442.8	530.6	663.4	695.0	16.2%	36.5%	775.7	820.7	866.9	7.6%	39.2%
Static and Mobile Security	642.8	733.2	760.6	841.1	9.4%	46.6%	894.5	946.3	1 000.8	6.0%	45.8%
Government Security Regulator	51.4	63.4	82.1	85.2	18.3%	4.4%	91.5	96.8	102.4	6.3%	4.7%
Operational Support	203.3	221.3	182.6	185.5	-3.0%	12.4%	203.1	215.2	227.4	7.0%	10.3%
<b>Total</b>	<b>1 340.3</b>	<b>1 548.4</b>	<b>1 688.6</b>	<b>1 806.8</b>	<b>10.5%</b>	<b>100.0%</b>	<b>1 964.9</b>	<b>2 079.0</b>	<b>2 197.5</b>	<b>6.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(4.0)			75.9	84.5	2 197.5		
<b>Economic classification</b>											
<b>Current payments</b>	<b>1 306.6</b>	<b>1 530.6</b>	<b>1 622.1</b>	<b>1 737.7</b>	<b>10.0%</b>	<b>97.1%</b>	<b>1 922.7</b>	<b>2 034.5</b>	<b>2 150.9</b>	<b>7.4%</b>	<b>97.5%</b>
Compensation of employees	1 167.7	1 386.4	1 465.6	1 591.7	10.9%	87.9%	1 765.9	1 867.8	1 976.3	7.5%	89.5%
Goods and services	138.9	144.1	156.5	146.0	1.7%	9.2%	156.8	166.7	174.6	6.1%	8.0%
<i>of which:</i>											
Computer services	0.2	0.0	0.0	0.2	3.3%	–	0.3	0.3	0.3	7.2%	–
Inventory: Fuel, oil and gas	18.9	20.8	23.6	20.2	2.2%	1.3%	22.4	23.9	25.1	7.5%	1.1%
Operating leases	1.5	2.1	1.1	1.9	7.8%	0.1%	2.1	2.2	2.3	6.0%	0.1%
Property payments	8.6	10.4	7.6	4.2	-21.4%	0.5%	5.5	6.2	6.5	15.7%	0.3%
<b>Transfers and subsidies</b>	<b>2.9</b>	<b>2.2</b>	<b>2.6</b>	<b>4.1</b>	<b>12.0%</b>	<b>0.2%</b>	<b>4.3</b>	<b>4.5</b>	<b>4.7</b>	<b>4.9%</b>	<b>0.2%</b>
Provinces and municipalities	0.6	0.6	0.5	0.5	-1.8%	–	0.6	0.6	0.6	4.8%	–
Households	2.4	1.7	2.1	3.6	14.8%	0.2%	3.8	3.9	4.1	4.9%	0.2%
<b>Payments for capital assets</b>	<b>30.8</b>	<b>15.6</b>	<b>63.9</b>	<b>65.0</b>	<b>28.3%</b>	<b>2.7%</b>	<b>37.9</b>	<b>40.0</b>	<b>41.9</b>	<b>-13.7%</b>	<b>2.3%</b>
Buildings and other fixed structures	2.2	0.1	0.2	–	-100.0%	–	–	–	–	–	–
Machinery and equipment	28.5	15.5	63.7	65.0	31.6%	2.7%	37.9	40.0	41.9	-13.7%	2.3%
<b>Total</b>	<b>1 340.3</b>	<b>1 548.4</b>	<b>1 688.6</b>	<b>1 806.8</b>	<b>10.5%</b>	<b>100.0%</b>	<b>1 964.9</b>	<b>2 079.0</b>	<b>2 197.5</b>	<b>6.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>2.8%</b>	<b>2.9%</b>	<b>2.9%</b>	<b>2.9%</b>			<b>2.9%</b>	<b>2.9%</b>	<b>2.9%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>2.4</b>	<b>1.7</b>	<b>2.1</b>	<b>3.6</b>	<b>14.8%</b>	<b>0.2%</b>	<b>3.8</b>	<b>3.9</b>	<b>4.1</b>	<b>4.9%</b>	<b>0.2%</b>
Employee social benefits	2.4	1.7	2.1	3.6	14.8%	0.2%	3.8	3.9	4.1	4.9%	0.2%



## Personnel information

**Table 25.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16			
Protection and Security Services		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	6 315	–	6 319	1 465.6	0.2	6 385	1 591.7	0.2	6 202	1 765.9	0.3	6 096	1 867.8	0.3	5 990	1 976.3	0.3	-2.1%	100.0%
1 – 6	4 739	–	4 732	1 097.5	0.2	4 796	1 195.6	0.2	4 660	1 326.9	0.3	4 586	1 405.1	0.3	4 513	1 489.0	0.3	-2.0%	75.2%
7 – 10	1 507	–	1 516	351.6	0.2	1 520	378.9	0.2	1 473	419.4	0.3	1 441	441.5	0.3	1 408	464.5	0.3	-2.5%	23.7%
11 – 12	46	–	48	11.1	0.2	47	11.7	0.2	46	13.1	0.3	46	14.1	0.3	46	15.2	0.3	-0.7%	0.7%
13 – 16	23	–	23	5.3	0.2	22	5.5	0.2	23	6.5	0.3	23	7.0	0.3	23	7.6	0.3	1.5%	0.4%

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

2. Rand million. Figures are based on estimates as the PERSAL system does not reflect the level of detail required for this table.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on maintaining sufficient capacity to provide protection and security services to identified individuals and buildings. The programme's allocations over the medium term will provide for an increase in the number of national key points evaluated from 130 (83.3 per cent) in 2009/10 to 197 (100 per cent) in 2015/16.

Expenditure in the Government Security Regulator subprogramme increased significantly between 2009/10 and 2012/13 as new capacity was created to deal with the operational requirements in delivering on the subprogramme's mandate and functions. This entailed appointing staff to perform security evaluations and protect national key points and strategic installations. Over the same period, expenditure on machinery and equipment showed strong growth mainly as result of the establishment of the protection and security services division in 2002, which had carry through effects over the subsequent periods. Over the medium term, spending on compensation of employees is expected to increase to provide for improved conditions of services.

The programme has a funded establishment of 6 315 posts and there were no vacancies expected in 2012/13. The number of filled posts is expected to decrease from 6 385 in 2012/13 to 5 990 in 2015/16 as the department aligns its filled posts to its approved establishment. Consultants in this programme are mainly used to provide business advisory services.

## Public entities and agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Private Security Industry Regulatory Authority** was established in terms of section 2 of the Private Security Industry Regulation Act (2001). The entity's legislative mandate is to: promote a legitimate private security industry which acts in terms of the principles contained in the Constitution and other applicable laws. The entity's total budget for 2013/14 is R175.4 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation 2012/13	Medium-term expenditure estimate			
				2009/10	2010/11		2011/12	2013/14	2014/15	2015/16
<b>R million</b>										
<b>Departmental infrastructure</b>										
Parow forensic laboratory	Construction of a forensic laboratory	Construction	658.3	165.8	250.4	111.1	14.1	–	–	–
Police stations	New and re-established police stations	Various	5 698.0	729.3	772.2	376.1	373.9	427.2	641.0	522.4
Member and office accommodation	Living quarters and offices	Construction	599.6	96.7	78.9	85.0	35.4	109.9	160.3	204.3
Small infrastructure projects	Repaired and renovated infrastructure	Construction	43.5	11.4	5.7	0.0	27.4	–	133.3	266.3
Forensic science laboratory	Construction of a forensic laboratory	Construction	48.1	18.3	19.1	1.2	0.1	–	–	–
Shooting ranges	Facilities to improve shooting competency of police officials	Construction	377.3	–	–	–	217.8	47.5	23.3	69.3
Training facilities	Facilities to improve police personnel capabilities	Construction	867.1	32.2	37.9	93.7	125.8	452.4	141.9	87.2
Mobile homes and storage facilities	Basic services for accommodation and storage	Handed over	29.4	16.4	18.0	3.9	–	–	–	–
<b>Total</b>			<b>8 321.3</b>	<b>1 070.1</b>	<b>1 182.1</b>	<b>671.1</b>	<b>794.6</b>	<b>1 036.9</b>	<b>1 099.9</b>	<b>1 149.5</b>

# Vote 26

## Agriculture, Forestry and Fisheries

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	663.9	648.4	8.7	6.9	715.2	749.9
Agricultural Production, Health and Food Safety	2 066.1	570.2	1 493.9	2.0	2 266.1	2 303.8
Food Security and Agrarian Reform	1 597.7	191.2	1 371.7	34.8	1 708.7	1 787.5
Trade Promotion and Market Access	231.6	124.9	106.4	0.4	236.0	243.9
Forestry	1 184.5	709.7	420.2	54.5	1 185.9	1 246.5
Fisheries	434.0	176.9	257.1	–	446.9	468.0
<b>Total expenditure estimates</b>	<b>6 178.0</b>	<b>2 421.4</b>	<b>3 658.1</b>	<b>98.5</b>	<b>6 558.9</b>	<b>6 799.6</b>

Executive authority Minister of Agriculture, Forestry and Fisheries  
Accounting officer Director General of Agriculture, Forestry and Fisheries  
Website address [www.daff.gov.za](http://www.daff.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

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

### Mandate

The mandate of the Department of Agriculture, Forestry and Fisheries is to address production and consumption in the agriculture, forestry and fisheries sectors. The department's mandate is reflected in a range of legislation, including the Sea Fisheries Act (1988), the National Forests Act (1998), the Agricultural Product Standards Act (1990), and the Conservation of Agricultural Resources Act (1993).

### Strategic goals

The department's strategic goals over the medium term, which are organised around the key priority areas of food security, job creation, and rural and economic development, are to:

- create employment by increasing the number of participants in the agricultural, forestry and fisheries sectors through support for smallholders and processors
- improve the food security initiative by coordinating production systems to increase the profitable production, handling and processing of food, fibre and timber products by all categories of producers
- improve the income and conditions of farm workers, foresters and fishers
- enhance exports by facilitating market access for agricultural, forestry and fisheries products
- ensure the sustainable use of natural resources promoting environmentally sustainable production systems and the efficient use of natural resources
- manage the level of risks associated with food, diseases, pests, natural disasters and trade by establishing and maintaining effective early warning and mitigation systems.

## Programme purposes

### Programme 1: Administration

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

### Programme 2: Agricultural Production, Health and Food Safety

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

### Programme 3: Food Security and Agrarian Reform

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

### Programme 4: Trade Promotion and Market Access

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

### Programme 5: Forestry

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

### Programme 6: Fisheries

**Purpose:** Promote the development, management, monitoring and sustainable use of marine living resources and the development of the fisheries sector.

## Selected performance indicators

**Table 26.1 Department of Agriculture, Forestry and Fisheries**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new producers participating in animal improvement schemes per year	Agricultural Production, Health and Food Safety	Outcome 7: Vibrant equitable and sustainable rural communities and food security for all	921	1 415	1 376	1 300	1 300	1 300	1 300
Number of planned surveillances on animal diseases and pests conducted per year <sup>1</sup>	Agricultural Production, Health and Food Safety		-1	-1	-1	2	2	2	2
Number of planned surveillances on plant diseases and pests conducted per year <sup>1</sup>	Agricultural Production, Health and Food Safety		-1	-1	-1	-1	1	1	1
Number of subsistence farmers supported per year	Food Security and Agrarian Reform		13 216	75 207	212 467	130 000	140 000	145 000	150 000
Number of smallholder farmers supported per year	Food Security and Agrarian Reform		10 735	10 298	25 822	16 000	16 500	18 000	20 000
Total number of infrastructure anchor projects established <sup>1</sup>	Food Security and Agrarian Reform		-1	-1	-1	2	4	5	7
Number of agricultural colleges accredited by Council on Higher Education per year <sup>1</sup>	Food Security and Agrarian Reform		-1	-1	-1	7	2	2	1
Number of beneficiaries accessing the comprehensive agricultural support programme per year	Food Security and Agrarian Reform		26 300	32 175	36 504	37 000	38 000	39 000	40 000
Number of farmers awarded production loans under the micro agricultural financial institutions of South Africa scheme per year	Food Security and Agrarian Reform		5 324	5 500	5 310	6 500	5 000	5 500	6 500
Number of hectares for afforestation facilitated per year <sup>2</sup>	Forestry		-2	2 962ha	499ha	337ha	1 000ha	1 000ha	1 000ha

Table 26.1 Department of Agriculture, Forestry and Fisheries (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of hectares of temporary unplanted areas per year <sup>1</sup>	Forestry	Outcome 10: Environment assets and natural resources that are well protected and continually enhanced	-1	-1	-1	-1	1 780ha	1 780ha	1 780ha
Number of jobs created through refurbishment of category B and C plantations for expanded public works programme per year <sup>2</sup>	Forestry	Outcome: 4: Decent employment through economic growth	-2	150	1 729	2 300	2 725	2 200	2 400
Number of LandCare jobs created per year (105 000 opportunities = 454 full time equivalent) <sup>1</sup>	Forestry		-1	-1	-1	-1	1 100	900	900
Number of fish farms (aquaculture) established per year	Fisheries	Outcome 10: Environment assets and natural resources that are well protected and continually enhanced	1	1	3	5	5	5	5
Number of job opportunities created per year (Working for Fisheries programme) <sup>1</sup>	Fisheries	Outcome: 4: Decent employment through economic growth	-1	-1	-1	920	1 000	1 000	1 000
Number of aquaculture research projects implemented per year	Fisheries	Outcome 10: Environment assets and natural resources that are well protected and continually enhanced	2	2	2	2	2	2	2
Number of assessments conducted per year to determine the state of resources in the fisheries sector	Fisheries		21	22	22	22	22	22	22

1. No past data, as this is a new or amended performance indicator.

2. No past data, as measurement of this performance indicator began in 2010/11.

## The national development plan

The national development plan identifies agriculture as one of the key job creating sectors, with the potential to create job opportunities for 300 000 households in agriculture smallholder schemes and 145 000 jobs in agro-processing by 2020. The sector also has the potential to improve the living conditions of 660 000 farm workers. The plan expects that by 2030, a third of the food surplus should be produced by small scale farmers or households.

To align with these objectives, the department aims to continue developing and implementing various strategies that support labour intensive industries, especially in rural areas and small towns, in order to increase the participation of agricultural communities in the economy of the country. These strategies include the agro-processing strategy, the small, medium and micro enterprises development (SMME) strategy, and the Working for Fisheries programme. To support the plan's land reform objective, the department's comprehensive agriculture support programme will provide post-settlement support to targeted land reform beneficiaries.

A key aspect of the plan's objective of job creation is to increase the share of national income of the lowest earning 40 per cent of the population from 6 per cent to 10 per cent. The department aims to contribute to meeting this target by implementing various strategies to improve production efficiency for smallholder farmers. These include organising smallholder producers into commodity based organisations, increasing their collective bargaining power in negotiations for production inputs and markets, providing support and training to SMMEs, facilitating deals related to the AgriBEE Sector Charter, and reviewing the allocation of commercial fishing rights. Two key programmes are closely aligned with the priorities of the plan: Ilima/Letsema is a campaign aimed at supporting sustainable agriculture and promoting rural development for smallholder farmers, and LandCare addresses land degradation problems and encourages sustainable conservation of natural resources through a community based participatory approach.

## Expenditure estimates

**Table 26.2 Agriculture, Forestry and Fisheries**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R million													
Administration	785.1	481.2	584.2	627.0	627.0	-7.2%	13.4%	663.9	715.2	749.9	6.2%	10.9%	
Agricultural Production, Health and Food Safety	1 029.2	1 234.4	1 644.9	1 889.9	1 889.9	22.5%	31.4%	2 066.1	2 266.1	2 303.8	6.8%	33.7%	
Food Security and Agrarian Reform	900.6	1 048.5	1 249.4	1 410.9	1 410.9	16.1%	25.0%	1 597.7	1 708.7	1 787.5	8.2%	25.7%	
Trade Promotion and Market Access	185.2	145.3	190.2	209.4	209.4	4.2%	4.0%	231.6	236.0	243.9	5.2%	3.6%	
Forestry	861.6	682.1	907.7	1 242.7	1 101.0	8.5%	19.2%	1 184.5	1 185.9	1 246.5	4.2%	18.7%	
Fisheries	200.0	259.1	352.0	489.1	489.1	34.7%	7.0%	434.0	446.9	468.0	-1.5%	7.3%	
<b>Total</b>	<b>3 961.8</b>	<b>3 850.7</b>	<b>4 928.3</b>	<b>5 868.9</b>	<b>5 727.3</b>	<b>13.1%</b>	<b>100.0%</b>	<b>6 178.0</b>	<b>6 558.9</b>	<b>6 799.6</b>	<b>5.9%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				70.2	(71.5)			202.3	229.7	179.3			
<b>Economic classification</b>													
<b>Current payments</b>	<b>1 724.3</b>	<b>1 755.4</b>	<b>1 995.5</b>	<b>2 234.3</b>	<b>2 234.3</b>	<b>9.0%</b>	<b>41.7%</b>	<b>2 421.4</b>	<b>2 566.2</b>	<b>2 701.5</b>	<b>6.5%</b>	<b>39.3%</b>	
Compensation of employees	1 082.2	1 189.9	1 320.7	1 473.8	1 473.8	10.8%	27.4%	1 656.0	1 748.2	1 839.5	7.7%	26.6%	
Goods and services	641.3	564.2	674.2	759.0	759.0	5.8%	14.3%	763.4	815.8	859.7	4.2%	12.7%	
<i>of which:</i>													
Administration fees	51.5	45.0	51.3	61.0	61.0	5.8%	1.1%	70.6	74.7	81.0	9.9%	1.1%	
Agency and support / outsourced services	51.9	59.9	69.2	51.7	51.7	-0.1%	1.3%	68.7	65.9	74.4	12.9%	1.0%	
Operating leases	17.5	20.4	54.9	66.5	66.5	56.1%	0.9%	71.5	76.0	73.4	3.3%	1.1%	
Travel and subsistence	175.7	133.1	158.3	119.8	119.8	-12.0%	3.2%	104.3	116.3	125.6	1.6%	1.8%	
Interest and rent on land	0.8	1.2	0.5	1.5	1.5	25.3%	0.0%	2.1	2.1	2.3	15.5%	0.0%	
<b>Transfers and subsidies</b>	<b>2 155.0</b>	<b>1 983.7</b>	<b>2 800.5</b>	<b>3 488.9</b>	<b>3 347.3</b>	<b>15.8%</b>	<b>55.7%</b>	<b>3 658.1</b>	<b>3 891.8</b>	<b>3 991.3</b>	<b>6.0%</b>	<b>58.9%</b>	
Provinces and municipalities	974.2	1 126.2	1 652.3	2 067.0	1 925.3	25.5%	30.7%	2 148.5	2 194.6	2 295.5	6.0%	33.9%	
Departmental agencies and accounts	682.4	792.9	1 006.6	1 311.7	1 311.7	24.3%	20.5%	1 409.6	1 600.7	1 611.8	7.1%	23.5%	
Higher education institutions	1.9	-	0.1	5.0	5.0	37.7%	0.0%	7.0	7.1	7.3	13.7%	0.1%	
Foreign governments and international organisations	29.7	29.6	31.9	23.4	23.4	-7.6%	0.6%	33.7	25.9	22.6	-1.2%	0.4%	
Public corporations and private enterprises	438.8	8.3	38.1	39.7	39.7	-55.1%	2.8%	41.3	42.7	44.9	4.2%	0.7%	
Non-profit institutions	14.3	6.7	12.0	13.3	13.3	-2.5%	0.3%	16.2	18.9	7.4	-17.5%	0.2%	
Households	13.8	19.9	59.4	28.9	28.9	27.9%	0.7%	1.8	1.9	1.9	-59.9%	0.1%	
<b>Payments for capital assets</b>	<b>82.0</b>	<b>111.3</b>	<b>132.0</b>	<b>145.7</b>	<b>145.7</b>	<b>21.2%</b>	<b>2.6%</b>	<b>98.5</b>	<b>100.9</b>	<b>106.8</b>	<b>-9.8%</b>	<b>1.8%</b>	
Buildings and other fixed structures	22.8	47.1	54.2	40.4	40.4	21.0%	0.9%	38.4	42.4	45.3	3.8%	0.7%	
Machinery and equipment	58.6	62.4	77.6	104.9	104.9	21.4%	1.6%	59.2	57.7	60.6	-16.7%	1.1%	
Biological assets	0.1	0.0	0.0	0.3	0.3	43.4%	0.0%	0.7	0.7	0.7	30.9%	0.0%	
Software and other intangible assets	0.4	1.8	0.2	0.0	0.0	-54.9%	0.0%	0.2	0.2	0.2	65.4%	0.0%	
<b>Payments for financial assets</b>	<b>0.5</b>	<b>0.3</b>	<b>0.3</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>Total</b>	<b>3 961.8</b>	<b>3 850.7</b>	<b>4 928.3</b>	<b>5 868.9</b>	<b>5 727.3</b>	<b>13.1%</b>	<b>100.0%</b>	<b>6 178.0</b>	<b>6 558.9</b>	<b>6 799.6</b>	<b>5.9%</b>	<b>100.0%</b>	

## Personnel information

**Table 26.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)	
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16				
Agriculture, Forestry and Fisheries		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost
Salary level	7 062	70	7 084 320.7	0.2	6 146 473.8	0.2	7 064 656.0	0.2	7 064 748.2	0.2	7 063 839.5	0.3		4.7%	100.0%	
1 – 6	4 252	24	4 334 433.7	0.1	3 834 463.0	0.1	4 252 520.5	0.1	4 252 551.3	0.1	4 252 580.6	0.1		3.5%	60.7%	
7 – 10	2 214	26	2 140 511.4	0.2	1 866 604.9	0.3	2 214 687.6	0.3	2 214 725.7	0.3	2 213 762.6	0.3		5.8%	31.1%	
11 – 12	465	15	476 240.2	0.5	331 251.6	0.8	465 281.4	0.6	465 295.0	0.6	465 310.3	0.7		12.0%	6.3%	
13 – 16	131	5	134 135.4	1.0	115 154.3	1.3	133 166.6	1.3	133 176.2	1.3	133 186.1	1.4		5.0%	1.9%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing agricultural support to smallholder farmers through conditional grants, such as the comprehensive agricultural support programme, the LandCare programme and the Ilima/Letsema programme. The department will spend over R6 billion on conditional grants to provinces to support 435 000 subsistence farmers and 54 500 smallholder producers, and improve extension services and flood damaged infrastructure over the medium term. The spending focus will also be on the Working for Fisheries projects, the modernisation of vaccine production facilities and equipment for Onderstepoort Biological Products, and the Stellenbosch plant quarantine station for the upgrade and maintenance of buildings and laboratory facilities. Additional allocations are provided for these activities.

Between 2009/10 and 2012/13, expenditure in the *Agricultural Production, Health and Food Safety; and Food Security and Agrarian Reform* programmes increased due to additional funding of R200 million allocated for the appointment of veterinarians and the procurement of toolkits for animal health technicians, the R170 million allocation for the Agricultural Research Council for the upgrade of the foot and mouth disease facility, and the increase in the allocation for Ilima/Letsema conditional grant. The significant increase in expenditure in the *Fisheries* programme between 2009/10 and 2012/13 was due to an allocation of R125 million for vessel operations.

Over the medium term, the department receives additional allocations as follows:

- R129.8 million for improved conditions of service
- R171 million in 2013/14, R214.3 million in 2014/15 and R364.5 million in 2015/16 for the Working for Fisheries projects, and the modernisation of vaccine production facilities and equipment for Onderstepoort Biological Products and the Stellenbosch plant quarantine station
- R520 million as part of the economic competitiveness support package, comprised of R323 million for the Agricultural Research Council for research into crop production, animal vaccines, extension services and the maintenance of national genebank collections; and R197 million for the provincial and rural agricultural colleges for research, facilities and equipment, and to increase levels of student intake.

Cabinet approved budget reductions of R27 million, R57 million and R90 million over the medium term have been effected. The reductions are mostly in spending on various goods and services items across all programmes. The details of these reductions are discussed within each programme.

The department had a funded establishment of 7 062 posts and 70 posts additional to the establishment. 6 146 posts were filled and 986 were vacant as at 30 September 2012. The vacancies were mainly due to the difficulty in recruiting skilled personnel and the length of time involved in completing recruitment checks that form part of the national vetting strategy. The decentralisation of regional offices also contributed to the lengthy recruitment process. These posts are expected to be filled in 2013/14. The ratio of support to line function staff was 1:7 as at 30 September 2012.

## Infrastructure spending

The total cost of the infrastructure projects funded by the department is estimated at R751.5 million and includes: R250 million for fences along South Africa's borders with Zimbabwe and Mozambique to manage the incidence of foot and mouth disease; R200 million to drill and fit boreholes for agricultural purposes in rural communities across the country; R54.6 million to upgrade and maintain buildings and laboratories at the Stellenbosch plant quarantine station; and R45 million in 2013/14 for fencing under the LandCare programme grant.

## Departmental receipts

Table 26.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R thousand						2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Departmental receipts</b>	<b>250 534</b>	<b>156 961</b>	<b>177 368</b>	<b>145 051</b>	<b>145 051</b>	<b>-16.7%</b>	<b>100.0%</b>	<b>152 303</b>	<b>159 918</b>	<b>167 913</b>	<b>5.0%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>108 883</b>	<b>126 973</b>	<b>128 005</b>	<b>112 900</b>	<b>112 900</b>	<b>1.2%</b>	<b>65.3%</b>	<b>118 545</b>	<b>124 472</b>	<b>130 696</b>	<b>5.0%</b>	<b>77.8%</b>
Sales by market establishments	2 843	2 864	3 774	2 980	2 980	1.6%	1.7%	3 129	3 285	3 449	5.0%	2.1%
<i>of which:</i>												
Dwelling	2 295	2 499	3 097	2 100	2 100	-2.9%	1.4%	2 205	2 315	2 430	5.0%	1.4%
Rental parking: Covered and open	239	251	265	326	326	10.9%	0.1%	342	359	377	5.0%	0.2%
Rental other: Machinery and equipment	1	-	-	210	210	494.4%	-	221	232	244	5.1%	0.1%
Wool and skin	308	114	412	344	344	3.8%	0.2%	361	379	398	5.0%	0.2%
Administration fees	75 143	88 226	94 402	74 100	74 100	-0.5%	45.5%	77 805	81 695	85 780	5.0%	51.1%
<i>of which:</i>												
Farm feeds registration	5 353	11 233	2 597	9 800	9 800	22.3%	4.0%	10 290	10 805	11 345	5.0%	6.8%
Plant breeder rights	2 124	1 991	2 451	4 500	4 500	28.4%	1.5%	4 725	4 961	5 209	5.0%	3.1%
Stock remedy	627	754	4 754	4 900	4 900	98.4%	1.5%	5 145	5 402	5 672	5.0%	3.4%
Inspection fees: Statutory services	47 718	50 272	54 689	41 000	41 000	-4.9%	26.5%	43 050	45 203	47 463	5.0%	28.3%
Other	19 321	23 976	29 911	13 900	13 900	-10.4%	11.9%	14 595	15 324	16 091	5.0%	9.6%
Other sales	30 897	35 883	29 829	35 820	35 820	5.1%	18.1%	37 611	39 492	41 467	5.0%	24.7%
<i>of which:</i>												
Services rendered: Boarding service: Private	1 348	1 109	1 453	1 900	1 900	12.1%	0.8%	1 995	2 094	2 199	5.0%	1.3%
Services rendered: Commission insurance	805	60	1 678	1 460	1 460	22.0%	0.5%	1 533	1 609	1 690	5.0%	1.0%
Services rendered: Course fees	1 389	-	888	1 800	1 800	9.0%	0.6%	1 890	1 984	2 083	5.0%	1.2%
Laboratory services: Plant	1 088	1 041	1 120	2 260	2 260	27.6%	0.8%	2 373	2 492	2 617	5.0%	1.6%
Other	26 267	33 673	24 690	28 400	28 400	2.6%	15.5%	29 820	31 313	32 878	5.0%	19.6%
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>4</b>	<b>28</b>	<b>7</b>	<b>9</b>	<b>9</b>	<b>31.0%</b>	<b>-</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>-</b>	<b>-</b>
<i>of which:</i>												
Paper	4	28	7	9	9	31.0%	-	9	9	9	-	-
Transfers received	9	9	3	115	115	133.8%	-	121	127	133	5.0%	0.1%
Fines, penalties and forfeits	53	43	54	27	27	-20.1%	-	28	29	30	3.6%	-
Interest, dividends and rent on land	12 519	8 130	9 387	15 000	15 000	6.2%	6.2%	15 750	16 538	17 365	5.0%	10.3%
Interest	11 758	7 240	8 101	12 300	12 300	1.5%	5.4%	12 915	13 561	14 239	5.0%	8.5%
Rent on land	761	890	1 286	2 700	2 700	52.5%	0.8%	2 835	2 977	3 126	5.0%	1.9%
Sales of capital assets	1 605	513	116	1 000	1 000	-14.6%	0.4%	1 050	1 103	1 158	5.0%	0.7%
Transactions in financial assets and liabilities	127 461	21 265	39 796	16 000	16 000	-49.9%	28.0%	16 800	17 640	18 522	5.0%	11.0%
<b>Total</b>	<b>250 534</b>	<b>156 961</b>	<b>177 368</b>	<b>145 051</b>	<b>145 051</b>	<b>-16.7%</b>	<b>100.0%</b>	<b>152 303</b>	<b>159 918</b>	<b>167 913</b>	<b>5.0%</b>	<b>100.0%</b>



## Programme 1: Administration

### Expenditure estimates

Table 26.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R million											
Ministry	24.1	31.7	34.5	29.7	7.2%	4.8%	30.4	31.9	33.4	4.0%	4.5%
Department Management	17.4	21.0	17.3	18.5	2.1%	3.0%	22.8	22.3	25.8	11.7%	3.2%
Financial Administration	481.4	119.8	127.1	138.5	-34.0%	35.0%	145.5	152.7	158.6	4.6%	21.6%
Internal Audit	4.8	8.8	3.6	7.8	18.1%	1.0%	8.3	8.6	9.0	4.8%	1.2%
Corporate Services	85.1	107.0	119.0	137.3	17.3%	18.1%	151.7	157.1	164.4	6.2%	22.1%
Stakeholder Relations, Communication and Legal Services	34.3	48.5	50.0	61.4	21.5%	7.8%	63.0	66.5	65.9	2.4%	9.3%
Policy, Planning, Monitoring and Evaluation	55.2	59.3	98.4	80.4	13.4%	11.8%	77.7	85.4	89.8	3.7%	12.1%
Office Accommodation	82.9	85.1	134.4	153.3	22.8%	18.4%	164.6	190.6	203.1	9.8%	25.8%
<b>Total</b>	<b>785.1</b>	<b>481.2</b>	<b>584.2</b>	<b>627.0</b>	<b>-7.2%</b>	<b>100.0%</b>	<b>663.9</b>	<b>715.2</b>	<b>749.9</b>	<b>6.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				14.1			7.3	26.5	-		

#### Economic classification

<b>Current payments</b>	<b>381.7</b>	<b>442.6</b>	<b>555.3</b>	<b>614.0</b>	<b>17.2%</b>	<b>80.5%</b>	<b>648.4</b>	<b>697.0</b>	<b>729.1</b>	<b>5.9%</b>	<b>97.5%</b>
Compensation of employees	208.4	241.4	263.8	307.1	13.8%	41.2%	341.2	357.6	374.6	6.9%	50.1%
Goods and services	173.3	200.9	291.3	306.7	20.9%	39.2%	307.0	339.2	354.2	4.9%	47.4%
<i>of which:</i>											
Administration fees	49.1	44.0	50.3	58.1	5.7%	8.1%	66.6	70.7	75.0	8.9%	9.8%
Agency and support / outsourced services	12.6	20.2	14.5	12.5	-0.1%	2.4%	9.5	10.1	10.4	-6.0%	1.5%
Operating leases	7.5	15.8	50.9	62.6	102.6%	5.5%	67.3	70.7	68.4	3.0%	9.8%
Travel and subsistence	17.2	31.5	48.2	29.0	18.9%	5.1%	28.2	30.3	31.4	2.7%	4.3%
Interest and rent on land	-	0.2	0.2	0.3	-	-	0.2	0.2	0.3	-1.2%	-
<b>Transfers and subsidies</b>	<b>371.9</b>	<b>7.3</b>	<b>2.1</b>	<b>1.8</b>	<b>-83.1%</b>	<b>15.5%</b>	<b>8.7</b>	<b>10.3</b>	<b>11.9</b>	<b>87.6%</b>	<b>1.2%</b>
Provinces and municipalities	0.2	0.1	0.0	0.0	-37.5%	-	0.1	0.1	0.1	13.8%	-
Departmental agencies and accounts	0.7	1.1	1.3	1.5	32.8%	0.2%	8.7	10.3	11.9	98.2%	1.2%
Public corporations and private enterprises	367.4	3.0	0.2	-	-100.0%	15.0%	-	-	-	-	-
Non-profit institutions	0.0	0.1	-	-	-100.0%	-	-	-	-	-	-
Households	3.6	3.0	0.6	0.2	-59.3%	0.3%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>31.4</b>	<b>31.2</b>	<b>26.8</b>	<b>11.2</b>	<b>-29.2%</b>	<b>4.1%</b>	<b>6.9</b>	<b>7.9</b>	<b>8.9</b>	<b>-7.2%</b>	<b>1.3%</b>
Buildings and other fixed structures	22.5	12.5	15.8	7.0	-32.2%	2.3%	5.0	6.0	7.0	-	0.9%
Machinery and equipment	8.6	17.1	10.9	4.1	-21.7%	1.6%	1.8	1.9	1.9	-22.6%	0.4%
Software and other intangible assets	0.3	1.7	0.1	0.0	-72.6%	0.1%	0.0	-	-	-100.0%	-
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>785.1</b>	<b>481.2</b>	<b>584.2</b>	<b>627.0</b>	<b>-7.2%</b>	<b>100.0%</b>	<b>663.9</b>	<b>715.2</b>	<b>749.9</b>	<b>6.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>19.8%</b>	<b>12.5%</b>	<b>11.9%</b>	<b>10.7%</b>			<b>10.7%</b>	<b>10.9%</b>	<b>11.0%</b>		

#### Details of selected transfers and subsidies

<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	<b>0.4</b>	<b>1.3</b>	<b>0.2</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Claims against the state	0.4	1.3	0.2	-	-100.0%	0.1%	-	-	-	-	-
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>2.5</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Female farmer competition	2.5	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>1.1</b>	<b>3.0</b>	<b>0.6</b>	<b>0.2</b>	<b>-38.9%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Employee social benefits	1.1	3.0	0.6	0.2	-38.9%	0.2%	-	-	-	-100.0%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>0.7</b>	<b>1.1</b>	<b>1.3</b>	<b>1.5</b>	<b>32.8%</b>	<b>0.2%</b>	<b>8.7</b>	<b>10.3</b>	<b>11.9</b>	<b>98.2%</b>	<b>1.2%</b>
Primary Agriculture Sector Education and Training Authority	0.7	1.1	1.3	1.5	32.7%	0.2%	1.7	1.8	1.9	7.0%	0.2%
National Research Foundation	-	-	-	-	-	-	7.0	8.5	10.0	-	0.9%

Table 26.5 Administration (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10	2012/13			2013/14
Public corporations and private enterprises												
Public corporations												
Other transfers to public corporations												
Current	367.0	1.7	-	-	-100.0%	14.9%	-	-	-	-	-	-
Forest Sector Charter Council	-	1.7	-	-	-	0.1%	-	-	-	-	-	-
Land and Agricultural Bank of Southern Africa	367.0	-	-	-	-100.0%	14.8%	-	-	-	-	-	-

## Personnel information

Table 26.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Administration</b>																			
Salary level	1 115	7	1 081	263.8	0.2	929	307.1	0.3	1 117	341.2	0.3	1 117	357.6	0.3	1 117	374.6	0.3	6.3%	100.0%
1 - 6	523	1	519	59.3	0.1	456	69.6	0.2	523	73.7	0.1	523	76.9	0.1	523	80.6	0.2	4.7%	47.3%
7 - 10	419	1	414	94.7	0.2	344	114.2	0.3	419	132.2	0.3	419	139.1	0.3	419	145.7	0.3	6.8%	37.4%
11 - 12	118	3	90	47.5	0.5	77	57.0	0.7	118	67.2	0.6	118	69.4	0.6	118	72.2	0.6	15.3%	10.1%
13 - 16	55	2	58	62.3	1.1	52	66.3	1.3	57	68.0	1.2	57	72.1	1.3	57	76.1	1.3	3.1%	5.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on acquiring offices for the forestry and fisheries branches and providing effective support services to the department. R8.4 million was transferred from the Department of Water Affairs in 2012/13 and an additional R28.1 million has been allocated over the medium term to provide for the office accommodation needs of the forestry branch.

Between 2009/10 to 2012/13, expenditure in the *Financial Administration* subprogramme decreased due to a once-off allocation of R367 million in 2009/10 for the Micro Agricultural Financial Institutions of South Africa scheme, while expenditure in the *Corporate Services* subprogramme increased over the same period due to the upgrading of IT systems. This accounts for the increase in expenditure on computer services over the period. Expenditure in the *Stakeholder Relations, Communication and Legal Services* subprogramme grew significantly between 2009/10 and 2012/13 when the department was restructured to include the fisheries function and the Marine Living Resources Fund.

As part of the Cabinet approved budget reductions, the department reduced the allocation for spending by R2.9 million, of which R2.7 million is on travel and subsistence in 2013/14. The reduction is not expected to have an adverse effect on service delivery, as personnel in the programme have been encouraged to use video conferencing instead of travelling to meetings, and limits have been placed on the number of delegates going on overseas trips.

The programme had a funded establishment of 1 115 posts and 7 posts additional to the establishment, of which 929 were filled as at 30 September 2012. There were 193 vacancies in this programme due to the long time recruitment processes can take. These vacancies are to be filled 2013/14. Consultants are used mainly for research, external audit services and task teams appointed by the director general. They are only used as and when the need arises. Spending on consultants is expected to decrease over the medium term, as the department fills vacancies and becomes less reliant on consultants.

## Programme 2: Agricultural Production, Health and Food Safety

### Objectives

- Promote efficient production, handling and processing of food, fibre and timber by implementing 5 plant and animal production strategies to increase production over the medium term.
- Manage the level of risks associated with food, diseases, pests and natural disaster by continuously facilitating the development and implementation of plant and animal strategies, policies, quality standards, and other sanitary and phyto-sanitary measures.
- Establish and maintain 9 effective early warning and mitigation systems by improving the early detections of and reaction time to outbreaks of animal and plant diseases and pests over the medium term.

### Subprogrammes

- *Management* oversees and manages the programme. This subprogramme had a staff complement of 3 in 2012/13.
- *Inspection and Laboratory Services* provides leadership, guidance and support to ensure compliance with agricultural legislation and regulatory frameworks; oversees the effective implementation of risk management strategies from laboratory analytical testing, inspections and quarantine services related to import and export control of animals, plants and related products; and regulates the sale and use of stock remedies, fertilisers, farm feeds and pesticides in support of agricultural production. This subprogramme had a staff complement of 930 in 2012/13.
- *Plant Production and Health* is discussed in more detail below.
- *Animal Production and Health* improves livestock production by implementing sustainable animal production and health strategies, projects and programmes founded on sound animal health and production management principles, and an informed extension service and sustainable natural resource management. This subprogramme had a staff complement of 391 in 2012/13.
- *Agricultural Research* manages monthly transfers to the Agricultural Research Council.

### Expenditure estimates

**Table 26.7 Agricultural Production, Health and Food Safety**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Management	1.9	1.9	2.1	2.2	5.2%	0.1%	2.7	2.9	3.0	11.2%	0.1%
Inspection and Laboratory Services	193.7	223.4	263.2	281.3	13.2%	16.6%	303.2	315.7	332.3	5.7%	14.5%
Plant Production and Health	104.2	255.2	473.1	483.0	66.7%	22.7%	510.2	537.7	559.3	5.0%	24.5%
Animal Production and Health	192.3	131.7	150.9	180.4	-2.1%	11.3%	299.8	340.7	488.4	39.4%	15.4%
Agricultural Research	537.2	622.3	755.5	943.0	20.6%	49.3%	950.3	1 069.2	920.8	-0.8%	45.5%
<b>Total</b>	<b>1 029.2</b>	<b>1 234.4</b>	<b>1 644.9</b>	<b>1 889.9</b>	<b>22.5%</b>	<b>100.0%</b>	<b>2 066.1</b>	<b>2 266.1</b>	<b>2 303.8</b>	<b>6.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(1.7)			117.7	148.9	-		
<b>Economic classification</b>											
<b>Current payments</b>	<b>400.6</b>	<b>390.8</b>	<b>445.7</b>	<b>481.8</b>	<b>6.3%</b>	<b>29.6%</b>	<b>570.2</b>	<b>597.3</b>	<b>629.6</b>	<b>9.3%</b>	<b>26.7%</b>
Compensation of employees	253.2	282.9	324.5	349.6	11.3%	20.9%	415.9	439.5	463.4	9.9%	19.6%
Goods and services	147.4	107.8	121.1	132.0	-3.6%	8.8%	154.0	157.5	166.0	7.9%	7.1%
of which:											
Administration fees	0.2	0.2	0.2	0.8	60.5%	-	0.7	0.8	2.5	49.3%	0.1%
Agency and support / outsourced services	23.9	13.4	18.1	5.3	-39.5%	1.0%	4.3	2.0	1.5	-34.7%	0.2%
Operating leases	3.6	0.4	0.1	0.3	-54.3%	0.1%	0.9	2.0	1.0	41.4%	-
Travel and subsistence	64.1	31.9	45.1	24.4	-27.5%	2.9%	17.0	16.2	22.2	-3.1%	0.9%
Interest and rent on land	-	0.1	0.2	0.2	-	-	0.3	0.3	0.3	7.6%	-

Table 26.7 Agricultural Production, Health and Food Safety (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Transfers and subsidies</b>	<b>617.3</b>	<b>833.3</b>	<b>1 186.2</b>	<b>1 367.7</b>	<b>30.4%</b>	<b>69.1%</b>	<b>1 493.9</b>	<b>1 667.3</b>	<b>1 671.0</b>	<b>6.9%</b>	<b>72.7%</b>
Provinces and municipalities	50.0	192.6	405.1	415.8	102.6%	18.3%	438.5	460.6	481.8	5.0%	21.1%
Departmental agencies and accounts	537.2	622.3	755.5	943.0	20.6%	49.3%	1 046.8	1 196.7	1 189.2	8.0%	51.3%
Public corporations and private enterprises	20.1	1.0	0.5	0.2	-77.4%	0.4%	1.0	-	-	-100.0%	-
Non-profit institutions	6.3	6.6	6.9	7.3	5.0%	0.5%	7.6	10.0	-	-100.0%	0.3%
Households	3.8	10.8	18.1	1.4	-28.6%	0.6%	0.0	0.0	-	-100.0%	-
<b>Payments for capital assets</b>	<b>11.1</b>	<b>10.3</b>	<b>12.9</b>	<b>40.3</b>	<b>53.6%</b>	<b>1.3%</b>	<b>2.0</b>	<b>1.5</b>	<b>3.1</b>	<b>-57.5%</b>	<b>0.6%</b>
Machinery and equipment	11.0	10.2	12.8	40.3	54.1%	1.3%	2.0	1.5	3.1	-57.5%	0.6%
Biological assets	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	0.0	0.1	0.1	-	-100.0%	-	0.0	0.0	0.0	-	-
<b>Payments for financial assets</b>	<b>0.3</b>	<b>0.0</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 029.2</b>	<b>1 234.4</b>	<b>1 644.9</b>	<b>1 889.9</b>	<b>22.5%</b>	<b>100.0%</b>	<b>2 066.1</b>	<b>2 266.1</b>	<b>2 303.8</b>	<b>6.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>26.0%</b>	<b>32.1%</b>	<b>33.4%</b>	<b>32.2%</b>			<b>33.4%</b>	<b>34.6%</b>	<b>33.9%</b>		

## Details of selected transfers and subsidies

<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>											
	<b>50.0</b>	<b>192.5</b>	<b>405.0</b>	<b>415.8</b>	<b>102.6%</b>	<b>18.3%</b>	<b>438.5</b>	<b>460.6</b>	<b>481.8</b>	<b>5.0%</b>	<b>21.1%</b>
Ilima/Letsema projects grant	50.0	192.5	405.0	415.8	102.6%	18.3%	438.5	460.6	481.8	5.0%	21.1%
<b>Public corporations and private enterprises</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>											
	<b>1.1</b>	<b>8.5</b>	<b>16.5</b>	<b>-</b>	<b>-100.0%</b>	<b>0.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Classical swine fever	1.1	8.5	-	-	-100.0%	0.2%	-	-	-	-	-
Avian influenza	-	-	16.5	-	-	0.3%	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>											
	<b>2.6</b>	<b>2.3</b>	<b>1.6</b>	<b>1.4</b>	<b>-19.8%</b>	<b>0.1%</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Employee social benefits	2.6	2.3	1.6	1.4	-19.8%	0.1%	0.0	0.0	-	-100.0%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>											
	<b>468.1</b>	<b>503.4</b>	<b>543.5</b>	<b>726.7</b>	<b>15.8%</b>	<b>38.7%</b>	<b>848.7</b>	<b>961.5</b>	<b>808.1</b>	<b>3.6%</b>	<b>39.2%</b>
Agricultural Research Council	468.1	503.4	543.5	726.7	15.8%	38.7%	848.7	961.5	808.1	3.6%	39.2%
<b>Capital</b>											
	<b>69.0</b>	<b>118.9</b>	<b>212.0</b>	<b>216.3</b>	<b>46.3%</b>	<b>10.6%</b>	<b>198.1</b>	<b>235.2</b>	<b>381.0</b>	<b>20.8%</b>	<b>12.1%</b>
Agricultural Research Council	69.0	118.9	212.0	216.3	46.3%	10.6%	101.6	107.7	112.6	-19.5%	6.3%
Onderstepoort Biological Products	-	-	-	-	-	-	96.5	127.5	268.4	-	5.8%
<b>Non-profit institutions</b>											
<b>Current</b>											
	<b>6.3</b>	<b>6.6</b>	<b>6.9</b>	<b>7.3</b>	<b>5.0%</b>	<b>0.5%</b>	<b>7.6</b>	<b>10.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>
Deciduous Fruit Producers' Trust	6.3	6.6	6.9	7.3	5.0%	0.5%	7.6	10.0	-	-100.0%	0.3%

## Personnel information

Table 26.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16												
Agricultural Production, Health and Food Safety		Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit				
Salary level		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost				
1 516	8	1 490	324.5	0.2	1 347	349.6	0.3	1 516	415.9	0.3	1 516	439.5	0.3	1 516	463.4	0.3	4.0%	100.0%	
1 - 6	619	5	617	61.0	0.1	578	63.2	0.1	619	82.0	0.1	619	86.6	0.1	619	91.5	0.1	2.3%	41.3%
7 - 10	746	2	715	172.0	0.2	650	195.6	0.3	746	234.2	0.3	746	247.5	0.3	746	260.8	0.3	4.7%	49.0%
11 - 12	136	1	143	77.5	0.5	108	78.6	0.7	136	83.1	0.6	136	87.8	0.6	136	92.6	0.7	8.0%	8.8%
13 - 16	15	-	15	13.9	0.9	11	12.2	1.1	15	16.7	1.1	15	17.7	1.2	15	18.5	1.2	10.9%	0.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing support to 3 900 smallholder producers participating in animal improvement schemes, improving support for food production through the Ilima/Letsema programme, and implementing the primary animal health care programme. These activities are to be carried out through the *Plant Production and Health* subprogramme, which is discussed in further detail in the section that follows, and the *Agricultural Research* and *Animal Production and Health* subprogrammes.

Between 2009/10 to 2012/13, increased expenditure in the *Agriculture Research* subprogramme was due to an additional allocation of R50 million in 2011/12 and R120 million in 2012/13 to the Agricultural Research Council for upgrading the foot and mouth vaccine facility. This accounts for the increase in expenditure on transfers to departmental agencies and accounts over the period. An additional R77 million was allocated in 2012/13 for the economics competitiveness support package. The increase in expenditure on machinery and equipment between 2009/10 and 2012/13 was due to the procurement of veterinary toolkits and a mobile clinic in the *Animal Production and Health* subprogramme. Expenditure in this subprogramme goes towards recapitalising and revitalising veterinary infrastructure to create an enabling environment that would see 100 newly qualified veterinarians deployed to rural areas by 2015.

The significant increase over the medium term in expenditure in the *Animal Production and Health* subprogramme is due to additional funding of R492.4 million for Onderstepoort Biological Products to build and modernise vaccine production facilities and equipment, and R54.6 million to upgrade and maintain buildings and laboratories at the Stellenbosch plant quarantine station.

As part of the Cabinet approved budget reductions, the department reduced the allocation for spending on travel and subsistence in 2013/14 by R9.3 million. The reduction is not expected to have an adverse effect on service delivery, as personnel in the programme have been encouraged to use video conferencing instead of travelling to meetings and limits have been placed on the number of delegates going on overseas trips.

The programme had a funded establishment of 1 516 posts and 8 posts additional to the establishment. 1 347 posts were filled and 177 were vacant as at 30 September 2012. The vacancies were due to the scarcity of skilled personnel and the length of time involved in the recruitment processes. These posts are to be filled in 2013/14. Consultants are used mainly for legal services and activities related to aviation influenza, foot and mouth disease, classical swine flu, laboratory services and research. Expenditure on consultants decreased between 2009/10 and 2012/13, as the incidences of aviation influenza, foot and mouth disease, and classical swine flu had subsided.

### Subprogramme: Plant Production and Health

This subprogramme focuses on increasing agricultural productivity with the emphasis on a sustainable plant production system, the efficient use of genetic resources, and managing risks associated with plant pests, diseases and genetically modified organisms. In 2012/13, Ilima/Letsema funds were allocated to all provinces to increase the production and productivity of targeted farmers. Detections of the African invader fruit fly in Limpopo have decreased, which has effectively mitigated a real threat to plant production. Key activities over the medium term will include developing a national policy on plant production; developing related commodity strategies; improving risk management systems to support production and enable safe and fair trade; continuing with one major exotic plant pest surveillance programme; monitoring and implementing mitigation measures against outbreaks of plant, animal diseases and pests; strengthening the regulatory framework for plant pests and diseases; and monitoring the trends of the genetic resources for food and agriculture.

## Expenditure estimates

**Table 26.9 Plant Production and Health**

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome			2012/13				2009/10 - 2012/13	2013/14	2014/15		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16	
<b>Current payments</b>	<b>47.2</b>	<b>55.1</b>	<b>60.3</b>	<b>59.3</b>	<b>7.9%</b>	<b>16.9%</b>	<b>63.3</b>	<b>66.8</b>	<b>77.2</b>	<b>9.2%</b>	<b>12.8%</b>
Compensation of employees	36.1	42.3	49.2	48.1	10.1%	13.3%	56.6	59.7	62.9	9.4%	10.9%
Goods and services	11.2	12.9	11.1	11.2	0.1%	3.5%	6.7	7.0	14.3	8.5%	1.9%
of which:											
Administration fees	0.0	0.1	0.1	0.0	18.0%	-	0.2	0.2	1.9	247.8%	0.1%
Agency and support / outsourced services	0.3	0.5	0.1	0.1	-32.1%	0.1%	0.1	0.2	0.1	5.2%	-
Operating leases	0.2	-	-	0.0	-68.2%	-	-	0.0	-	-100.0%	-
Travel and subsistence	3.9	5.6	4.4	3.8	-1.1%	1.3%	2.2	1.2	4.0	1.8%	0.5%
Interest and rent on land	-	0.0	0.0	0.0	-	-	0.0	0.0	0.0	1.4%	-
<b>Transfers and subsidies</b>	<b>56.3</b>	<b>199.1</b>	<b>412.0</b>	<b>423.1</b>	<b>95.9%</b>	<b>82.9%</b>	<b>446.1</b>	<b>470.7</b>	<b>481.8</b>	<b>4.4%</b>	<b>87.2%</b>
Provinces and municipalities	50.0	192.5	405.0	415.8	102.6%	80.8%	438.5	460.6	481.8	5.0%	86.0%
Public corporations and private enterprises	0.0	-	0.1	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	6.3	6.6	6.9	7.3	5.0%	2.1%	7.6	10.0	-	-100.0%	1.2%
Households	0.0	0.0	0.0	0.0	18.6%	-	0.0	0.0	-	-100.0%	-
<b>Payments for capital assets</b>	<b>0.5</b>	<b>0.9</b>	<b>0.8</b>	<b>0.6</b>	<b>6.8%</b>	<b>0.2%</b>	<b>0.7</b>	<b>0.3</b>	<b>0.3</b>	<b>-25.6%</b>	<b>0.1%</b>
Machinery and equipment	0.5	0.9	0.8	0.6	6.8%	0.2%	0.7	0.3	0.3	-25.6%	0.1%
Payments for financial assets	0.1	-	0.0	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>104.2</b>	<b>255.2</b>	<b>473.1</b>	<b>483.0</b>	<b>66.7%</b>	<b>100.0%</b>	<b>510.2</b>	<b>537.7</b>	<b>559.3</b>	<b>5.0%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>10.1%</b>	<b>20.7%</b>	<b>28.8%</b>	<b>25.6%</b>			<b>24.7%</b>	<b>23.7%</b>	<b>24.3%</b>		

## Personnel information

**Table 26.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate				Average growth rate (%)	Salary level/total: Average (%)						
		2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16												
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit						
<b>Plant Production and Health</b>																			
<b>Salary level</b>	<b>192</b>	<b>2</b>	<b>192</b>	<b>49.2</b>	<b>0.3</b>	<b>172</b>	<b>48.1</b>	<b>0.3</b>	<b>192</b>	<b>56.6</b>	<b>0.3</b>	<b>192</b>	<b>59.7</b>	<b>0.3</b>	<b>192</b>	<b>62.9</b>	<b>0.3</b>	<b>3.7%</b>	<b>100.0%</b>
1 - 6	72	-	71	7.3	0.1	67	7.0	0.1	72	8.7	0.1	72	9.1	0.1	72	9.6	0.1	2.4%	37.8%
7 - 10	79	2	77	18.2	0.2	70	19.3	0.3	79	22.2	0.3	79	23.5	0.3	79	24.7	0.3	4.1%	41.0%
11 - 12	37	-	40	20.1	0.5	32	19.1	0.6	37	21.1	0.6	37	22.2	0.6	37	23.4	0.6	5.0%	19.1%
13 - 16	4	-	4	3.6	0.9	3	2.7	0.9	4	4.6	1.2	4	4.9	1.2	4	5.1	1.3	10.1%	2.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on increasing support to smallholder farmers and producers through the Ilima/Letsema programme, the sustainable plant production systems, and the maintenance of effective systems to manage risks associated with plant pests and diseases. Through the Ilima/Letsema programme, which is allocated R1.4 billion over the medium term for poverty alleviation, food security and job creation, the department will develop plant related commodity strategies in 2013/14, with a focus on indigenous food crops. This strategy will guide the monitoring of the trends of genetic resources in food and agriculture by collecting and characterising indigenous landrace plant genetic resources. In addition, over the medium term the department will conduct 3 plant disease and pest surveillance programmes and manage risks associated with plant pests as part of its plant protection function.

The significant increase in expenditure in 2011/12 was due to an additional allocation of R200 million in 2010/11 to further strengthen Ilima/Letsema projects for poverty alleviation, food safety and job creation in rural areas.

This subprogramme had a funded establishment of 192 posts and 2 posts were additional to the establishment. There were 22 vacancies as at 30 September 2012 due to the scarcity of skilled personnel and the length of time it takes to finalise the recruitment and selection processes. These posts are to be filled in 2013/14. Consultants are used to conduct research and to provide technical advice in relation to the implementation of Ilima/Letsema projects.

## Programme 3: Food Security and Agrarian Reform

### Objectives

- Enhance agricultural development by coordinating the comprehensive funding and technical support to 220 000 existing and 80 000 new smallholder producers for food production over the medium term.
- Provide leadership and support to research, training and extension in the agricultural sector by:
  - coordinating the provision of comprehensive training and extension support to targeted subsistence and smallholder farmers over the medium term
  - transforming 12 provincial and rural agricultural colleges into agricultural training institutions over the medium term.

### Subprogrammes

- *Management* oversees and manages the programme. This subprogramme had a staff complement of 3 in 2012/13.
- *Food Security* is discussed in more detail below.
- *Sector Capacity Development* provides sector education and training, and colleges; facilitates and coordinates key special programmes, such as the implementation of the resolutions on vulnerable workers in the sector; and supports sustainable growth and equitable participation. This entails facilitating and supporting education and training skills; promoting the development of centres of excellence on skills training; and developing, managing and coordinating the sector transformation policy and strategy in line with government objectives. Over the medium term, the focus will be on revitalising agricultural colleges into agricultural training institutions. This subprogramme had a staff complement of 217 in 2012/13.
- *National Extension Support Services* develops national extension policies, norms and standards, and strategic leadership and guidance for the planning, coordination and implementation of extension and advisory services in the sector. This entails ensuring that all extension officers are registered with professional bodies to improve their professionalism and accountability. This subprogramme had a staff complement of 14 in 2012/13.

### Expenditure estimates

Table 26.11 Food Security and Agrarian Reform

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Management	2.9	19.3	0.8	2.3	-6.7%	0.5%	2.7	2.8	2.9	7.6%	0.2%
Food Security	649.6	644.1	777.9	870.5	10.3%	63.8%	1 015.9	1 064.1	1 111.5	8.5%	62.4%
Sector Capacity Development	77.4	111.1	141.6	187.4	34.3%	11.2%	208.4	249.2	262.4	11.9%	14.0%
National Extension Support Services	170.8	273.9	329.1	350.6	27.1%	24.4%	370.7	392.6	410.6	5.4%	23.4%
<b>Total</b>	<b>900.6</b>	<b>1 048.5</b>	<b>1 249.4</b>	<b>1 410.9</b>	<b>16.1%</b>	<b>100.0%</b>	<b>1 597.7</b>	<b>1 708.7</b>	<b>1 787.5</b>	<b>8.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				2.2			(2.5)	(4.3)	-		

Table 26.11 Food Security and Agrarian Reform (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate		
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million												
<b>Current payments</b>	<b>153.0</b>	<b>168.1</b>	<b>149.1</b>	<b>207.2</b>	<b>10.6%</b>	<b>14.7%</b>	<b>191.2</b>	<b>200.5</b>	<b>209.5</b>	<b>0.4%</b>	<b>12.4%</b>	
Compensation of employees	89.1	78.3	90.0	107.9	6.6%	7.9%	117.4	124.0	130.9	6.6%	7.4%	
Goods and services	63.9	89.7	59.1	99.2	15.8%	6.8%	73.8	76.4	78.5	-7.5%	5.0%	
<i>of which:</i>												
Administration fees	0.7	0.1	0.1	0.2	-30.7%	-	0.9	0.9	0.9	59.4%	-	
Agency and support / outsourced services	3.0	7.2	6.3	6.2	26.8%	0.5%	9.1	8.6	10.1	17.9%	0.5%	
Operating leases	0.4	0.1	0.1	0.1	-46.4%	-	0.0	0.0	0.1	14.7%	-	
Travel and subsistence	15.6	13.7	11.6	15.6	-0.2%	1.2%	11.6	14.3	11.1	-10.7%	0.8%	
Interest and rent on land	-	0.0	0.0	0.1	-	-	0.1	0.1	0.1	-1.3%	-	
<b>Transfers and subsidies</b>	<b>735.7</b>	<b>843.9</b>	<b>1 060.0</b>	<b>1 168.3</b>	<b>16.7%</b>	<b>82.6%</b>	<b>1 371.7</b>	<b>1 470.9</b>	<b>1 538.7</b>	<b>9.6%</b>	<b>85.3%</b>	
Provinces and municipalities	715.7	828.9	1 039.7	1 137.1	16.7%	80.7%	1 301.3	1 367.1	1 430.0	7.9%	80.5%	
Departmental agencies and accounts	9.1	10.2	12.6	16.4	21.6%	1.0%	58.3	91.3	95.9	80.2%	4.0%	
Higher education institutions	-	-	0.1	5.0	-	0.1%	4.8	4.8	4.8	-1.1%	0.3%	
Public corporations and private enterprises	2.6	2.8	4.3	5.0	24.0%	0.3%	3.4	3.6	3.8	-8.5%	0.2%	
Non-profit institutions	8.0	-	1.7	2.5	-32.1%	0.3%	2.5	2.5	2.6	1.5%	0.2%	
Households	0.4	1.9	1.6	2.4	84.7%	0.1%	1.5	1.5	1.6	-12.4%	0.1%	
<b>Payments for capital assets</b>	<b>11.7</b>	<b>36.4</b>	<b>40.2</b>	<b>35.4</b>	<b>44.4%</b>	<b>2.7%</b>	<b>34.8</b>	<b>37.4</b>	<b>39.3</b>	<b>3.6%</b>	<b>2.3%</b>	
Buildings and other fixed structures	-	34.6	36.0	33.2	-	2.3%	33.4	36.4	38.3	4.8%	2.2%	
Machinery and equipment	11.7	1.8	4.2	2.1	-43.4%	0.4%	1.2	0.9	0.9	-23.9%	0.1%	
Software and other intangible assets	-	-	-	-	-	-	0.1	0.1	0.1	-	-	
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>900.6</b>	<b>1 048.5</b>	<b>1 249.4</b>	<b>1 410.9</b>	<b>16.1%</b>	<b>100.0%</b>	<b>1 597.7</b>	<b>1 708.7</b>	<b>1 787.5</b>	<b>8.2%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>22.7%</b>	<b>27.2%</b>	<b>25.4%</b>	<b>24.0%</b>			<b>25.9%</b>	<b>26.1%</b>	<b>26.3%</b>			

## Details of selected transfers and subsidies

<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>715.4</b>	<b>828.7</b>	<b>1 039.4</b>	<b>1 136.8</b>	<b>16.7%</b>	<b>80.7%</b>	<b>1 301.1</b>	<b>1 366.8</b>	<b>1 429.7</b>	<b>7.9%</b>	<b>80.5%</b>
Comprehensive agricultural support programme grant: Infrastructure	544.6	554.8	680.5	762.1	11.8%	55.1%	905.7	947.8	991.4	9.2%	55.5%
Comprehensive agricultural support programme grant: Extension recovery plan	170.8	273.9	308.9	322.2	23.6%	23.3%	339.9	360.3	376.9	5.4%	21.5%
Comprehensive agricultural support programme grant: Colleges for infrastructure	-	-	50.0	52.5	-	2.2%	55.4	58.7	61.4	5.4%	3.5%
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>9.1</b>	<b>10.2</b>	<b>12.6</b>	<b>16.4</b>	<b>21.6%</b>	<b>1.0%</b>	<b>58.3</b>	<b>91.3</b>	<b>95.9</b>	<b>80.2%</b>	<b>4.0%</b>
Water Research Commission	-	-	-	1.8	-	-	1.2	-	-	-100.0%	-
National Student Financial Aid Scheme	8.5	9.6	12.0	14.0	18.0%	1.0%	14.4	15.6	15.2	2.8%	0.9%
Perishable Products Export Control Board	0.6	0.6	0.6	0.6	-	0.1%	0.6	0.7	0.7	5.3%	-
Provincial and rural agricultural colleges	-	-	-	-	-	-	42.0	75.0	80.0	-	3.0%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>2.6</b>	<b>2.8</b>	<b>4.3</b>	<b>5.0</b>	<b>25.1%</b>	<b>0.3%</b>	<b>3.4</b>	<b>3.6</b>	<b>3.8</b>	<b>-8.5%</b>	<b>0.2%</b>
Ncera Farms	2.6	2.8	4.3	5.0	25.1%	0.3%	3.4	3.6	3.8	-8.5%	0.2%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>8.0</b>	<b>-</b>	<b>1.7</b>	<b>2.5</b>	<b>-32.1%</b>	<b>0.3%</b>	<b>2.5</b>	<b>2.5</b>	<b>2.6</b>	<b>1.5%</b>	<b>0.2%</b>
Colleges in the sector	-	-	1.7	2.5	-	0.1%	2.5	2.5	2.6	1.5%	0.2%
Food Bank South Africa	8.0	-	-	-	-100.0%	0.2%	-	-	-	-	-
<b>Higher education institutions</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>5.0</b>	<b>-</b>	<b>0.1%</b>	<b>4.8</b>	<b>4.8</b>	<b>4.8</b>	<b>-1.1%</b>	<b>0.3%</b>
University of KwaZulu-Natal	-	-	0.1	0.7	-	-	1.0	1.0	1.0	14.9%	0.1%
University of Pretoria	-	-	-	0.8	-	-	0.8	0.8	0.8	-	-
University of Fort Hare	-	-	-	3.5	-	0.1%	3.0	3.0	3.0	-5.0%	0.2%



## Personnel information

**Table 26.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
		2011/12		Unit		2012/13		Unit		2013/14		Unit				2014/15		Unit		2015/16	
Food Security and Agrarian Reform		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	474	15	499	90.0	0.2	409	107.9	0.3	474	117.4	0.2	474	124.0	0.3	474	130.9	0.3	5.0%	100.0%		
1 – 6	284	4	309	27.2	0.1	263	31.1	0.1	284	33.1	0.1	284	34.8	0.1	284	36.9	0.1	2.6%	60.9%		
7 – 10	137	1	134	31.6	0.2	112	37.4	0.3	137	41.3	0.3	137	43.9	0.3	137	45.7	0.3	6.9%	28.6%		
11 – 12	40	10	43	21.1	0.5	21	18.2	0.9	40	28.2	0.7	40	29.6	0.7	40	31.6	0.8	24.0%	7.7%		
13 – 16	13	–	13	10.1	0.8	13	21.2	1.6	13	14.8	1.1	13	15.7	1.2	13	16.6	1.3	–	2.8%		

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing comprehensive support to 117 000 subsistence and smallholder producers through the *Food Security* subprogramme, which is discussed in further detail in the section that follows. The spending focus will also be on providing infrastructure development and extension services, and upgrading and strengthening 12 provincial and rural agricultural colleges through the *Sector Capacity Development* subprogramme.

Between 2009/10 and 2012/13, the significant increase in expenditure in the *Sector Capacity Development* subprogramme was due to the allocation of an additional R152.2 million for infrastructure for the provincial and rural agricultural colleges component of the comprehensive agricultural support programme conditional grant in 2011/12; and the subsequent allocation of R197 million earmarked for research, facilities and equipment, and increasing student intake in these colleges. These additional allocations account for the increase in transfers and subsidies over this period. Expenditure in the *National Extension Support Services* subprogramme increased over the same period due to the introduction of the comprehensive agricultural support programme, the extension recovery plan, and the training and recruitment of provincial extension officers. The significant increase in expenditure on goods and services in 2012/13 was due to the once-off reprioritisation of funds from transfers to provincial and rural colleges to goods and services.

As part of the Cabinet approved budget reductions amounted to R5.5 million, of which the department reduced the allocation for spending on travel and subsistence in 2013/14 by R5.3 million. The reduction is not expected to have an adverse effect on service delivery as personnel in the programme have been encouraged to use of video conferencing instead of travelling to meetings and limits have been placed on the number of delegates in overseas trips.

The programme had a funded establishment of 474 posts and 15 posts are additional to the establishment. There were 80 funded vacancies as at 30 September 2012. The vacancies were due to the scarcity of skilled personnel and the length of time it takes to finalise the recruitment process. These posts are expected to be filled in 2013/14.

## Subprogramme: Food Security

This subprogramme facilitates the development of smallholder producers; provides implements and infrastructure; and provides national frameworks to promote the sustainable household and national food production programme by improving production systems of subsistence, smallholder and commercial producers in the agriculture, forestry and fishery sector to achieve food security livelihoods. In 2012/13, 15 043 smallholder producers were established, the food security production intervention was rolled out to deal with high food prices, and 504 tractors and 2 436 various implements were delivered to support food production. Over the medium term, the focus will be on household food production and food security through targeted support to subsistence and smallholder farmers and producers and/or processors. This will include an

enhanced mechanisation policy and the implementation thereof; improved public private partnerships on food production; and improved planning and logistics on the handling, storage and distribution of food products.

## Expenditure estimates

**Table 26.13 Food Security**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
	2012/13 - 2015/16											
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16		
<b>Current payments</b>	<b>82.8</b>	<b>50.0</b>	<b>53.0</b>	<b>62.4</b>	<b>-9.0%</b>	<b>8.4%</b>	<b>66.2</b>	<b>70.7</b>	<b>72.4</b>	<b>5.1%</b>	<b>6.7%</b>	
Compensation of employees	44.9	29.6	33.6	42.6	-1.7%	5.1%	45.9	49.5	50.2	5.6%	4.6%	
Goods and services	37.9	20.4	19.4	19.8	-19.5%	3.3%	20.3	21.2	22.2	3.8%	2.1%	
<i>of which:</i>												
Administration fees	0.2	0.0	0.1	0.2	2.8%	-	0.2	0.2	0.2	6.8%	-	
Agency and support / outsourced services	0.6	0.1	0.1	0.2	-32.5%	-	0.1	0.1	0.1	-10.1%	-	
Operating leases	0.3	0.1	0.1	0.0	-57.9%	-	-	-	-	-100.0%	-	
Travel and subsistence	11.1	7.9	7.0	6.7	-15.6%	1.1%	5.9	6.2	6.2	-2.3%	0.6%	
Interest and rent on land	-	0.0	0.0	0.0	-	-	0.0	0.0	0.0	4.6%	-	
<b>Transfers and subsidies</b>	<b>555.7</b>	<b>558.0</b>	<b>685.3</b>	<b>774.3</b>	<b>11.7%</b>	<b>87.5%</b>	<b>915.5</b>	<b>956.6</b>	<b>1 000.4</b>	<b>8.9%</b>	<b>89.8%</b>	
Provinces and municipalities	544.9	555.0	680.7	762.3	11.8%	86.4%	906.0	948.1	991.7	9.2%	88.8%	
Public corporations and private enterprises	2.6	2.8	4.3	5.0	24.0%	0.5%	3.4	3.6	3.8	-8.5%	0.4%	
Non-profit institutions	8.0	-	-	-	-100.0%	0.3%	-	-	-	-	-	
Households	0.2	0.2	0.2	0.2	5.4%	-	0.1	0.1	0.1	-20.6%	-	
<b>Payments for capital assets</b>	<b>11.0</b>	<b>36.0</b>	<b>39.5</b>	<b>33.8</b>	<b>45.4%</b>	<b>4.1%</b>	<b>34.2</b>	<b>36.8</b>	<b>38.7</b>	<b>4.6%</b>	<b>3.5%</b>	
Machinery and equipment	11.0	1.4	3.5	0.6	-62.2%	0.6%	0.9	0.5	0.5	-3.1%	0.1%	
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>649.6</b>	<b>644.1</b>	<b>777.9</b>	<b>870.5</b>	<b>10.3%</b>	<b>100.0%</b>	<b>1 015.9</b>	<b>1 064.1</b>	<b>1 111.5</b>	<b>8.5%</b>	<b>100.0%</b>	
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>72.1%</b>	<b>61.4%</b>	<b>62.3%</b>	<b>61.7%</b>			<b>63.6%</b>	<b>62.3%</b>	<b>62.2%</b>			

## Personnel information

**Table 26.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts additional to the establishment	Actual						Revised estimate <sup>3</sup>						Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)
		2011/12			2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16				
		Unit	Cost	Cost	Unit	Cost	Cost	Unit	Cost	Cost	Unit	Cost	Cost	Unit	Cost	Cost	2012/13 - 2015/16	2012/13 - 2015/16			
<b>Food Security</b>		Unit		Unit		Unit		Unit		Unit		Unit		Unit							
<b>Salary level</b>	<b>240</b>	<b>8</b>	<b>262</b>	<b>33.6</b>	<b>0.1</b>	<b>210</b>	<b>42.6</b>	<b>0.2</b>	<b>240</b>	<b>45.9</b>	<b>0.2</b>	<b>240</b>	<b>49.5</b>	<b>0.2</b>	<b>240</b>	<b>50.2</b>	<b>0.2</b>	<b>4.6%</b>	<b>100.0%</b>		
1 – 6	141	-	163	10.3	0.1	135	12.8	0.1	141	14.1	0.1	141	15.1	0.1	141	15.5	0.1	1.5%	60.0%		
7 – 10	80	-	77	13.6	0.2	66	20.1	0.3	80	20.1	0.3	80	21.8	0.3	80	21.8	0.3	6.6%	32.9%		
11 – 12	15	8	18	6.0	0.3	5	2.7	0.5	15	7.6	0.5	15	8.1	0.5	15	8.4	0.6	44.2%	5.4%		
13 – 16	4	-	4	3.6	0.9	4	7.0	1.8	4	4.1	1.0	4	4.4	1.1	4	4.5	1.1	-	1.7%		

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing comprehensive support to smallholder producers, including for infrastructure development, and production interventions and improved market access to achieve food security. This will be provided through the comprehensive agricultural support programme, which is allocated R2.8 billion over the medium term to provide for the infrastructure needs of 220 000 existing and 80 000 new smallholder producers, and 380 000 subsistence producers. The support provided includes a mechanisation support programme that targets subsistence and smallholder producers in order to increase their production. Expenditure on consultants is projected to increase over the medium term as support is provided to a greater number of smallholder producers. The consultants provide engineering services and subsistence farming advice and demonstrations on the use of new and complicated farming machinery and equipment. They also

provide advice on the infrastructure requirements of farms in the comprehensive agricultural support programme.

This subprogramme had a funded establishment of 240 posts and 8 posts additional to establishment. There were 30 vacancies as at 30 September 2012, mainly due to natural attrition. These posts are to be filled in 2013/14.

## **Programme 4: Trade Promotion and Market Access**

### **Objectives**

- Coordinate government food security initiatives by:
  - increasing market access and trade for agricultural, forestry and fisheries products by conducting trade negotiations on an ongoing basis
  - providing marketing and enterprise development and support measures to agricultural, forestry and fisheries producers and entrepreneurs across the value chains of the industries on an ongoing basis in order to improve the efficiency of producers
  - ensuring the establishment of 9 commodity based cooperatives to support the products of smallholder farmers in accessing markets
  - expanding the implementation of the agriculture and forestry transformation charters to increase the equity ownership share of historically disadvantaged groups in the value chains of agriculture, forestry and fisheries industries over the medium term.

### **Subprogrammes**

- *Management* oversees and manages the programme. This subprogramme had a staff complement of 3 in 2012/13.
- *International Relations and Trade* facilitates, coordinates and supports international relations, and creates an enabling environment for enhancing regional integration and access to regional and international markets for agriculture, forestry and fisheries products. This subprogramme had a staff complement of 82 in 2012/13.
- *Cooperatives and Rural Enterprise Development* provides leadership and support in implementation programmes and initiatives to ensure the promotion and participation of emerging businesses in the agriculture, forestry and fisheries sectors. In 2012/13, R31 million was transferred to the Land and Agricultural Development Bank of South Africa in respect of the AgriBEE Sector Charter. Over the medium term, the focus will be on supporting the final gazetting of the sector code, as well as facilitating the implementation of empowerment deals in line with the broad based black economic empowerment (BEE) agenda in the sector. This subprogramme had a staff complement of 53 in 2012/13.
- *Agro-Processing and Marketing* develops and implements support programmes to promote market access, and value addition and processing of primary agriculture, forestry and fisheries products. The subprogramme also makes transfers to the National Agricultural Marketing Council. Over the medium term, the focus will be on providing marketing information to producers; linking farmers, producers and processors to markets; providing marketing skills to producers and processors; and developing an interdepartmental and agencies framework to support the implementation of an agro-processing strategy in South Africa. This subprogramme had a staff complement of 32 in 2012/13.

## Expenditure estimates

Table 26.15 Trade Promotion and Market Access

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Management	0.7	1.3	1.8	2.6	54.9%	0.9%	2.7	2.8	2.9	3.5%	1.2%
International Relations and Trade	79.6	85.4	89.8	90.9	4.5%	47.4%	106.4	104.6	107.1	5.6%	44.4%
Cooperatives and Rural Enterprise Development	67.3	17.5	50.4	69.3	1.0%	28.0%	72.4	75.5	78.0	4.0%	32.1%
Agro-processing and Marketing	37.6	41.2	48.1	46.6	7.4%	23.8%	50.2	53.1	55.8	6.2%	22.3%
<b>Total</b>	<b>185.2</b>	<b>145.3</b>	<b>190.2</b>	<b>209.4</b>	<b>4.2%</b>	<b>100.0%</b>	<b>231.6</b>	<b>236.0</b>	<b>243.9</b>	<b>5.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(2.6)			7.8	(7.6)	-		

## Economic classification

<b>Current payments</b>	<b>75.1</b>	<b>83.6</b>	<b>90.9</b>	<b>118.9</b>	<b>16.5%</b>	<b>50.5%</b>	<b>124.9</b>	<b>132.7</b>	<b>142.0</b>	<b>6.1%</b>	<b>56.3%</b>
Compensation of employees	41.3	48.7	58.5	71.8	20.3%	30.2%	81.0	85.5	90.3	7.9%	35.7%
Goods and services	33.9	34.9	32.4	47.0	11.6%	20.3%	43.8	47.2	51.6	3.1%	20.6%
of which:											
Administration fees	0.2	0.2	0.1	0.5	34.9%	0.1%	0.7	0.8	0.8	17.2%	0.3%
Agency and support / outsourced services	3.6	5.1	2.7	3.3	-2.8%	2.0%	3.2	4.2	5.5	18.0%	1.8%
Operating leases	2.9	3.3	3.7	3.1	2.0%	1.8%	3.0	3.1	3.6	5.0%	1.4%
Travel and subsistence	7.7	10.9	8.2	10.8	12.0%	5.2%	9.1	10.0	11.3	1.4%	4.5%
Interest and rent on land	-	0.0	0.0	0.1	-	-	0.1	0.1	0.1	15.1%	-
<b>Transfers and subsidies</b>	<b>109.6</b>	<b>60.9</b>	<b>98.2</b>	<b>89.3</b>	<b>-6.6%</b>	<b>49.0%</b>	<b>106.4</b>	<b>102.9</b>	<b>101.6</b>	<b>4.4%</b>	<b>43.5%</b>
Provinces and municipalities	-	0.1	0.0	0.0	-	-	-	-	-	-100.0%	-
Departmental agencies and accounts	29.4	31.2	36.0	31.4	2.3%	17.5%	35.8	37.8	37.9	6.5%	15.5%
Higher education institutions	1.9	-	-	-	-100.0%	0.3%	-	-	-	-	-
Foreign governments and international organisations	29.7	29.6	31.9	23.4	-7.6%	15.7%	33.7	25.9	22.6	-1.2%	11.5%
Public corporations and private enterprises	48.6	0.0	30.0	34.4	-10.9%	15.5%	36.9	39.1	41.0	6.0%	16.4%
Households	0.0	0.0	0.2	0.0	-39.4%	-	-	0.1	-	-100.0%	-
<b>Payments for capital assets</b>	<b>0.5</b>	<b>0.8</b>	<b>1.0</b>	<b>1.2</b>	<b>34.1%</b>	<b>0.5%</b>	<b>0.4</b>	<b>0.3</b>	<b>0.4</b>	<b>-32.4%</b>	<b>0.2%</b>
Machinery and equipment	0.5	0.8	1.0	1.2	34.1%	0.5%	0.3	0.3	0.3	-35.1%	0.2%
Software and other intangible assets	-	-	-	-	-	-	0.1	0.0	0.0	-	-
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>185.2</b>	<b>145.3</b>	<b>190.2</b>	<b>209.4</b>	<b>4.2%</b>	<b>100.0%</b>	<b>231.6</b>	<b>236.0</b>	<b>243.9</b>	<b>5.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>4.7%</b>	<b>3.8%</b>	<b>3.9%</b>	<b>3.6%</b>			<b>3.7%</b>	<b>3.6%</b>	<b>3.6%</b>		

## Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>29.4</b>	<b>31.2</b>	<b>36.0</b>	<b>31.4</b>	<b>2.3%</b>	<b>17.5%</b>	<b>35.8</b>	<b>37.8</b>	<b>37.9</b>	<b>6.5%</b>	<b>15.5%</b>
National Agricultural Marketing Council	28.4	31.2	36.0	31.4	3.5%	17.4%	33.8	36.0	37.9	6.5%	15.1%
Small Enterprise Development Agency	-	-	-	-	-	-	2.0	1.8	-	-	0.4%
Timpi Seleka Agricultural Training Centre	1.0	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>48.6</b>	<b>-</b>	<b>30.0</b>	<b>34.3</b>	<b>-11.0%</b>	<b>15.5%</b>	<b>36.9</b>	<b>39.1</b>	<b>41.0</b>	<b>6.2%</b>	<b>16.4%</b>
Forest Sector Charter Council	-	-	-	3.2	-	0.4%	3.5	3.7	3.9	7.5%	1.6%
Land and Agricultural Development Bank of South Africa	48.6	-	30.0	31.1	-13.8%	15.0%	33.3	35.3	37.1	6.1%	14.9%
<b>Higher education institutions</b>											
<b>Current</b>	<b>1.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
University of the Free State	1.9	-	-	-	-100.0%	0.3%	-	-	-	-	-

Table 26.15 Trade Promotion and Market Access (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15	2015/16	2012/13 - 2015/16
	<b>Foreign governments and international organisations</b>													
<b>Current</b>	<b>29.7</b>	<b>29.6</b>	<b>31.9</b>	<b>23.4</b>	<b>-7.6%</b>	<b>15.7%</b>	<b>33.7</b>	<b>25.9</b>	<b>22.6</b>	<b>-1.2%</b>	<b>11.5%</b>			
Consultative Group on International Agricultural Research	4.0	3.6	3.4	4.0	-0.4%	2.1%	4.0	4.0	4.0	-	1.7%			
International Union for the Protection of New Varieties of Plants	0.4	0.4	0.4	0.4	1.1%	0.2%	0.6	0.6	0.6	10.2%	0.2%			
Commonwealth Agricultural Bureau International	0.1	-	0.1	0.1	-2.6%	0.1%	0.2	0.2	0.2	6.4%	0.1%			
International Commission of Agricultural Engineering	-	-	-	0.1	-	-	0.1	0.1	0.1	-0.9%	-			
Food and Agriculture Organisation of the United Nations	23.1	23.6	23.7	14.8	-13.8%	11.7%	20.4	14.9	11.6	-7.8%	6.7%			
Foreign rates and taxes	0.1	0.1	0.1	0.1	-3.1%	0.1%	0.2	0.2	0.2	7.3%	0.1%			
International Fund for Agricultural Development	-	-	2.8	0.5	-	0.4%	3.6	3.8	3.8	92.6%	1.3%			
International Cotton Advisory Council	-	0.1	0.1	0.5	-	0.1%	0.2	0.2	0.2	-29.2%	0.1%			
International Dairy Federation	0.1	0.1	0.1	0.1	-	-	0.1	0.1	0.1	-	-			
International Grains Council	0.1	0.1	0.1	0.2	2.5%	0.1%	0.2	0.2	0.2	5.1%	0.1%			
International Seed Testing Association	0.1	0.0	0.1	0.1	4.8%	-	0.2	0.2	0.2	36.4%	0.1%			
International Organisation of Vine and Wine	0.6	0.5	0.6	0.5	-4.9%	0.3%	0.5	0.5	0.5	0.7%	0.2%			
World Organisation for Animal Health	1.0	0.8	0.0	1.9	24.6%	0.5%	1.0	1.1	1.1	-16.2%	0.5%			
Organisation for Economic Cooperation and Development	0.0	0.3	0.4	0.2	57.9%	0.1%	0.1	0.1	0.1	-20.2%	-			
Centre for coordination of Agricultural Research and Development of Southern Africa	-	-	-	-	-	-	2.5	-	-	-	0.3%			

## Personnel information

Table 26.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
<b>Trade Promotion and Market Access</b>																			
<b>Salary level</b>	<b>170</b>	<b>1</b>	<b>159</b>	<b>58.5</b>	<b>0.4</b>	<b>142</b>	<b>71.8</b>	<b>0.5</b>	<b>170</b>	<b>81.0</b>	<b>0.5</b>	<b>170</b>	<b>85.5</b>	<b>0.5</b>	<b>170</b>	<b>90.3</b>	<b>0.5</b>	<b>6.2%</b>	<b>100.0%</b>
1 – 6	31	-	29	3.2	0.1	28	3.6	0.1	31	4.8	0.2	31	5.0	0.2	31	5.3	0.2	3.5%	18.6%
7 – 10	92	-	96	24.4	0.3	76	27.4	0.4	92	31.3	0.3	92	32.9	0.4	92	34.7	0.4	6.6%	54.0%
11 – 12	32	-	19	10.5	0.6	25	17.2	0.7	32	12.8	0.4	32	13.5	0.4	32	14.2	0.4	8.6%	18.6%
13 – 16	15	1	15	20.3	1.4	13	23.6	1.8	15	32.1	2.1	15	34.0	2.3	15	36.1	2.4	4.9%	8.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on enhancing market access and trade for agricultural, forestry and fisheries products by extending trade, marketing and enterprise development support measures to producers and entrepreneurs across the industries' value chains. The spending focus will also be on ensuring the establishment of and providing support to commodity groups and cooperatives by making transfers to the National Agricultural Marketing Council and the Land and Agricultural Development Bank of South Africa. The department expects the transfers will establish 27 (1 per province per year) sustainable, commodity based cooperatives over the medium term and support the establishment of 9 sustainable agribusiness deals (1 per province) over the medium term, in line with the AgriBEE Sector Charter.

In line with the objective to link farmers to market initiatives, 300 farmers over the medium term will receive training on the basics of marketing and will be provided with marketing information through specially designed website and mobile phones. In addition, R83 million over the medium term will be spent on the facilitation of bilateral and multilateral forums in pursuit of the goal of negotiating market access for agricultural, forestry and fisheries products, and fostering and maintaining good international relations.

The increase in spending in the *Management* subprogramme between 2009 and 2012/13 was due to the creation and filling of programme assistant positions, which accounts for the increase in spending on compensation of employees over the same period.

As part of the Cabinet approved budget reductions, the department reduced the allocation for spending on travel and subsistence in 2013/14 by R1.9 million. The reduction is not expected to have an adverse effect on service delivery, as personnel in the programme have been encouraged to use video conferencing instead of travelling to meetings and limits have been placed on the number of delegates going on overseas trips.

As at 30 September 2012, there were 170 funded posts and one post additional to the establishment, of which 29 were vacant. The vacancies were due to the scarcity of skilled personnel and the length of time it takes to finalise the recruitment process. The posts are to be filled in 2013/14. The increase in expenditure on consultants in this programme over the MTEF period is due to the appointment of the National Agricultural Marketing Council to conduct an economic study on the AgriBEE Sector Charter threshold.

## Programme 5: Forestry

### Objectives

- Ensure the sustainable management and efficient use of the department's forest plantations and indigenous woodlands by:
  - protecting 81 per cent of agricultural land and rehabilitating 800 000 hectares of agricultural land per year and reducing soil degradation and increasing the adoption of sustainable practices over the medium term
  - facilitating the protection of agricultural land through legislation enforcement over the medium term
  - developing, monitoring and implementing climate change adaptation and mitigation plans by 2013
  - rehabilitating 50 000 hectares of indigenous forests, woodlands and agricultural land over the medium term.
- Coordinate government food security initiatives by:
  - providing support to 10 000 small plant growers over the medium term
  - supporting and maintaining 1 250 hectares of smallholder government irrigation schemes over the medium term
  - facilitating the creation of 105 000 jobs opportunities through the LandCare programme and state forest land management over the medium term.
- Contribute to transformation, poverty eradication and job creation by:
  - increasing public and private investment for agriculture, forestry and fisheries products over the medium term
  - facilitating the implementation of the Forestry Sector Transformation Charter over the medium term
  - facilitating the creation of 12 000 jobs through the refurbishment of category B and C plantations, through the expanded public works programme over the medium term.

### Subprogrammes

- *Management* oversees and manages the programme. This subprogramme had a staff complement of 3 in 2012/13.
- *Forestry Operations* implements forestry related programmes and strategies in all provinces by ensuring the sustainable management of state forests and woodlands, implementing and enforcing relevant legislation, implementing forest enterprise development and livelihood programmes, monitoring lease agreements, and

gathering forestry information and ensuring access to information. This subprogramme had a staff complement of 2 391 in 2012/13.

- *Forestry Oversight and Regulation* develops policies and strategies to support sustainable forest management; and promotes the optimum development of arboriculture, commercial forestry and urban forestry, and the development of small scale forestry. This subprogramme had a staff complement of 58 in 2012/13.
- *Natural Resources Management* facilitates the development of infrastructure and the sustainable use of natural resources by providing an enabling framework for the sustainable management of woodlands and indigenous forests, ensuring the efficient development and revitalisation of irrigation schemes and efficient water use in the sector, facilitating climate change mitigation and adaptation, and risk and disaster management; and promoting, regulating and coordinating the sustainable use of natural agricultural resources. In 2012/13, R537 million was used for the LandCare conditional grant and agricultural disaster in respect of flood damaged infrastructure, and the prevention and mitigation of disaster risks such as compensating farmers for losses suffered in combating the avian influenza outbreak in Western Cape and Eastern Cape, and locust plagues in Northern Cape. This subprogramme had a staff complement of 732 in 2012/13.

## Expenditure estimates

**Table 26.17 Forestry**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Management	3.8	4.1	4.7	2.2	-16.3%	0.4%	3.0	3.3	3.5	17.0%	0.2%
Forestry Operations	416.1	392.3	404.3	441.5	2.0%	44.8%	466.3	493.9	520.2	5.6%	39.5%
Forestry Oversight and Regulation	51.9	44.2	61.1	50.2	-1.1%	5.6%	56.1	58.5	62.8	7.7%	4.7%
Natural Resources Management	389.8	241.5	437.7	748.8	24.3%	49.2%	659.0	630.2	659.9	-4.1%	55.5%
<b>Total</b>	<b>861.6</b>	<b>682.1</b>	<b>907.7</b>	<b>1 242.7</b>	<b>13.0%</b>	<b>100.0%</b>	<b>1 184.5</b>	<b>1 185.9</b>	<b>1 246.5</b>	<b>0.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(19.1)			(9.1)	(8.3)	-		
<b>Economic classification</b>											
<b>Current payments</b>	<b>619.9</b>	<b>539.5</b>	<b>604.2</b>	<b>639.5</b>	<b>1.0%</b>	<b>65.1%</b>	<b>709.7</b>	<b>753.4</b>	<b>797.3</b>	<b>7.6%</b>	<b>59.7%</b>
Compensation of employees	396.3	407.7	433.8	464.7	5.5%	46.1%	523.6	556.3	586.3	8.1%	43.8%
Goods and services	222.8	130.9	170.3	174.0	-7.9%	18.9%	184.7	195.6	209.4	6.4%	15.7%
of which:											
Administration fees	1.3	0.6	0.6	1.4	3.9%	0.1%	1.7	1.6	1.7	4.6%	0.1%
Agency and support / outsourced services	8.8	14.1	27.6	24.4	40.7%	2.0%	42.5	41.0	46.9	24.4%	3.2%
Operating leases	3.0	1.0	0.1	0.4	-51.2%	0.1%	0.3	0.2	0.3	-0.6%	-
Travel and subsistence	71.0	45.1	45.1	40.1	-17.3%	5.5%	38.3	45.6	49.7	7.4%	3.6%
Interest and rent on land	0.8	0.9	0.2	0.8	3.1%	0.1%	1.4	1.5	1.5	23.2%	0.1%
<b>Transfers and subsidies</b>	<b>214.5</b>	<b>110.1</b>	<b>252.3</b>	<b>545.5</b>	<b>36.5%</b>	<b>30.4%</b>	<b>420.2</b>	<b>378.8</b>	<b>394.2</b>	<b>-10.3%</b>	<b>35.8%</b>
Provinces and municipalities	208.4	104.6	207.5	514.0	35.1%	28.0%	408.6	366.7	383.6	-9.3%	34.4%
Departmental agencies and accounts	-	-	-	3.0	-	0.1%	3.0	3.0	3.0	-0.1%	0.2%
Higher education institutions	-	-	-	-	-	-	2.2	2.3	2.5	-	0.1%
Public corporations and private enterprises	0.0	1.5	3.1	-	-100.0%	0.1%	-	-	-	-	-
Non-profit institutions	-	-	3.4	3.5	-	0.2%	6.1	6.4	4.8	11.2%	0.4%
Households	6.1	4.0	38.3	25.0	60.3%	2.0%	0.3	0.3	0.3	-77.9%	0.5%
<b>Payments for capital assets</b>	<b>27.2</b>	<b>32.6</b>	<b>51.1</b>	<b>57.7</b>	<b>28.5%</b>	<b>4.6%</b>	<b>54.5</b>	<b>53.7</b>	<b>55.1</b>	<b>-1.5%</b>	<b>4.5%</b>
Buildings and other fixed structures	0.3	-	2.4	0.2	-14.2%	0.1%	-	-	-	-100.0%	-
Machinery and equipment	26.7	32.6	48.7	57.1	28.8%	4.5%	53.8	53.1	54.4	-1.6%	4.5%
Biological assets	0.0	-	-	0.3	153.8%	-	0.7	0.7	0.7	30.6%	-
Software and other intangible assets	0.1	-	-	0.0	-33.7%	-	0.0	0.0	0.0	-11.7%	-
<b>Payments for financial assets</b>	<b>0.1</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>861.6</b>	<b>682.1</b>	<b>907.7</b>	<b>1 242.7</b>	<b>13.0%</b>	<b>100.0%</b>	<b>1 184.5</b>	<b>1 185.9</b>	<b>1 246.5</b>	<b>0.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>21.7%</b>	<b>17.7%</b>	<b>18.4%</b>	<b>21.2%</b>			<b>19.2%</b>	<b>18.1%</b>	<b>18.3%</b>		

Table 26.17 Forestry (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Details of selected transfers and subsidies</b>											
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>208.3</b>	<b>104.5</b>	<b>207.3</b>	<b>513.9</b>	<b>35.1%</b>	<b>28.0%</b>	<b>408.0</b>	<b>366.1</b>	<b>382.9</b>	<b>-9.3%</b>	<b>34.4%</b>
Land care programme grant: Poverty relief and infrastructure development	51.4	54.5	57.8	115.7	31.0%	7.6%	109.0	67.8	71.0	-15.0%	7.5%
Comprehensive agricultural support programme grant: Agricultural disaster management grant	156.9	50.0	149.6	-	-100.0%	9.6%	-	-	-	-	-
Comprehensive agricultural support programme grant: Disasters: Flood damaged infrastructure	-	-	-	398.2	-	10.8%	299.0	298.2	312.0	-7.8%	26.9%
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>5.7</b>	<b>0.5</b>	<b>32.9</b>	<b>23.5</b>	<b>60.3%</b>	<b>1.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.5%</b>
Avian influenza	-	-	32.9	23.5	-	1.5%	-	-	-	-100.0%	0.5%
Bursaries: Non-employees	5.7	-	-	-	-100.0%	0.2%	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>0.3</b>	<b>3.5</b>	<b>5.4</b>	<b>1.4</b>	<b>61.1%</b>	<b>0.3%</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>-42.6%</b>	<b>-</b>
Employee social benefits	0.3	3.5	5.4	1.4	61.1%	0.3%	0.3	0.3	0.3	-42.6%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.0</b>	<b>-</b>	<b>0.1%</b>	<b>3.0</b>	<b>3.0</b>	<b>3.0</b>	<b>-0.1%</b>	<b>0.2%</b>
Water Research Commission	-	-	-	3.0	-	0.1%	3.0	3.0	3.0	-	0.2%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>3.0</b>	<b>-</b>	<b>-</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Forest Sector Charter Council	-	-	3.0	-	-	0.1%	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>3.4</b>	<b>3.5</b>	<b>-</b>	<b>0.2%</b>	<b>6.1</b>	<b>6.4</b>	<b>4.8</b>	<b>11.2%</b>	<b>0.4%</b>
International Wildland Fire Conference	-	-	0.1	-	-	-	-	-	-	-	-
Forestry South Africa	-	-	3.2	3.5	-	0.2%	5.8	6.0	4.4	8.1%	0.4%
Food and Trees for Africa	-	-	-	-	-	-	0.3	0.4	0.4	-	-
Centre for International Forestry Research	-	-	0.1	-	-	-	-	-	-	-	-
<b>Higher education institutions</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.2</b>	<b>2.3</b>	<b>2.5</b>	<b>-</b>	<b>0.1%</b>
University of Pretoria	-	-	-	-	-	-	2.2	2.3	2.5	-	0.1%

## Personnel information

Table 26.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment										Number							
Number of funded posts	Number of posts additional to the establishment	Actual		Revised estimate <sup>3</sup>		Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
		2011/12	Unit	2012/13	Unit	2013/14	Unit	2014/15	Unit	2015/16	Unit			2012/13 - 2015/16					
<b>Forestry</b>																			
<b>Salary level</b>	<b>3 184</b>	<b>17</b>	<b>3 251</b>	<b>433.8</b>	<b>0.1</b>	<b>2 806</b>	<b>464.7</b>	<b>0.2</b>	<b>3 184</b>	<b>523.6</b>	<b>0.2</b>	<b>3 184</b>	<b>556.3</b>	<b>0.2</b>	<b>3 184</b>	<b>586.3</b>	<b>0.2</b>	<b>4.3%</b>	<b>100.0%</b>
1 - 6	2 655	6	2 722	267.6	0.1	2 392	279.0	0.1	2 655	309.3	0.1	2 655	329.4	0.1	2 655	346.9	0.1	3.5%	83.8%
7 - 10	445	8	443	114.6	0.3	347	129.3	0.4	445	151.9	0.3	445	161.1	0.4	445	170.0	0.4	8.6%	13.6%
11 - 12	69	1	71	38.2	0.5	54	42.9	0.8	69	45.5	0.7	69	48.0	0.7	69	50.7	0.7	8.5%	2.1%
13 - 16	15	2	15	13.5	0.9	13	13.4	1.0	15	16.8	1.1	15	17.8	1.2	15	18.8	1.3	4.9%	0.5%

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

2. Rand million.

3. As at 30 September 2012.



## Expenditure trends

The spending focus over the medium term will be on sustainable forestry management and implementing the LandCare programme, rehabilitating flood damaged infrastructure, and preventing and mitigating disaster risks. The department projects that 2 900 full time jobs will be created through the LandCare programme's projects. The implementation of the flood assistance scheme has begun in the 6 provinces affected by floods and R909.2 million will be spent over the medium term on repairing flood damaged agricultural infrastructure.

The allocations to this programme over the medium term will also be directed towards creating 7 325 jobs through the refurbishment of category B and C plantations in Limpopo, KwaZulu-Natal, Mpumalanga and Eastern Cape, and replanting 5 340 hectares of temporarily unplanted areas in all provinces.

Between 2009/10 and 2012/13, expenditure on goods and services decreased due to budget reductions in expenditure on travel and subsistence, while the increase in expenditure on households over the same period was due to the compensation paid to farmers for avian influenza. The increase in expenditure on machinery and equipment over the same period was due to the procurement of fire trucks and weeding equipment. The increase in expenditure in the *Natural Resources Management* subprogramme in 2011/12 and 2012/13, and the projected increase over the medium term, is due to the introduction of the LandCare fencing project, which has a total cost of R105 million, and additional funding of R1.3 billion for flood damaged infrastructure.

As part of the Cabinet approved budget reductions, the department reduced the allocations for spending on travel and subsistence over the medium term by R7.4 million. The reduction is not expected to have an adverse effect on service delivery, as personnel in the programme have been encouraged to use video conferencing instead of travelling to meetings and limits have been placed on the number of delegates going on overseas trips.

There were 3 184 funded posts and 17 additional posts, of which 395 were vacant as at 30 September 2012. This is mainly due to the difficulty in recruiting skilled personnel and the length of time it takes to finalise the recruitment process. The posts are to be filled in 2013/14. Consultants are used where specialised skills in forestry management are required.

## Programme 6: Fisheries

### Objectives

- Promote the conservation and sustainable use of marine resources and the recovery of depleted fish stocks by:
  - implementing the stock recovery strategy for hake, abalone, West Coast rock lobster and line fish by 2013/14
  - conducting annual fishery specific research to inform the setting of total allowable catches and total allowable efforts in 22 fishing sectors per year until 2015/16
  - implementing the small scale fisheries policy by 2013/14.
- Grow the fisheries sector by broadening the scope of the aquaculture sub-sector through the implementation of the national aquaculture strategy by 2013/14 and the establishment of 14 aquaculture pilot projects by 2015/16.
- Improve compliance with and enforcement of the Marine Living Resources Act (1998) by implementing the integrated fisheries security strategy by 2013/14.
- Facilitate the creation of 3 920 job opportunities in the coastal and rural communities through the implementation of Working for Fisheries projects by 2015/16.

### Subprogrammes

- *Management* oversees and manages the programme. This subprogramme had a staff complement of 3 in 2012/13.
- *Aquaculture* provides public support and integrated management to promote aquaculture growth and fisheries development. This subprogramme had a staff complement of 119 in 2012/13.

- *Monitoring, Control and Surveillance* protects and promotes the sustainable use of marine living resources. This subprogramme had a staff complement of 273 in 2012/13.
- *Marine Resources Management* manages and regulates marine living resources. This subprogramme had a staff complement of 58 in 2012/13.
- *Fisheries Research and Development* conducts research to promote the sustainable use and development of fisheries resources and ecosystems. This subprogramme had a staff complement of 150 in 2012/13.
- *Marine Living Resources Fund* receives transfers for the management and sustainable use of marine living resources to supplement the revenue received from levies on fish and fish products, permits and application fees and the proceeds from the sale of confiscated fish and fish products. This subprogramme's budget is transferred in full to the Marine Living Resources Fund. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

**Table 26.19 Fisheries**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Management	0.9	0.1	0.1	1.9	28.4%	0.2%	2.0	2.1	2.2	5.0%	0.4%
Aquaculture	14.2	23.7	25.0	28.5	26.1%	7.0%	29.4	30.8	32.2	4.2%	6.6%
Monitoring Control and Surveillance	39.2	54.3	64.0	73.0	23.0%	17.7%	73.6	77.1	80.8	3.4%	16.6%
Marine Resources Management	16.4	14.2	15.1	18.1	3.4%	4.9%	17.6	18.5	19.4	2.2%	4.0%
Fisheries Research and Development	23.3	38.6	46.7	51.3	30.1%	12.3%	54.3	56.9	59.6	5.1%	12.1%
Marine Living Resources Fund	106.1	128.1	201.2	316.4	43.9%	57.8%	257.1	261.6	273.9	-4.7%	60.3%
<b>Total</b>	<b>200.0</b>	<b>259.1</b>	<b>352.0</b>	<b>489.1</b>	<b>34.7%</b>	<b>100.0%</b>	<b>434.0</b>	<b>446.9</b>	<b>468.0</b>	<b>-1.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				77.3			81.1	74.5	-		
<b>Economic classification</b>											
<b>Current payments</b>	<b>94.0</b>	<b>130.8</b>	<b>150.3</b>	<b>172.7</b>	<b>22.5%</b>	<b>42.1%</b>	<b>176.9</b>	<b>185.3</b>	<b>194.1</b>	<b>4.0%</b>	<b>39.7%</b>
Compensation of employees	94.0	130.8	150.3	172.7	22.5%	42.1%	176.9	185.3	194.1	4.0%	39.7%
<b>Transfers and subsidies</b>	<b>106.1</b>	<b>128.3</b>	<b>201.7</b>	<b>316.4</b>	<b>43.9%</b>	<b>57.9%</b>	<b>257.1</b>	<b>261.6</b>	<b>273.9</b>	<b>-4.7%</b>	<b>60.3%</b>
Departmental agencies and accounts	106.1	128.1	201.2	316.4	43.9%	57.8%	257.1	261.6	273.9	-4.7%	60.3%
Households	-	0.2	0.5	-	-	0.1%	-	-	-	-	-
<b>Total</b>	<b>200.0</b>	<b>259.1</b>	<b>352.0</b>	<b>489.1</b>	<b>34.7%</b>	<b>100.0%</b>	<b>434.0</b>	<b>446.9</b>	<b>468.0</b>	<b>-1.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>5.0%</b>	<b>6.7%</b>	<b>7.1%</b>	<b>8.3%</b>			<b>7.0%</b>	<b>6.8%</b>	<b>6.9%</b>		
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	-	0.2	0.5	-	-	0.1%	-	-	-	-	-
Employee social benefits	-	0.2	0.5	-	-	0.1%	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>106.1</b>	<b>128.1</b>	<b>201.2</b>	<b>316.4</b>	<b>43.9%</b>	<b>57.8%</b>	<b>257.1</b>	<b>261.6</b>	<b>273.9</b>	<b>-4.7%</b>	<b>60.3%</b>
Marine Living Resources Fund	106.1	128.1	201.2	249.1	32.9%	52.6%	257.1	261.6	273.9	3.2%	56.7%
Marine Living Resources Fund: Maintenance and repairs to harbours: Department of Public Works	-	-	-	67.3	-	5.2%	-	-	-	-100.0%	3.7%

## Personnel information

**Table 26.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Fisheries</b>																			
Salary level	603	22	604	150.3	0.2	513	172.7	0.3	603	176.9	0.3	603	185.3	0.3	602	194.1	0.3	5.5%	100.0%
1 – 6	140	8	138	15.4	0.1	117	16.6	0.1	140	17.6	0.1	140	18.5	0.1	140	19.4	0.1	6.2%	23.1%
7 – 10	375	14	338	74.1	0.2	337	101.0	0.3	375	96.7	0.3	375	101.2	0.3	374	105.8	0.3	3.5%	62.9%
11 – 12	70	–	110	45.4	0.4	46	37.6	0.8	70	44.5	0.6	70	46.7	0.7	70	49.0	0.7	15.0%	11.0%
13 – 16	18	–	18	15.3	0.9	13	17.6	1.4	18	18.1	1.0	18	19.0	1.1	18	19.9	1.1	11.5%	2.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the sustainable use of marine living resources and the Working for Fisheries programme. R202.9 million over the medium term has been allocated for the implementation of fisheries projects and over 3 000 job opportunities are expected to be created in coastal and rural communities. The spending focus will also be on performing annual fishery specific research to inform the process of setting the total allowable catches in 22 fishing sectors per year until 2015/16. This includes continuing with the finalisation and implementation of the small scale fisheries policy in 2013/14, and improving compliance with and enforcement of the Marine Living Resources Act (1998) by finalising the development and implementation of the integrated fisheries security strategy from 2013/14 onwards.

The programme provides for personnel costs and a transfer payment to the Marine Living Resources Fund. The significant increase in expenditure between 2009/10 and 2012/13 was due to the transfer of the Working for Fisheries programme from the Department of Environmental Affairs to this programme, and a rollover of R67.3 million in 2012/13 to pay the Department of Public Works for the maintenance and repairs of the 12 Western Cape harbours.

The programme had a funded establishment of 603 posts and 22 were additional to the establishment. There were 112 vacancies as at 30 September 2012 due to the difficulty in recruiting skilled personnel and the length of time require to finalise the recruitment processes. The posts are to be filled in 2013/14.

## Public entities and other agencies

### Agricultural Research Council

#### Mandate and goals

The Agricultural Research Council was established by the Agricultural Research Act (1990) and is the main agricultural research institution in South Africa. The council's mandate in terms of the act is to conduct research and development, and effect the transfer of technology in order to promote agriculture and industry, contribute to a better quality of life and facilitate and ensure natural resource conservation.

This function is carried out through 11 research institutes whose activities are grouped into five divisions: field crops (grain and industrial crops), horticulture, animal production and health, natural resources and engineering, and technology transfer. The council is also responsible for maintaining national assets and undertaking programmes and providing services that are required from time to time by the department and other stakeholders. To advance the delivery on its mandate, the council conducts fundamental and applied research with partners to generate knowledge, develop human capital and foster innovation in agriculture through technology development and dissemination, and the commercialisation of research results.

The council's strategic goals over the medium term are to:

- undertake and promote research, development and technology transfer
- use and share its technological expertise
- publish information about its objectives and functions
- establish and control facilities in the fields of research, development and technology transfer
- promote cooperation between South Africa and other countries in relation to research and development and technology transfer in the sector.

## Selected Performance Indicators

**Table 26.21 Agricultural Research Council**

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of scientific publications produced per year	Sustainable use and management of natural resources	149	168	178	189	200	210	211
Number of scientific presentations conducted per year	Enhanced nutrition, food security and safety	80	93	271	323	342	359	360
Number of scientific methods developed per year to improve output or production	Improved ability of the sector to manage and mitigate agricultural risks	123	321	892	1 039	1 101	1 156	1 159
Number of accessions/genetic stock maintained per year	Improved ability of the sector to manage and mitigate agricultural risks	68 951	4 259 072	4 344 253	4 431 139	4 519 761	4 610 157	4 619 377
Number of training courses per year	Improved operational and organisational efficiency and effectiveness	2 001	1 396	6 121	7 131	7 559	7 937	7 953
Number of new intellectual property rights filings completed per year	Technology transfer and commercialisation	27	21	15	18	19	20	20

## Programmes/ Activities/ Objectives

**Table 26.22 Agricultural Research Council**

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
R million											
Sustainable use and management of natural resources	108.2	113.6	119.6	-	-100.0%	10.5%	144.7	-	-	-	3.1%
Enhance nutrition, food security and safety	154.6	162.2	172.4	169.0	3.0%	19.5%	209.5	239.6	225.4	10.1%	18.4%
Enhance the ability of the agricultural sector to manage and mitigate agricultural risks	154.6	162.2	162.3	-	-100.0%	14.7%	214.4	0.0	-	-	4.6%
Technology transfer and commercialisation	154.6	162.3	169.2	-	-100.0%	15.0%	275.7	32.4	-	-	6.6%
Technology transfer and commercialisation	100.5	105.4	115.3	-	-100.0%	9.9%	149.2	0.0	-	-	3.2%
Organisational growth and sustainability	100.5	105.5	115.3	152.4	14.9%	13.8%	135.0	168.0	194.7	8.5%	14.3%
Crop production, improvement and protection	-	-	-	213.3	-	5.6%	-	259.2	269.0	8.0%	16.3%
Animal health, production and improvement	-	-	-	223.4	-	5.8%	-	273.0	211.6	-1.8%	15.7%
Natural resource management	-	-	-	166.9	-	4.4%	-	221.2	219.8	9.6%	13.3%
Other objectives	-	-	-	33.7	-	0.9%	36.8	81.5	61.2	22.1%	4.6%
<b>Total expense</b>	<b>772.8</b>	<b>811.2</b>	<b>854.1</b>	<b>958.6</b>	<b>7.4%</b>	<b>100.0%</b>	<b>1 165.4</b>	<b>1 275.1</b>	<b>1 181.7</b>	<b>7.2%</b>	<b>100.0%</b>

## Expenditure estimates

Table 26.23 Agricultural Research Council

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R million										
<b>Revenue</b>	<b>298.2</b>	<b>280.4</b>	<b>312.1</b>	<b>345.5</b>	5.0%	32.1%	<b>356.8</b>	<b>379.3</b>	<b>428.2</b>	7.4%	29.5%
Non-tax revenue	292.5	249.2	275.7	322.7	3.3%	29.6%	332.0	352.9	400.3	7.4%	27.5%
Sale of goods and services other than capital assets											
of which:											
Sales by market establishment	292.5	249.2	275.7	322.7	3.3%	29.6%	332.0	352.9	400.3	7.4%	27.5%
Other non-tax revenue	5.7	31.2	36.4	22.8	59.0%	2.5%	24.8	26.4	27.9	6.9%	2.0%
Transfers received	532.9	590.2	666.0	877.1	18.1%	67.9%	888.4	997.5	847.4	-1.1%	70.5%
<b>Total revenue</b>	<b>831.0</b>	<b>870.5</b>	<b>978.1</b>	<b>1 222.7</b>	<b>13.7%</b>	<b>100.0%</b>	<b>1 245.3</b>	<b>1 376.8</b>	<b>1 275.6</b>	<b>1.4%</b>	<b>100.0%</b>
<b>Expenses</b>	<b>772.8</b>	<b>811.2</b>	<b>854.1</b>	<b>958.6</b>	<b>7.4%</b>	<b>100.0%</b>	<b>1 128.6</b>	<b>1 275.1</b>	<b>1 181.7</b>	<b>7.2%</b>	<b>100.0%</b>
Current expenses	490.2	510.9	518.3	601.3	7.0%	62.5%	663.5	752.4	780.3	9.1%	61.6%
Compensation of employees	264.8	281.6	313.9	334.0	8.0%	35.1%	431.6	487.7	364.7	3.0%	35.5%
Goods and services	17.8	18.6	21.8	23.4	9.5%	2.4%	33.5	35.0	36.6	16.2%	2.8%
Depreciation	0.0	0.1	0.0	0.0	-2.2%	0.0%	0.0	0.0	0.0	4.3%	0.0%
Interest, dividends and rent on land											
<b>Total expenses</b>	<b>772.8</b>	<b>811.2</b>	<b>854.1</b>	<b>958.6</b>	<b>7.4%</b>	<b>100.0%</b>	<b>1 128.6</b>	<b>1 275.1</b>	<b>1 181.7</b>	<b>7.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>58.0</b>	<b>59.0</b>	<b>124.0</b>	<b>264.0</b>	<b>65.7%</b>		<b>117.0</b>	<b>102.0</b>	<b>94.0</b>	<b>-29.1%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	649.1	666.0	729.0	908.0	11.8%	71.1%	1 116.0	1 281.0	1 351.5	14.2%	81.8%
of which:											
Acquisition of assets	17.7	38.7	90.5	95.5	75.3%	5.3%	99.8	104.2	108.8	4.4%	7.2%
Investments	2.0	2.2	2.4	2.0	0.3%	0.2%	2.0	2.0	2.1	1.8%	0.1%
Inventory	13.3	11.5	11.8	12.5	-2.1%	1.2%	13.2	13.9	14.7	5.5%	1.0%
Receivables and prepayments	80.0	64.9	72.0	77.9	-0.8%	7.2%	86.8	93.6	98.8	8.2%	6.3%
Cash and cash equivalents	73.5	163.4	457.4	217.8	43.7%	20.2%	128.0	84.7	161.4	-9.5%	10.8%
Non-current assets held for sale	-	-	0.2	-	-	0.0%	-	-	-	-	-
<b>Total assets</b>	<b>817.9</b>	<b>908.0</b>	<b>1 272.8</b>	<b>1 218.2</b>	<b>14.2%</b>	<b>100.0%</b>	<b>1 346.1</b>	<b>1 475.3</b>	<b>1 628.5</b>	<b>10.2%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	448.0	506.9	631.0	817.3	22.2%	56.8%	917.2	1 035.1	1 237.6	14.8%	70.3%
Capital and reserves	111.5	111.3	111.3	111.3	-0.1%	10.9%	111.3	111.3	111.3	-	7.9%
Deferred income	43.5	43.5	87.3	43.9	0.3%	5.1%	74.3	78.4	82.7	23.6%	4.9%
Trade and other payables	128.2	148.4	369.3	150.9	5.6%	18.4%	174.1	175.5	127.8	-5.4%	11.3%
Provisions	86.8	98.0	73.9	94.9	3.0%	8.7%	69.1	75.0	69.1	-10.0%	5.6%
<b>Total equity and liabilities</b>	<b>817.9</b>	<b>908.0</b>	<b>1 272.8</b>	<b>1 218.2</b>	<b>14.2%</b>	<b>100.0%</b>	<b>1 346.1</b>	<b>1 475.3</b>	<b>1 628.5</b>	<b>10.2%</b>	<b>100.0%</b>

## Personnel information

Table 26.24 Agricultural Research Council

Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						2012/13 - 2015/16	Average growth rate (%)	Salary level/total: Average (%)		
			2011/12		2012/13		2013/14		2014/15		2015/16								
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Salary level	2 534	-	2 326	518.3	0.2	2 534	601.3	0.2	2 570	706.7	0.3	2 606	752.4	0.3	2 211	780.3	0.4	-4.4%	100.0%
7 - 10	2 413	-	2 207	447.1	0.2	2 413	523.2	0.2	2 449	624.0	0.3	2 485	664.7	0.3	2 090	687.4	0.3	-4.7%	87.9%
13 - 16	121	-	119	71.3	0.6	121	78.1	0.6	121	82.7	0.7	121	87.7	0.7	121	93.0	0.8	-	12.1%

1. Rand million.

## Expenditure trends

The Agricultural Research Council is funded mainly from government transfers and income generated from applied research and other projects. Transfers received are expected to continue increasing as a result of the economic competitiveness and support package allocation of R128 million in 2013/14 and R195 million in 2014/15 for research into crop production, the production of animal vaccines, extension services for smallholder farmers, university research, and the maintenance of national genebank collections.

The spending focus over the medium term will be on crop production, animal production and health, and management of natural resources. This will allow the council to generate 621 scientific publications, 1 061 scientific presentations, 3 416 scientific methods, and provide 23 449 training courses.

Expenditure on goods and services increased between 2009/10 and 2012/13 due to an additional allocation of R50 million in 2011/12 and R150 million in 2012/13 for the construction of a foot and mouth disease vaccine facility, and an allocation of R77 million in 2012/13 as part of the economic competitiveness support package for research into crop production, extension services for smallholder farmers and the maintenance of genebank collections. Over the medium term, expenditure on compensation of employees is expected to grow to R780.3 million in 2015/16, mainly due to additional funding of R18.6 million, R24.9 million and R32.5 million for improved conditions of service. The council had 2 534 funded posts, all of which were filled as at 30 September 2012.

The council expects to realise savings from operational activities of R2 million in 2013/14, R2 million in 2014/15 and R2.3 million in 2015/16 by implementing cost effectiveness measures in 2012/13. The measures include the council implementing effective controls on project management and monitoring expenditure by continuously reviewing its projects and programmes, policies and strategies, and strengthening the relationships between the council and industry partners to optimise costs along the value chain.

## **Marine Living Resources Fund**

### **Mandate and goals**

The Marine Living Resources Fund was established in terms of the Marine Living Resources Act (1998). The fund's mandate and core business is to manage the development and sustainable use of South Africa's marine resources, as well as to protect the integrity and quality of the marine ecosystem. The fund's strategic priorities are aligned with decent employment through inclusive economic growth (outcome 4), vibrant, equitable and sustainable rural communities with food security for all (outcome 7), and environmental assets and natural resources that are well protected and continually enhanced (outcome 10).

The fund's strategic goals over the medium term are to:

- conduct annual fishery specific research to inform the setting of total allowable catches and effort in 22 fishing sectors per year
- investigate the feasibility of 6 potential new fisheries
- implement the stock recovery strategy for hake, abalone, West Coast rock lobster and line fish
- finalise and implement the small scale fisheries policy
- broaden the scope of the aquaculture sector
- develop and implement a proactive stakeholder engagement strategy
- set transformation targets for the allocation of new fishing rights
- develop and implement the integrated fisheries security strategy to ensure better compliance, monitoring and enforcement
- facilitate the creation of 3 450 job opportunities in the coastal and rural communities, through the implementation of projects under the Working for Fisheries programme.

## Selected performance indicators

Table 26.25 Marine Living Resources Fund

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of annual assessments conducted to determine the state of resources in the fisheries sector per year	Marine resources research	22	22	22	22	22	22	22
Number of research projects conducted per year on the feasibility of South Africa's aquaculture species	Aquaculture and economic development	2	2	2	2	2	2	2
Number of aquaculture (fish farming) pilot projects launched per year	Aquaculture and economic development	1	1	3	5	5	5	5
Number of jobs created with the alternative livelihoods programme per year <sup>1</sup>	Aquaculture and economic development	- <sup>1</sup>	978	1 100	1 000	1 100	1 150	1 200

1. No past data, as measurement of this performance indicator began in 2010/11.

## Programmes/activities/objectives

Table 26.26 Marine Living Resources Fund

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Administration	74.9	54.0	41.5	50.5	-12.3%	14.2%	30.7	33.0	37.4	-9.5%	8.6%
Marine resource management	9.2	10.1	11.3	23.6	37.0%	3.2%	25.7	15.4	17.7	-9.1%	4.7%
Aquaculture and economic development	24.2	81.0	64.2	175.4	93.6%	19.9%	95.1	90.4	94.0	-18.8%	25.3%
Marine resources research	123.9	84.7	120.9	151.3	6.9%	29.5%	121.4	125.4	127.7	-5.5%	30.2%
Monitoring, control and surveillance	140.9	97.8	139.8	157.8	3.8%	33.2%	123.1	131.2	131.1	-6.0%	31.2%
<b>Total expense</b>	<b>373.0</b>	<b>327.6</b>	<b>377.7</b>	<b>558.6</b>	<b>14.4%</b>	<b>100.0%</b>	<b>395.9</b>	<b>395.4</b>	<b>407.8</b>	<b>-10.0%</b>	<b>100.0%</b>

## Expenditure estimates

Table 26.27 Marine Living Resources Fund

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>130.2</b>	<b>137.0</b>	<b>169.1</b>	<b>169.4</b>	9.2%	40.8%	<b>137.3</b>	<b>131.7</b>	<b>133.9</b>	-7.5%	32.8%
Sale of goods and services other than capital assets	120.1	130.0	160.5	144.1	6.3%	37.7%	115.5	116.0	118.0	-6.5%	28.3%
of which:											
Administrative fees	93.8	103.3	108.0	110.6	5.6%	28.3%	105.5	106.0	108.0	-0.8%	24.9%
Sales by market establishment	0.0	-	-	-	-100.0%	0.0%	-	-	-	-	-
Other sales	26.3	26.7	52.5	33.5	8.4%	9.4%	10.0	10.0	10.0	-33.2%	3.4%
Other non-tax revenue	10.0	7.0	8.6	25.2	36.0%	3.1%	21.8	15.7	15.9	-14.3%	4.5%
<b>Transfers received</b>	<b>236.1</b>	<b>142.5</b>	<b>181.8</b>	<b>389.2</b>	<b>18.1%</b>	<b>59.2%</b>	<b>258.6</b>	<b>263.6</b>	<b>273.9</b>	<b>-11.0%</b>	<b>67.2%</b>
<b>Total revenue</b>	<b>366.2</b>	<b>279.5</b>	<b>350.9</b>	<b>558.6</b>	<b>15.1%</b>	<b>100.0%</b>	<b>395.9</b>	<b>395.4</b>	<b>407.8</b>	<b>-10.0%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>373.0</b>	<b>327.6</b>	<b>377.7</b>	<b>558.6</b>	<b>14.4%</b>	<b>100.0%</b>	<b>395.9</b>	<b>395.4</b>	<b>407.8</b>	<b>-10.0%</b>	<b>100.0%</b>
Goods and services	331.0	297.3	346.9	525.6	16.7%	91.4%	367.9	366.4	380.8	-10.2%	93.3%
Depreciation	42.0	30.4	30.8	33.0	-7.7%	8.6%	28.0	29.0	27.0	-6.5%	6.7%
Interest, dividends and rent on land	-	-	0.0	-	-	0.0%	-	-	-	-	-
<b>Total expenses</b>	<b>373.0</b>	<b>327.6</b>	<b>377.7</b>	<b>558.6</b>	<b>14.4%</b>	<b>100.0%</b>	<b>395.9</b>	<b>395.4</b>	<b>407.8</b>	<b>-10.0%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(7.0)</b>	<b>(48.0)</b>	<b>(27.0)</b>	<b>-</b>	<b>-100.0%</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>											
Carrying value of assets	417.3	485.3	462.6	445.4	2.2%	83.0%	430.1	420.6	411.1	-2.6%	86.1%
of which:											
Acquisition of assets	26.0	12.6	8.2	15.8	-15.4%	2.9%	12.7	19.5	17.5	3.6%	3.3%
Inventory	2.7	2.8	2.2	-	-100.0%	0.3%	-	-	-	-	-
Receivables and prepayments	11.4	13.9	10.4	14.0	7.1%	2.3%	12.0	11.5	13.0	-2.4%	2.5%
Cash and cash equivalents	85.1	77.7	104.9	48.6	-17.0%	14.4%	57.4	58.4	61.4	8.1%	11.4%
<b>Total assets</b>	<b>516.6</b>	<b>579.7</b>	<b>580.1</b>	<b>508.0</b>	<b>-0.6%</b>	<b>100.0%</b>	<b>499.5</b>	<b>490.5</b>	<b>485.5</b>	<b>-1.5%</b>	<b>100.0%</b>

Table 26.27 Marine Living Resources Fund (continued)

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R million											
Accumulated surplus/(deficit)	457.5	497.3	470.5	470.5	0.9%	87.0%	470.5	470.5	470.5	-	94.9%
Capital reserve fund	10.9	51.1	71.4	-	-100.0%	5.8%	-	-	-	-	-
Deferred income	14.9	3.5	2.9	1.5	-53.5%	1.1%	-	-	-	-100.0%	0.1%
Trade and other payables	33.3	27.8	35.3	36.0	2.6%	6.1%	29.0	20.0	15.0	-25.3%	5.0%
<b>Total equity and liabilities</b>	<b>516.6</b>	<b>579.7</b>	<b>580.1</b>	<b>508.0</b>	<b>-0.6%</b>	<b>100.0%</b>	<b>499.5</b>	<b>490.5</b>	<b>485.5</b>	<b>-1.5%</b>	<b>100.0%</b>

## Expenditure trends

The Marine Living Resources Fund receives transfers from the department and generates revenue from levies on fish and fish products, licence and permit fees, fines and confiscations, and harbour fees. The decline in revenue between 2009/10 and 2010/11 was due to a decrease in the transfer from the department for operating costs after a vessel was transferred to the Department of Environmental Affairs.

The spending focus over the medium term will be on conducting scientific surveys and research in 22 fisheries projects, creating 3 450 jobs through the Working for Fisheries projects, combating poaching and conducting research on aquaculture. As such, expenditure in the aquaculture and economic development programme is expected to increase due to additional funding of R202.9 million over the medium term for job creation initiatives.

Expenditure in 2012/13 increased significantly due to the allocations for the Working for Fisheries project and a once-off transfer to settle a debt owed to the Department of Public Works for the repairs and maintenance of the 12 proclaimed Western Cape fishing harbours. In addition, expenditure on goods and services increased between 2009/10 and 2012/13, as the research fleet is nearing the end of its useful life and the costs of maintenance are thus increasing.

## Other public entities and agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **National Agricultural Marketing Council** was established in terms of the Marketing of Agricultural Products Act (1996) to provide strategic agricultural marketing advice to the Minister of Agriculture, Forestry and Fisheries. The council's total budget for 2013/14 is R34.7 million.
- **Ncera Farms** is a schedule 3B company in terms of the Public Finance Management Act (1999). The company has a mandate to perform development functions on identified land administered by the Department of Agriculture, Forestry and Fisheries. The company's total budget for 2013/14 is R3.4 million.
- **Onderstepoort Biological Products** is a state owned company whose mandate is to prevent and control animal diseases that impact on food security, human health and livelihoods. The company's total budget for 2013/14 is R159.3 million.
- The **Perishable Products Export Control Board** is an official certification agency operating on behalf of government to control all perishable export products. The board's total budget for 2013/14 is R210.3 million.



Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11		2011/12	2013/14	2014/15
<b>R million</b>									
<b>Departmental infrastructure</b>									
Boreholes	Sighting, drilling and testing of boreholes for small scale farmers identified in priority projects by provinces	Various	2000	15.0	6.0	7.2	9.7	10.5	11.0
Foot and mouth disease border fence	Repair and construction of foot and mouth disease fence in priority areas identified by the animal health directorate	Various	2500	30.0	31.8	24.0	23.6	25.7	27.1
Durban	Site clearance	Feasibility	17.7	12.4	0.1	0.2	0.5	0.5	0.5
Stellenbosch	Construction of additional office accommodation	Hand over	16.3	2.5	1.7	0.7	0.5	0.5	0.5
King Shaka International Airport	Kennels for sniffer dogs	Identification	3.5	-	-	-	1.9	-	-
Upington	Office and laboratory building	Identification	1.7	-	-	-	0.1	1.2	0.8
Upington	Store at locust control depot	Identification	1.7	-	-	-	0.2	0.3	-
Upington	Perimeter fence at locust control site	Identification	0.5	-	-	-	0.2	0.6	-
Stellenbosch	Construction of agrochemical store	Construction	1.4	-	1.4	0.6	-	0.5	-
Grootfontein Agricultural Development Institute	New hostel accommodation for students	Pre-feasibility	44.0	-	-	-	-	-	-
Cape Town	Kennels for sniffer dogs	Identification	3.9	-	-	-	0.1	-	0.8
Pretoria: Roodeplaat	Diagnostic laboratories	Identification	15.0	-	-	-	-	1.2	6.0
Pretoria: Roodeplaat	Additional office space	Identification	5.6	-	-	-	-	7.0	2.7
Pretoria: Agriculture Place	Upgrading of ablation facilities	Identification	2.5	-	-	-	0.7	1.1	-
Pretoria	Upgrading of reception areas: Agriculture Place, Harvest House and Sefala	Pre-feasibility	1.5	-	-	-	0.9	-	-
Pretoria	Central air conditioning system at Agriculture Place	Identification	12.0	-	-	-	-	0.6	1.5
Limpopo: Mutale municipality	Construction of a seed bank	Pre-feasibility	0.6	-	-	-	0.6	-	-
Eastern Cape: Sterkspruit	Construction of a seed bank	Pre-feasibility	0.6	-	-	-	0.6	0.0	-
Upington	Cleaning of waste contaminated dam	Pre-feasibility	0.3	-	-	-	0.4	-	-
Cape Town: Milnerton	Additional office space at animal quarantine station	Identification	2.8	-	-	-	0.3	1.1	1.4
Stellenbosch: plant health quarantine station	Air conditioning system for all buildings	Identification	9.0	-	-	-	-	0.6	1.0
Cape Town: Ministry	Refurbished offices for ministry	On hold	0.1	-	-	-	0.1	-	-
Stellenbosch: Plant health	Integrated security system	Identification	2.3	-	-	-	-	-	0.1
Stellenbosch: Plant health	Minor alterations	Identification	0.5	-	-	-	0.2	2.0	-

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
Stellenbosch: Plant health	Minor upgrading at liquor products section	Identification	0.1	-	-	-	-	0.5	0.0	0.0
Stellenbosch: Plant health	Alterations to entrance, polka drive in terms of traffic regulations	Pre-feasibility	0.6	-	-	-	-	0.4	0.1	0.1
Rooideplaai: Training facilities for sniffer dogs	Sniffer dog kennels	Identification	3.9	-	-	0.1	0.1	1.9	0.1	0.8
Skukuza: Alterations to offices/laboratories	Upgrading of existing buildings	Pre-feasibility	1.5	-	-	0.2	0.2	1.5	1.2	-
Stellenbosch	Upgrading of electrical substation	Identification	0.9	-	-	-	-	0.2	-	0.2
Kempton Park	Kennels for sniffer dogs	Identification	-	-	-	-	-	-	0.5	-
Pretoria	Feasibility study on the installation of central air conditioning system at Agriculture Place	Feasibility	0.5	-	-	0.5	0.5	0.5	-	-
Buffelspoort	Various repairs and maintenance	Design	1.0	-	-	-	-	0.5	-	-
Durban	Construction of animal quarantine station	On hold	94.0	-	-	-	-	-	0.5	28.6
Stellenbosch: Plant Health	Upgrading and maintenance of building and laboratory facility	Pre-feasibility	54.6	-	-	54.6	54.6	3.5	65.2	-
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
Animal production, health and improvement	Vaccine for foot and mouth disease	Various	149.1	-	43.9	105.3	-	-	-	-
Comprehensive agricultural support programme grant: Flood damaged infrastructure	Damaged agricultural infrastructure repaired and soil rehabilitation undertaken	Various	1 307.4	-	-	398.2	299.0	298.2	298.2	312.0
Onderstepoort Biological Products	Building and facility for vaccine production	Various	492.4	-	-	-	-	96.5	127.5	268.4
Crop production, improvement and protection	Research and development	Various	261.8	15.1	16.5	51.8	72.4	91.2	91.2	-
Animal production, health and improvement	Research and development	Various	194.6	18.7	20.4	29.0	62.1	65.1	65.1	-
Natural resource management	Research and development	Various	112.5	3.9	4.2	18.5	42.6	29.3	29.3	-
Mechanisation and engineering	Research and development	Various	34.2	1.1	1.2	6.5	6.5	6.5	6.5	-
Agro-processing, food technology and safety	Research and development	Various	50.1	-	-	15.2	6.3	22.1	22.1	-
Agricultural economics and commercialisation	Research and development	Various	0.9	-	-	0.2	0.3	0.4	0.4	-
Training and extension	Research and development	Various	86.7	-	-	5.9	9.4	11.0	11.0	60.4

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
Administration and corporate affairs	Research and development	Various	233.4	18.5	20.2	36.1	61.6	27.3	25.8	82.6
<b>Maintenance</b>										
Spitskop: Conservation area	Maintenance and repair of existing soil conservation structures	Various	100.0	1.8	0.9	4.3	4.3	4.0	4.2	4.4
Spitskop: Conservation area	Maintenance and repair of existing soil conservation structures	Various	-	0.0	-	0.0	0.0	0.0	0.0	0.0
Spitskop: Conservation area	Maintenance and repair of existing soil conservation structures	Various	-	0.3	-	0.2	0.1	-	-	-
Spitskop: Conservation area	Maintenance and repair of existing soil conservation structures	Various	-	0.0	-	0.2	0.4	0.4	0.4	0.4
Spitskop: Conservation area	Maintenance and repair of existing soil conservation structures	Various	-	0.2	-	0.0	0.1	0.1	0.1	0.1
Spitskop: Conservation area	Maintenance and repair of existing soil conservation structures	Various	-	0.0	-	0.0	0.1	0.2	0.2	0.2
Spitskop: Conservation area	Maintenance and repair of existing soil conservation structures	Various	-	-	-	-	0.0	0.0	0.0	0.0
Spitskop: Conservation area	Maintenance and repair of existing soil conservation structures	Various	-	0.1	-	0.0	0.2	0.1	0.1	0.1
Spitskop: Conservation area	Maintenance and repair of existing soil conservation structures	Various	-	0.3	-	0.7	1.2	1.4	1.5	1.6
Spitskop: Conservation area	Maintenance and repair of existing soil conservation structures	Various	-	0.0	-	0.0	0.0	0.0	0.0	0.0
Spitskop: Conservation area	Maintenance and repair of existing soil conservation structures	Various	-	-	-	-	-	0.1	0.1	0.1
Stellenbosch	Upgrading of existing buildings	Tender	6.2	-	6.2	2.8	-	-	-	-
Middelburg	Upgrading of existing buildings	Tender	18.9	-	3.5	8.2	-	-	-	9.1
Pretoria: Agriculture Place	Upgrading	Construction	5.0	-	2.1	2.5	-	-	-	-
Pretoria: Sefata building	Upgrading	Construction	12.5	-	5.0	2.1	3.3	-	-	-
Pretoria: Rooieplaas	Upgrading of offices and laboratories	Feasibility	9.0	-	-	0.2	1.0	5.5	2.0	0.5
Pretoria: Agriculture Place	Painting of internal walls	Feasibility	7.0	-	-	-	6.5	0.5	-	-
Kempton Park: Animal quarantine station	Renovation	Feasibility	5.0	-	-	0.1	0.8	3.0	1.3	-
Milneron: Animal quarantine station	Upgrading	Feasibility	7.0	-	-	0.1	1.5	4.5	1.7	-
Bloemfontein: Old South Africa Bureau of Standards	Upgrading of building	Feasibility	0.4	-	-	-	-	-	0.3	0.2
Buffelspoort plant quarantine station: North West	Upgrading of existing buildings	Feasibility	1.4	-	-	-	-	0.8	0.6	0.5
Stellenbosch: Plant health quarantine station	Rehabilitation of two dams	Feasibility	2.6	-	-	-	0.6	2.0	-	-
Stellenbosch: Plant health quarantine station	Renovations to an electrical substation	Feasibility	1.3	-	-	-	1.3	-	-	-
Stellenbosch: Vredeluis: Genetic resources	Upgrading of existing building and replacement of fence	Pre-feasibility	3.5	-	-	-	0.5	2.5	0.5	-
Stellenbosch: Plant health quarantine station	Replacement of perimeter fence, labourer houses	Feasibility	0.4	-	-	-	0.4	-	-	-
Stellenbosch: Plant health quarantine station	Upgrading of existing sewerage system	Feasibility	1.0	-	-	-	1.0	-	-	-
<b>Total</b>			<b>3 855.0</b>	<b>120.0</b>	<b>121.3</b>	<b>262.2</b>	<b>807.4</b>	<b>693.9</b>	<b>810.1</b>	<b>822.8</b>



# Vote 27

## Communications

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	216.1	214.7	0.2	1.1	208.3	217.1
International Affairs	33.3	16.6	16.2	0.5	36.8	39.0
Policy, Research and Capacity Development	84.4	82.9	–	1.5	98.0	101.6
Broadcasting and Communications Regulation and Support	1 129.3	125.9	1 002.2	1.1	1 129.7	1 176.5
ICT Infrastructure Support	580.9	44.7	535.3	0.9	125.5	58.3
<b>Total expenditure estimates</b>	<b>2 043.9</b>	<b>484.8</b>	<b>1 554.0</b>	<b>5.2</b>	<b>1 598.4</b>	<b>1 592.5</b>
Executive authority	Minister of Communications					
Accounting officer	Director General of Communications					
Website address	www.doc.gov.za					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Develop information and communication technology (ICT) policies and legislation that create favourable conditions for accelerated and shared sustainable economic growth that positively impacts on the wellbeing of all South Africans.*

### Mandate

The department is mandated to: ensure that ICT policies are developed to create conditions for accelerated and sustained growth of the South African economy and the development of robust, reliable, secure and affordable ICT infrastructure; contribute to the development of an inclusive information society that is aimed at establishing South Africa as an advanced information based society; contribute to building an ICT skills base in the country, ensuring equitable prosperity and global competitiveness; strengthen the capacity of the Independent Communications Authority of South Africa to regulate the sector in the public interest and ensure growth and stability; enhance the capacity of and exercise oversight over state owned enterprises; and fulfil South Africa's continental and international responsibilities in the ICT field.

The mandate is derived from the following legislation:

- the Electronic Communications Act (2006)
- the Electronic Communications and Transactions Act (2002)
- the Broadcasting Act (1999)
- the Independent Communications Authority of South Africa Act (2000)
- the Sentech Act (1996)
- the Postal Services Act (1998)
- the South African Post Office SOC Ltd Act (2011)
- the South African Postbank Limited Act (2010).

## Strategic goals

The department's strategic goals over the medium term are to:

- enable the maximisation of investment in the ICT sector and create new, competitive business opportunities for the growth of the ICT industry
- ensure that ICT infrastructure is accessible, robust, reliable, affordable and secure
- accelerate the socioeconomic development of South Africans
- facilitate the building of an inclusive information society through partnerships with business, civil society and the three spheres of government
- improve departmental performance and enhance the role of ICT state owned entities as the delivery arms of government
- contribute to the global ICT agenda, prioritising Africa's development.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide strategic support to the ministry and overall management of the department.

### Programme 2: International Affairs and Trade

**Purpose:** Ensure alignment between South Africa's international activities and agreements in the field of ICT and South Africa's foreign policy.

### Programme 3: Policy, Research and Capacity Development

**Purpose:** Develop ICT policies and legislation that support the development of an ICT sector that creates favourable conditions for the accelerated and shared growth of the economy. Develop strategies that increase the uptake and use of ICTs by the majority of the South African population in order to bridge the digital divide.

### Programme 4: Broadcasting and Communication Regulation and Support

**Purpose:** Oversee and manage government's shareholding interest in the ICT public entities. Facilitate growth and development of small, medium and micro enterprises (SMMEs) in the ICT sector.

### Programme 5: Infrastructure Support

**Purpose:** Promote investment in robust, reliable, secure and affordable ICT infrastructure that supports the provision of a multiplicity of applications and services.

## Selected performance indicators

Table 27.1 Communications

Indicator	Programme	Outcome to which it contributes	Past		Current	Projections			
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of ICT position papers developed for international engagements per year	International Affairs and Trade	Outcome 6: An efficient, competitive and responsive economic infrastructure network	5	8	5	5	5	5	5
Rand reduction in per minute cost of mobile phones (wholesale interconnection rate per minute) per year <sup>1</sup>	Policy, Research and Capacity Development		-1	R0.89	R0.73	R0.56	R0.4	R0.4	R0.4
Rand reduction in per minute cost for fixed line (public access) phones per year <sup>1</sup>	Policy, Research and Capacity Development		-1	R0.21	R0.2	R0.15	R0.12	R0.12	R0.12
Number of community radio stations provided with broadcasting infrastructure per year	Policy, Research and Capacity Development		39	15	7	5	5	5	5
Number of young people participating in the national youth information society and development programme per year	Policy, Research and Capacity Development		502	944	500	500	500	500	500
Number of e-cooperatives established to increase entry of youth owned small enterprises in to the ICT sector per year <sup>2</sup>	Policy, Research and Capacity Development		71	40	-2	60	60	-2	-2
Number of provinces for which provincial cultural heritage content is captured in the national digital repository per year <sup>3</sup>	Policy, Research and Capacity Development		-3	4	-3	3	2	-3	-3
Number of jobs created through ICT related projects per year <sup>4</sup>	Policy, Research and Capacity Development		-4	-4	-4	17 322 (20%)	34 644 (40%)	34 644 (40%)	-4
Number of ICT small, medium and micro enterprise hubs created in each province per year <sup>5</sup>	Broadcasting and Communications Regulation and Support		-5	-5	-5	-5	2	2	2
Number of set top boxes produced per year <sup>6</sup>	Broadcasting and Communications Regulation and Support		-6	-6	-6	-6	2 016 000	1 500 000	1 500 000
Percentage of broadband penetration per year <sup>7</sup>	ICT Infrastructure Support		-7	2%	-7	7%	10%	15%	-7

1. The project started in 2010/11, so no historical data is available.

2. No performance to report in 2011/12 due to reprioritisation within the department. In addition, no projections are provided for 2014/15 and 2015/16, as the department does not foresee performance, due to funding issues.

3. No performance to report in 2011/12 due to reprioritisation within the department. In addition, no projections are provided for 2014/15 and 2015/16, as the project is under review.

4. No historical data is available, as this is a new performance indicator. In addition, data is currently unavailable to make a projection for 2015/16.

5. No historical data, as funds were reprioritised from this project.

6. No historical data, as this is a new performance indicator.

7. Project began in 2010/11, as such no historical data is available. In addition, information on broadband penetration is not available for the 2011/12 and a projection for 2015/16 is not available due to a lack of information on this indicator.

## The national development plan

The national development plan recommends developing a coordinated and enabling ICT strategy and plan that cuts across government departments and sectors to improve e-literacy, intensify competition in the ICT sector, and provide clarity on the roles and functions of the state to prevent unintended policy outcomes. The plan also calls for a full policy review on the ICT sector, which has not been done since 1995.

The department has therefore prioritised certain key policy initiatives, the most significant of which is a comprehensive review of policies for telecommunications, postal services, broadcasting and IT. The department

expects that this process will lead to the development of an integrated national ICT policy framework for South Africa. The Electronic Communications Amendment Bill will also be introduced, which is important for ensuring the sector's continued dynamism. The department also plans to support national broadband objectives through the development of a broadband master plan, which will include the review of the broadband policy, and the development of a broadband strategy, implementation plan and business case with a funding model. The broadband master plan will ensure that the roles and responsibilities of key stakeholders in the sector are clearly defined.

## Expenditure estimates

Table 27.2 Communications

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R million													
Administration	163.2	145.6	156.2	197.0	197.0	6.5%	9.2%	216.1	208.3	217.1	3.3%	12.2%	
International Affairs	44.6	35.2	41.6	41.0	41.0	-2.7%	2.3%	33.3	36.8	39.0	-1.7%	2.2%	
Policy, Research and Capacity Development	77.9	95.3	104.8	107.9	107.9	11.5%	5.4%	84.4	98.0	101.6	-2.0%	5.7%	
Broadcasting and Communications Regulation and Support	1 713.5	1 041.4	1 052.6	1 073.6	1 073.6	-14.4%	68.0%	1 129.3	1 129.7	1 176.5	3.1%	65.4%	
ICT Infrastructure Support	302.7	108.9	436.7	235.5	235.5	-8.0%	15.1%	580.9	125.5	58.3	-37.2%	14.5%	
<b>Total</b>	<b>2 301.9</b>	<b>1 426.5</b>	<b>1 792.0</b>	<b>1 655.0</b>	<b>1 655.0</b>	<b>-10.4%</b>	<b>100.0%</b>	<b>2 043.9</b>	<b>1 598.4</b>	<b>1 592.5</b>	<b>-1.3%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(57.3)	(57.3)			101.6	(325.6)	(420.0)			

### Economic classification

<b>Current payments</b>	<b>432.0</b>	<b>321.0</b>	<b>377.1</b>	<b>421.0</b>	<b>421.0</b>	<b>-0.9%</b>	<b>21.6%</b>	<b>484.8</b>	<b>508.4</b>	<b>525.8</b>	<b>7.7%</b>	<b>28.2%</b>
Compensation of employees	129.6	145.1	151.6	184.5	184.5	12.5%	8.5%	195.0	207.6	220.2	6.1%	11.7%
Goods and services	302.4	175.6	225.5	236.5	236.5	-7.9%	13.1%	289.8	300.8	305.6	8.9%	16.4%
of which:												
Advertising	13.8	7.4	9.1	51.2	51.2	54.6%	1.1%	65.8	46.3	46.6	-3.1%	3.0%
Consultants and professional services: Business and advisory services	42.1	34.6	57.1	71.9	71.9	19.5%	2.9%	83.3	89.7	87.3	6.7%	4.8%
Agency and support / outsourced services	22.0	1.6	0.0	0.7	0.7	-68.0%	0.3%	27.5	29.3	30.5	248.6%	1.3%
Operating leases	34.0	41.2	38.4	31.7	31.7	-2.3%	2.0%	28.7	31.2	32.7	1.0%	1.8%
Interest and rent on land	0.0	0.3	0.0	-	-	-100.0%	0.0%	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 859.6</b>	<b>1 102.3</b>	<b>1 410.1</b>	<b>1 229.1</b>	<b>1 229.1</b>	<b>-12.9%</b>	<b>78.1%</b>	<b>1 554.0</b>	<b>1 084.5</b>	<b>1 061.1</b>	<b>-4.8%</b>	<b>71.5%</b>
Provinces and municipalities	0.1	0.0	0.0	-	-	-100.0%	0.0%	-	-	-	-	-
Departmental agencies and accounts	377.2	430.5	692.7	775.4	775.4	27.2%	31.7%	773.4	771.4	807.1	1.3%	45.4%
Higher education institutions	0.1	-	0.1	-	-	-100.0%	0.0%	-	-	-	-	-
Foreign governments and international organisations	0.0	0.0	0.0	16.2	16.2	1291.4%	0.2%	16.2	16.2	16.2	-	0.9%
Public corporations and private enterprises	1 477.6	668.0	713.2	433.6	433.6	-33.5%	45.9%	764.4	297.0	237.8	-18.1%	25.1%
Non-profit institutions	0.3	3.7	4.0	3.9	3.9	128.2%	0.2%	-	-	-	-100.0%	0.1%
Households	4.3	0.1	0.1	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>10.2</b>	<b>2.4</b>	<b>2.6</b>	<b>4.9</b>	<b>4.9</b>	<b>-21.7%</b>	<b>0.3%</b>	<b>5.2</b>	<b>5.5</b>	<b>5.7</b>	<b>5.4%</b>	<b>0.3%</b>
Machinery and equipment	6.4	2.3	2.4	4.8	4.8	-8.8%	0.2%	5.2	5.5	5.7	5.8%	0.3%
Software and other intangible assets	3.8	0.1	0.2	0.1	0.1	-74.3%	0.1%	-	-	-	-100.0%	0.0%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.7</b>	<b>2.1</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 301.9</b>	<b>1 426.5</b>	<b>1 792.0</b>	<b>1 655.0</b>	<b>1 655.0</b>	<b>-10.4%</b>	<b>100.0%</b>	<b>2 043.9</b>	<b>1 598.4</b>	<b>1 592.5</b>	<b>-1.3%</b>	<b>100.0%</b>



## Personnel information

**Table 27.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost			
<b>Communications</b>																			
Salary level	302	–	302	151.6	0.5	302	161.6	0.5	338	195.0	0.6	338	207.6	0.6	338	220.2	0.7	3.8%	100.0%
1 – 6	35	–	33	4.4	0.1	35	4.9	0.1	42	6.5	0.2	42	6.9	0.2	42	7.3	0.2	6.3%	12.2%
7 – 10	115	–	116	28.4	0.2	115	30.3	0.3	129	36.6	0.3	129	39.0	0.3	129	41.3	0.3	3.9%	38.1%
11 – 12	65	–	64	37.9	0.6	65	40.4	0.6	73	49.3	0.7	73	52.5	0.7	73	55.6	0.8	3.9%	21.6%
13 – 16	87	–	89	80.8	0.9	87	86.1	1.0	94	102.6	1.1	94	109.3	1.2	94	115.9	1.2	2.6%	28.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the digital terrestrial television awareness campaign, expediting the rollout of infrastructure for digital terrestrial television by providing a subsidy scheme for set top boxes, and accelerating access to ICT by coordinating the participation of the government in specialised ICT agencies. In order to achieve this more effectively, in 2012/13 the department implemented a new budget structure, derived from an organisational review that began in 2009/10. As a result, the former *Presidential National Commission* programme was merged into the *Policy, Research and Capacity Development* programme and the *ICT Infrastructure Support* programme was restructured, leaving only broadband and digital terrestrial television related activities, including capital transfers to Sentech, in the programme. The new organisational structure was approved by the minister in September 2012.

The significant decrease in transfers and subsidies to public corporations and private enterprises between 2009/10 and 2012/13 was due to the final transfers made in 2009/10 to Telkom and Sentech for infrastructure for the 2010 FIFA World Cup, as well as a once-off allocation of funds to the South African Broadcasting Corporation in 2009/10 for immediate liquidity requirements. Over the same period, transfers to departmental agencies and accounts increased significantly due to additional allocations in 2012/13 to fund office equipment and relocation costs for the Independent Communications Authority of South Africa and the adjusted allocation for the 2013 Africa Cup of Nations. In addition, transfers to the Universal Service and Access Agency over this period for the set top box subsidy scheme were not made as a result of delays the department experienced in finalising the decision on digital terrestrial television standards. Delays in implementing the 112 emergency call centre project and broadband which emanated from the departmental bid adjudication committee in approving the tender as well as delays in finalising the broadband study also contributed to the decreased expenditure between 2009/10 and 2012/13. This accounts for the significant decline in expenditure on agency support and outsourced services over the period.

Expenditure on advertising increased significantly between 2009/10 and 2012/13 due to the digital terrestrial television awareness campaign, which was launched in 2012/13. Spending on this campaign also explains the increase in expenditure on consultants over this period, as consultants continue to be employed to assist the department in developing and rolling out the campaign through various media channels. Spending on advertising is expected to increase marginally due to funds being reprioritised from other programmes to the *Administration* programme for the digital terrestrial television awareness campaign.

Expenditure on transfers and subsidies to public corporations and private enterprises is expected to increase significantly in 2013/14 due to the allocation of additional funds to Sentech to expedite the rollout of digital terrestrial television infrastructure to ensure that the project launches on time. Expenditure on goods and services is expected to increase over the medium term due to the use of outsourced services for to the design, implementation and operation of the 112 emergency call centres and DTT awareness campaign.

Cabinet approved baseline reductions of R611.1 million over the medium term have been effected. The reductions were made mainly in expenditure relating to broadband and non-core goods and services.

The department had an establishment of 302 posts, all of which were filled at the end of September 2012.

### Infrastructure spending

R801.9 million over the medium term has been allocated for the broadcasting digital migration project. Of this, R202.9 million was allocated to the South African Broadcasting Corporation for the digital library and a digital playout centre. Sentech is allocated R605.1 million over the medium term, which includes an additional R277 million in 2013/14 for expediting the rollout of the digital terrestrial television infrastructure and R6 million to cater for ICT infrastructure for the 2014 African Nations Championship. Funding for broadband has been put on hold while a broadband strategy and rollout plan is being finalised.

## Departmental receipts

Table 27.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate	Receipt/total: Average	Medium-term receipts estimate			Average growth rate	Receipt/total: Average
	2009/10	2010/11	2011/12			(%)	(%)	2013/14	2014/15	2015/16	(%)	(%)
R thousand	2009/10	2010/11	2011/12	2012/13	2012/13	2009/10 - 2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
<b>Departmental receipts</b>	<b>1 344 790</b>	<b>1 528 347</b>	<b>2 321 086</b>	<b>2 181 585</b>	<b>2 730 213</b>	<b>26.6%</b>	<b>62.0%</b>	<b>2 929 281</b>	<b>2 994 078</b>	<b>3 042 781</b>	<b>3.7%</b>	<b>99.8%</b>
<b>Sales of goods and services produced by department</b>	<b>871 878</b>	<b>531 258</b>	<b>899 729</b>	<b>1 060 161</b>	<b>1 060 161</b>	<b>6.7%</b>	<b>26.3%</b>	<b>928 651</b>	<b>975 080</b>	<b>1 023 605</b>	<b>-1.2%</b>	<b>34.0%</b>
Sales by market establishments of which:												
Rent received	–	70	98	117 280	117 280	–	0.9%	123	129	136	-89.5%	1.0%
Administration fees	862 949	523 545	891 500	934 258	934 258	2.7%	25.1%	921 524	967 600	1 015 759	2.8%	32.8%
of which:												
Cellular network licence fees	481 096	287 439	1 040	1 668	1 668	-84.9%	6.0%	1 185	1 244	1 306	-7.8%	–
Private radio stations licences	202 159	109 144	382 562	394 891	394 891	25.0%	8.5%	410 530	431 057	452 610	4.7%	14.4%
Private television licences	130 452	91 322	116 586	123 628	123 628	-1.8%	3.6%	128 524	134 950	141 698	4.7%	4.5%
Telecommunication service licences	30 951	17 315	372 193	394 525	394 525	133.6%	6.4%	360 207	378 217	397 128	0.2%	13.1%
Post office licence fees	18 291	18 325	19 119	19 546	19 546	2.2%	0.6%	21 078	22 132	23 017	5.6%	0.7%
Other sales	8 929	7 643	8 131	8 623	8 623	-1.2%	0.3%	7 004	7 351	7 710	-3.7%	0.3%
of which:												
Telephone equipment licences	8 874	7 356	7 920	8 400	8 400	-1.8%	0.3%	6 839	7 181	7 540	-3.5%	0.3%
Unreserved postal service fees	27	172	150	159	159	80.6%	–	107	107	107	-12.4%	–
Commission on insurance	25	31	34	36	36	12.9%	–	30	35	35	-0.9%	–
Cryptography Law annual fees	–	79	1	25	25	–	–	25	25	25	–	–
Other	3	5	26	3	3	–	–	3	3	3	–	–
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>36</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
of which:												
Sales tender documents	–	–	–	36	–	–	–	–	–	–	–	–
<b>Transfers received</b>	<b>2 340</b>	<b>86</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Interest, dividends and rent on land</b>	<b>469 777</b>	<b>996 294</b>	<b>1 420 768</b>	<b>1 120 758</b>	<b>1 669 422</b>	<b>52.6%</b>	<b>35.6%</b>	<b>2 000 363</b>	<b>2 018 717</b>	<b>2 018 895</b>	<b>6.5%</b>	<b>65.8%</b>
Interest	3 920	2 466	2 492	2 701	2 701	-11.7%	0.1%	2 651	4 455	4 633	19.7%	0.1%
Dividends	465 857	993 828	1 418 276	1 118 057	1 666 721	52.9%	35.5%	1 997 712	2 014 262	2 014 262	6.5%	65.7%
of which:												
Telkom dividend	238 105	258 810	300 219	–	–	-100.0%	6.2%	330 991	347 541	347 541	–	8.8%
Vodacom dividend	227 752	735 018	1 118 057	1 118 057	1 666 721	94.1%	29.3%	1 666 721	1 666 721	1 666 721	–	56.9%
<b>Transactions in financial assets and liabilities</b>	<b>795</b>	<b>709</b>	<b>589</b>	<b>630</b>	<b>630</b>	<b>-7.5%</b>	<b>–</b>	<b>267</b>	<b>281</b>	<b>281</b>	<b>-23.6%</b>	<b>–</b>
<b>Extraordinary receipts</b>	<b>4 481 173</b>	<b>366 509</b>	<b>8 427</b>	<b>3 500</b>	<b>6 499</b>	<b>-88.7%</b>	<b>38.0%</b>	<b>5 000</b>	<b>5 000</b>	<b>5 000</b>	<b>-8.4%</b>	<b>0.2%</b>
of which:												
Proceeds from sale of Telkom's share in Vodacom	3 933 903	–	–	–	–	-100.0%	30.8%	–	–	–	–	–
Special dividends from Telkom	538 323	362 333	–	–	–	-100.0%	7.0%	–	–	–	–	–
Departmental agencies and accounts	8 947	4 176	8 427	3 500	6 499	-10.1%	0.2%	5 000	5 000	5 000	-8.4%	0.2%
<b>Total</b>	<b>5 825 963</b>	<b>1 894 856</b>	<b>2 329 513</b>	<b>2 185 085</b>	<b>2 736 712</b>	<b>-22.3%</b>	<b>100.0%</b>	<b>2 934 281</b>	<b>2 999 078</b>	<b>3 047 781</b>	<b>3.7%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 27.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Ministry	3.0	3.3	3.6	3.7	6.4%	2.1%	3.9	4.1	4.3	5.4%	1.9%
Departmental Management	33.3	34.1	41.8	34.8	1.5%	21.8%	35.3	38.4	40.2	4.9%	17.7%
Internal Audit	1.7	3.4	3.2	3.6	28.4%	1.8%	3.7	4.5	5.7	17.1%	2.1%
Corporate Services	50.9	41.1	45.3	88.3	20.2%	34.1%	104.8	88.6	90.8	0.9%	44.4%
Financial Management	68.1	50.6	55.1	58.9	-4.8%	35.1%	60.1	64.0	66.9	4.4%	29.8%
Office Accommodation	6.2	13.1	7.2	7.8	8.0%	5.2%	8.2	8.7	9.1	5.4%	4.0%
<b>Total</b>	<b>163.2</b>	<b>145.6</b>	<b>156.2</b>	<b>197.0</b>	<b>6.5%</b>	<b>100.0%</b>	<b>216.1</b>	<b>208.3</b>	<b>217.1</b>	<b>3.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				44.4			57.0	39.0	40.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>157.8</b>	<b>143.6</b>	<b>153.0</b>	<b>195.7</b>	<b>7.4%</b>	<b>98.2%</b>	<b>214.7</b>	<b>206.8</b>	<b>215.6</b>	<b>3.3%</b>	<b>99.3%</b>
Compensation of employees	53.0	54.6	58.6	74.5	12.0%	36.4%	78.1	82.8	87.6	5.6%	38.5%
Goods and services	104.7	88.7	94.3	121.2	5.0%	61.8%	136.6	124.0	128.0	1.8%	60.8%
of which:											
Advertising	7.3	3.6	5.4	49.1	88.8%	9.9%	64.9	45.3	45.6	-2.5%	24.4%
Consultants and professional services: Business and advisory services	24.7	8.2	2.0	3.5	-48.0%	5.8%	1.9	4.4	6.1	20.5%	1.9%
Agency and support / outsourced services	0.3	0.0	0.0	0.2	-12.4%	0.1%	0.2	0.2	0.2	5.3%	0.1%
Operating leases	29.7	38.8	36.3	26.5	-3.7%	19.8%	27.2	28.7	30.1	4.3%	13.4%
Interest and rent on land	-	0.3	0.0	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>0.2</b>	<b>-14.5%</b>	<b>0.2%</b>	<b>0.2</b>	<b>0.3</b>	<b>0.3</b>	<b>5.4%</b>	<b>0.1%</b>
Provinces and municipalities	0.1	0.0	0.0	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	0.1	0.1	0.2	0.2	26.0%	0.1%	0.2	0.3	0.3	5.4%	0.1%
Public corporations and private enterprises	0.1	0.1	0.0	-	-100.0%	-	-	-	-	-	-
Households	0.0	0.1	0.1	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>5.0</b>	<b>0.9</b>	<b>0.7</b>	<b>1.1</b>	<b>-40.1%</b>	<b>1.2%</b>	<b>1.1</b>	<b>1.2</b>	<b>1.2</b>	<b>5.1%</b>	<b>0.6%</b>
Machinery and equipment	5.0	0.9	0.7	1.1	-40.1%	1.2%	1.1	1.2	1.2	5.1%	0.6%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.7</b>	<b>2.1</b>	<b>-</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>163.2</b>	<b>145.6</b>	<b>156.2</b>	<b>197.0</b>	<b>6.5%</b>	<b>100.0%</b>	<b>216.1</b>	<b>208.3</b>	<b>217.1</b>	<b>3.3%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	7.1%	10.2%	8.7%	11.9%			10.6%	13.0%	13.6%		

### Expenditure trends

The spending focus over the medium term will be on providing strategic support to the ministry and overall management to the department, and support for the implementation of digital terrestrial television through awareness campaigns, which accounts for the significant spending projected over the medium term on advertising and in the *Corporate Services* subprogramme.

Funds were reprioritised from spending on the 112 emergency call centre project, which was delayed, in other programmes to this programme in 2012/13. The reprioritisation increased spending on advertising and in the *Corporate Services* subprogramme significantly in 2012/13. Expenditure on consultants increased significantly in 2009/10 and 2012/13 to provide for the service providers who assisted the department in developing the digital terrestrial television campaign and conducting the organisational review, which began in 2009/10. The review resulted in the increase in expenditure on compensation of employees between 2009/10 and 2012/13, mainly for the appointment of additional staff in the *Internal Audit* subprogramme.

## Programme 2: ICT International Affairs and Trade

### Objectives

- Support the African Agenda through active participation and the implementation of multilateral and bilateral ICT programmes to promote development on the continent by:

- developing and implementing programmes of cooperation on ICT, broadcasting digital migration, business relations and training with strategic partners by March 2014
- developing and lobbying the South Africa and Africa position paper at the Universal Postal Union Council of Administration by December 2013
- facilitating the development and implementation of bilateral programmes with countries of the north and south by March 2014
- reviewing, monitoring and implementing existing trade and investment programmes for the ICT sector by 2015/16.
- Foster trade and investment opportunities for the ICT sector in South Africa by developing and implementing 2 strategic ICT trade and investment programmes focused on domestic electronics manufacturing by March 2014.

## Subprogrammes

- *International Affairs* coordinates the functions and responsibilities of the department to meet South Africa's international ICT obligations. In 2012/13, R3.9 million was used for transfers to international organisations for membership fees; an agreement was reached on the final version of the South Africa-India ICT memorandum of understanding, and approval was obtained for the draft South Africa-Brazil ICT memorandum of understanding; several workshops, in which position papers were developed, were held as part of preparations for the 2012 World Conference on International Telecommunications, the 2012 World Telecommunications Standardisation Assembly and the 2012 Universal Postal Union Congress; and South African position papers for establishing an African Union centre for ICT were developed and approved.
- *ICT Trade/Partnerships* develops and advances the country's interests in international trade forums through participation in World Trade Organisation ICT related initiatives and other international trade agreements such as the South Africa-European Union trade agreement and bilateral agreements with counterpart countries. In 2012/13, an agreement was reached with the Department of Trade and Industry on sharing a platform during the International ICT Expo, and R16.2 million was used for payments of membership fees to international ICT organisations and participation in multilateral forums.

## Expenditure estimates

**Table 27.6 International Affairs**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
International Affairs	9.1	12.3	16.7	16.0	20.7%	33.3%	12.0	12.4	13.3	-6.0%	35.7%
ICT Trade/Partnerships	35.5	22.9	24.9	25.1	-11.0%	66.7%	21.3	24.4	25.8	1.0%	64.3%
<b>Total</b>	<b>44.6</b>	<b>35.2</b>	<b>41.6</b>	<b>41.0</b>	<b>-2.7%</b>	<b>100.0%</b>	<b>33.3</b>	<b>36.8</b>	<b>39.0</b>	<b>-1.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				3.0			(5.1)	(2.9)	(2.5)		

Table 27.6 International Affairs (continued)

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Current payments</b>	<b>44.3</b>	<b>31.7</b>	<b>37.8</b>	<b>20.5</b>	<b>-22.7%</b>	<b>82.7%</b>	<b>16.6</b>	<b>20.1</b>	<b>22.3</b>	<b>2.8%</b>	<b>52.9%</b>
Compensation of employees	9.5	10.1	11.8	10.9	4.7%	26.0%	11.9	13.0	14.2	9.3%	33.3%
Goods and services	34.9	21.6	26.0	9.6	-34.9%	56.7%	4.6	7.1	8.1	-5.5%	19.6%
of which:											
Advertising	0.7	0.8	0.3	0.2	-35.4%	1.2%	0.2	0.1	0.2	-6.7%	0.5%
Consultants and professional services:	1.5	0.1	0.3	0.6	-26.3%	1.5%	0.4	0.4	0.5	-7.8%	1.3%
Business and advisory services											
Operating leases	1.3	0.8	1.0	3.3	36.5%	3.9%	0.3	0.3	0.3	-54.5%	2.8%
<b>Transfers and subsidies</b>	<b>0.2</b>	<b>3.5</b>	<b>3.7</b>	<b>20.0</b>	<b>400.4%</b>	<b>16.9%</b>	<b>16.2</b>	<b>16.2</b>	<b>16.2</b>	<b>-6.9%</b>	<b>45.6%</b>
Foreign governments and international organisations	-	-	-	16.2	-	9.9%	16.2	16.2	16.2	-	43.0%
Non-profit institutions	-	3.5	3.7	3.9	-	6.8%	-	-	-	-100.0%	2.6%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.0</b>	<b>0.1</b>	<b>0.5</b>	<b>61.9%</b>	<b>0.5%</b>	<b>0.5</b>	<b>0.6</b>	<b>0.6</b>	<b>5.3%</b>	<b>1.5%</b>
Machinery and equipment	0.1	0.0	0.1	0.5	61.9%	0.5%	0.5	0.6	0.6	5.3%	1.5%
<b>Total</b>	<b>44.6</b>	<b>35.2</b>	<b>41.6</b>	<b>41.0</b>	<b>-2.7%</b>	<b>100.0%</b>	<b>33.3</b>	<b>36.8</b>	<b>39.0</b>	<b>-1.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.9%</b>	<b>2.5%</b>	<b>2.3%</b>	<b>2.5%</b>			<b>1.6%</b>	<b>2.3%</b>	<b>2.5%</b>		

## Details of selected transfers and subsidies

<b>Non-profit institutions</b>											
<b>Current</b>	-	3.5	3.7	3.9	-	6.8%	-	-	-	-100.0%	2.6%
New Partnership for Africa's Development e-Africa Commission	-	3.5	3.7	3.9	-	6.8%	-	-	-	-100.0%	2.6%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	-	-	-	16.2	-	9.9%	16.2	16.2	16.2	-	43.0%
Universal Postal Union	-	-	-	3.6	-	2.2%	3.6	3.6	3.6	-	9.5%
International Telecommunications Unions	-	-	-	10.8	-	6.7%	10.8	10.8	10.8	-	28.8%
African Telecommunications Union	-	-	-	0.7	-	0.4%	0.7	0.7	0.7	-	1.9%
Pan African Postal Union	-	-	-	0.7	-	0.4%	0.7	0.7	0.7	-	1.8%
Organisational Economic Corporation Development	-	-	-	0.1	-	0.1%	0.1	0.1	0.1	-	0.3%
Commonwealth Telecommunication Organisation	-	-	-	0.3	-	0.2%	0.3	0.3	0.3	-	0.7%

## Expenditure trends

The spending focus over the medium term will be on paying membership fees to international organisations within the communications sector; participating in the global discourse within the United Nations system on telecommunications, postal services, information society and green technology; participating in engagements that result in e-skills development initiatives for young South Africans and employment creation projects; and pursuing bilateral engagement with countries of the South and the North. To this end, the department will submit 5 ICT position papers for international engagements each year over the medium term.

Expenditure on transfers to foreign governments and international organisations increased significantly between 2009/10 and 2012/13 as the department had incorrectly classified payments to international organisations as operating payments, instead of as transfers and subsidies. This was corrected in 2012/13. Expenditure on consultants decreased over the same period due to the once-off allocation for consultants to help the department organise the World Telecommunications Standardisation Assembly in 2010/11.

To give effect to the Cabinet approved budget reductions, the department terminated transfers to the New Partnership for Africa's Development e-Africa Commission over the medium term to yield R13 million. This amount was reprioritised to the *Administration* programme in 2012/13 to provide for the digital terrestrial television awareness campaign.

## Programme 3: Policy, Research and Capacity Development

### Objectives

- Create an enabling environment for the growth of the ICT sector through policy and legislative reform by:
  - publishing the Green Paper on National Integrated ICT Policy by March 2014
  - publishing the White Paper on National Integrated ICT Policy by 2014/15
  - drafting the National Integrated ICT Bill by 2015/16
  - introducing the South African Postbank Limited Amendment Bill to Parliament for enactment by September 2013
  - introducing the South African Post Office SOC Ltd Amendment Bill to Parliament for enactment by September 2013
  - introducing the Electronic Communications Amendment Bill to Parliament for enactment by June 2013
  - introducing the Independent Communications Authority of South Africa Amendment Bill to Parliament for enactment by September 2013
  - introducing the South African Broadcasting Company Bill to Parliament for enactment by September 2013.
- Contribute to rural development through increasing universal access and services to ICTs by facilitating the implementation of relevant ICT rural development initiatives in 61 identified sites by March 2014.
- Increase e-skills capacity in South Africa for employability in the knowledge economy by hosting the second national e-skill summit by September 2013.

### Subprogrammes

- *ICT Policy Development* is discussed in more detail below.
- *Economic and Market Analysis* conducts economic analyses of the broadcasting, telecommunications, postal and IT sectors to determine trends and make growth projections; undertakes market research to explore areas that require policy intervention; and is responsible for the reduction of the cost to communicate. In 2012/13, the process of conducting a market study with specific focus on voice, SMS and data prices began.
- *Research* is responsible for understanding the ICT landscape and delivering a national ICT strategy. In 2012/13, a global benchmarking exercise was conducted with countries in Europe, Asia, North and South America and the Brazil-Russia-India-China-South Africa (BRICS) group of countries on the establishment of a global ICT research council, for which a report has been completed.
- *Information Society Development* supports the effective and efficient functioning of the information society; and the development of institutional mechanisms, such as the inter-ministerial committee on information society and development, the information society and development intergovernmental relations forum, the forum of South African directors general for information society and development, and the intergovernmental relations forum technical committee. In 2012/13, the first ICT Indaba was held in Cape Town and a declaration was signed by government ministers to ensure the implementation of its outcomes, and a draft programme of action was developed in line with the indaba's outcomes to ensure the declaration is implemented.
- *Capacity Development* provides direction for the advancement of e-skills graduates and society in general to function effectively in the emerging information society. In 2012/13, the final national e-skills curriculum development framework and instructional design guidelines were developed, and a draft model to support e-skills in rural and peri-urban communities was developed.

## Expenditure estimates

Table 27.7 Policy, Research and Capacity Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R million											
ICT Policy Development	23.3	25.4	23.5	35.3	14.9%	27.8%	27.9	31.1	29.9	-5.4%	31.7%
Economic and Market Analysis	0.1	0.8	1.3	2.8	197.4%	1.3%	1.2	1.3	1.4	-21.6%	1.7%
Research	4.2	4.7	4.6	8.1	24.2%	5.6%	7.4	8.5	8.9	3.3%	8.4%
Information Society Development	33.4	34.5	50.0	49.6	14.1%	43.4%	34.4	42.9	46.4	-2.2%	44.2%
Capacity Development	16.9	30.0	25.4	12.1	-10.7%	21.8%	13.5	14.3	15.0	7.6%	14.0%
<b>Total</b>	<b>77.9</b>	<b>95.3</b>	<b>104.8</b>	<b>107.9</b>	<b>11.5%</b>	<b>100.0%</b>	<b>84.4</b>	<b>98.0</b>	<b>101.6</b>	<b>-2.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				7.6			(13.3)	(10.6)	(12.1)		
<b>Current payments</b>	<b>77.3</b>	<b>94.5</b>	<b>103.0</b>	<b>106.5</b>	<b>11.3%</b>	<b>98.8%</b>	<b>82.9</b>	<b>96.9</b>	<b>100.4</b>	<b>-1.9%</b>	<b>98.7%</b>
Compensation of employees	37.8	50.1	51.3	56.2	14.2%	50.6%	59.6	63.2	67.6	6.3%	62.9%
Goods and services	39.5	44.4	51.7	50.3	8.4%	48.2%	23.3	33.7	32.8	-13.2%	35.7%
<i>of which:</i>											
Advertising	5.6	2.1	0.6	1.7	-33.5%	2.6%	0.5	0.6	0.6	-27.4%	0.9%
Consultants and professional services: Business and advisory services	9.0	20.6	18.4	32.4	53.0%	20.8%	10.2	11.8	9.9	-32.7%	16.4%
Agency and support / outsourced services	0.0	-	-	0.1	155.4%	-	0.1	0.1	0.1	5.7%	0.1%
Operating leases	2.2	1.2	0.7	1.3	-16.6%	1.4%	0.5	1.2	1.3	0.8%	1.1%
<b>Transfers and subsidies</b>	<b>0.2</b>	<b>0.2</b>	<b>0.4</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Higher education institutions	0.1	-	0.1	-	-100.0%	-	-	-	-	-	-
Non-profit institutions	-	0.2	0.3	-	-	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.5</b>	<b>0.6</b>	<b>1.4</b>	<b>1.4</b>	<b>41.8%</b>	<b>1.0%</b>	<b>1.5</b>	<b>1.1</b>	<b>1.2</b>	<b>-4.0%</b>	<b>1.3%</b>
Machinery and equipment	0.5	0.6	1.4	1.4	42.9%	1.0%	1.5	1.1	1.2	-4.0%	1.3%
Software and other intangible assets	0.0	-	-	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>77.9</b>	<b>95.3</b>	<b>104.8</b>	<b>107.9</b>	<b>11.5%</b>	<b>100.0%</b>	<b>84.4</b>	<b>98.0</b>	<b>101.6</b>	<b>-2.0%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	3.4%	6.7%	5.8%	6.5%			4.1%	6.1%	6.4%		

## Expenditure trends

The spending focus over the medium term will be on providing support to improve the functioning of information society and promoting the development and use of ICTs through the *Information Society Development* subprogramme; the migration to digital television, and the review of ICT policies and legislation through the *ICT Policy Development* subprogramme, which is discussed in further detail below.

Expenditure on compensation of employees increased significantly between 2009/10 and 2012/13 due to additional funding for improved conditions of service and the hiring of additional personnel. This also explains the increase in spending in the *Information Society Development* programme, which also increased due to the hosting of the ICT Indaba in 2012/13. Expenditure on consultants also increased significantly between 2009/10 and 2012/13 as consultants were appointed to support the department in the policy and legislative making process, mostly with regard to the proposed transaction between Telkom and Korea Telecom.

To give effect to the Cabinet approved budget reductions of R26.5 million over the medium term, the department has implemented cost saving measures in expenditure on consultants and other non-core goods and services. This accounts for the significant decrease in expenditure on consultants and other goods and services items over the medium term.

## Subprogramme: ICT Policy Development

This subprogramme drafts legislation, regulations, policies and guidelines; and reviews and monitors their implementation to govern the broadcasting, telecommunications, postal and IT sectors. In 2012/13, the borrowing, lending and investment policies related to the South African Postbank Limited Act (2010) were submitted to Parliament; the ICT policy colloquium, which aimed to develop an integrated ICT policy framework, was hosted; and a draft memorandum of incorporation for the incorporation of Postbank as a subsidiary of the South African Post Office was developed and reviewed by the Postbank working committee.

## Expenditure estimates

**Table 27.8 ICT Policy Development**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million												
<b>Current payments</b>	<b>23.2</b>	<b>25.1</b>	<b>23.4</b>	<b>34.9</b>	<b>14.7%</b>	<b>99.3%</b>	<b>27.7</b>	<b>30.9</b>	<b>29.7</b>	<b>-5.2%</b>	<b>99.3%</b>	
Compensation of employees	10.7	17.5	15.2	15.4	12.7%	54.8%	17.2	18.4	19.2	7.7%	56.5%	
Goods and services	12.4	7.6	8.2	19.5	16.3%	44.5%	10.5	12.5	10.5	-18.7%	42.7%	
of which:												
Advertising	4.7	1.0	0.2	1.3	-34.8%	6.6%	-	-	-	-100.0%	1.0%	
Consultants and professional services: Business and advisory services	1.2	0.2	2.4	17.0	141.2%	19.4%	9.1	9.1	7.0	-25.7%	34.0%	
Operating leases	0.3	0.2	0.1	0.0	-56.9%	0.6%	-	-	-	-100.0%	-	
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.3</b>	<b>0.1</b>	<b>0.4</b>	<b>48.8%</b>	<b>0.7%</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>-20.3%</b>	<b>0.7%</b>	
Machinery and equipment	0.1	0.3	0.1	0.4	48.8%	0.7%	0.2	0.2	0.2	-20.3%	0.7%	
<b>Total</b>	<b>23.3</b>	<b>25.4</b>	<b>23.5</b>	<b>35.3</b>	<b>14.9%</b>	<b>100.0%</b>	<b>27.9</b>	<b>31.1</b>	<b>29.9</b>	<b>-5.4%</b>	<b>100.0%</b>	
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>29.9%</b>	<b>26.6%</b>	<b>22.4%</b>	<b>32.7%</b>			<b>33.0%</b>	<b>31.7%</b>	<b>29.4%</b>			

## Expenditure trends

The spending focus over the medium term will be on continuing to implement the Electronic Communications Act (2005), the Independent Communications Authority of South Africa Act (2000) and the South African Postbank Limited Act (2010); and monitoring the implementation of the broadcasting digital migration policy. The department will also enact the national integrated ICT legislation over this period and introduce the South African Postbank Limited Amendment Bill to Parliament for enactment by September 2013. This accounts for the significant spending on consultants and compensation of employees over the medium term as these activities require specialised skills and support. The consultants assist the department in the policy and legislative development processes.

Spending on compensation of employees increased significantly between 2009/10 and 2012/13 following the organisational review implemented in 2012/13, which saw the *Information Society Development* subprogramme in the former *Presidential National Commission* programme being merged into this subprogramme.

To give effect to the Cabinet approved budget reductions of R26.5 million, the department has reduced expenditure on consultants over the medium term.

## Programme 4: Broadcasting and Communication Regulation and Support

### Objectives

- Strengthen the performance of all 6 public entities in the ICT sector by:
  - analysing and reporting on their quarterly and annual performance reports against their corporate strategic plans
  - analysing their expenditure patterns against financial allocations and projections on an ongoing basis.
- Promote good governance and legislative compliance in all 6 public entities reporting to the department by continuously monitoring and enforcing compliance with applicable legislation through the analysis of reports by relevant entities.
- Ensure the effectiveness and efficiency of all 6 public entities by facilitating the alignment of all corporate strategic plans to reflect the outputs and outcomes as outlined in government priorities and mandates, annually.
- Accelerate socioeconomic development through facilitating the growth and development of ICT SMMEs and improving their sustainability by:
  - establishing 3 ICT incubation hubs in identified provinces by March 2014
  - delivering export readiness interventions to 15 SMMEs by March 2014



- facilitating participation of 1 000 SMMEs in the broadcasting digital migration value chain by March 2014
- enabling the production of 5 million set top boxes by 2015/16.

## Subprogrammes

- *Public Entity Oversight* provides oversight on state owned enterprises by managing government's shareholder interests in public enterprises. This includes facilitating entities' corporate plans and ensuring that planning cycles are aligned with and comply with guidelines. In 2012/13, R1 billion was transferred to public entities, the development of budgets for entities over the medium term were facilitated along with engagements to discuss entities' additional funding requests, and quarterly reports were analysed and feedback was given to the entities.
- *Small Medium and Micro Enterprise Development* facilitates the growth and development of ICT SMMEs. This entails developing ICT hubs to facilitate the capacity building of ICT SMMEs in underserved provinces, developing ICT portals to facilitate access to business and tender opportunities by SMMEs in all provinces, building the capacity of ICT SMMEs to compete in export markets, and facilitating the involvement of SMMEs in the set top box manufacturing value chain. In 2012/13, 25 ICT business linkages were facilitated from an assessment of 35 participating companies in collaboration with ICT incubation hubs, and export training and technical support was given to the participating companies.
- *ICT Support* administers and manages the transfers to the .za domain and hosts the 112 emergency call centre programme.

## Expenditure estimates

**Table 27.9 Broadcasting and Communications Regulation and Support**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Public Entity Oversight	1 676.6	1 030.7	1 019.3	1 047.6	-14.5%	97.8%	1 007.1	1 003.5	1 050.0	0.1%	91.1%
Small Medium and Micro Enterprise Development	4.8	3.7	13.3	18.8	58.1%	0.8%	9.4	10.0	10.5	-17.7%	1.1%
ICT Support	32.1	6.9	20.1	7.2	-39.2%	1.4%	112.8	116.3	116.0	152.2%	7.8%
<b>Total</b>	<b>1 713.5</b>	<b>1 041.4</b>	<b>1 052.6</b>	<b>1 073.6</b>	<b>-14.4%</b>	<b>100.0%</b>	<b>1 129.3</b>	<b>1 129.7</b>	<b>1 176.5</b>	<b>3.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(198.2)			(347.3)	(210.8)	(225.7)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>114.4</b>	<b>14.0</b>	<b>35.7</b>	<b>29.6</b>	<b>-36.3%</b>	<b>4.0%</b>	<b>125.9</b>	<b>130.3</b>	<b>130.6</b>	<b>64.1%</b>	<b>9.2%</b>
Compensation of employees	6.0	6.4	7.1	11.1	22.5%	0.6%	11.7	12.2	13.3	6.0%	1.1%
Goods and services	108.3	7.6	28.6	18.5	-44.6%	3.3%	114.2	118.1	117.4	85.3%	8.2%
of which:											
Advertising	0.0	0.6	2.8	0.2	50.7%	0.1%	0.2	0.2	0.2	5.5%	–
Consultants and professional services: Business and advisory services	3.0	3.1	23.3	13.3	64.7%	0.9%	70.1	70.9	68.4	72.7%	4.9%
Agency and support / outsourced services	20.3	1.6	–	0.4	-72.8%	0.5%	27.2	28.9	30.1	318.9%	1.9%
Operating leases	0.1	0.1	0.1	0.1	16.2%	–	0.1	0.1	0.1	5.4%	–
<b>Transfers and subsidies</b>	<b>1 598.9</b>	<b>1 027.2</b>	<b>1 016.7</b>	<b>1 043.0</b>	<b>-13.3%</b>	<b>96.0%</b>	<b>1 002.2</b>	<b>998.3</b>	<b>1 044.6</b>	<b>0.1%</b>	<b>90.7%</b>
Departmental agencies and accounts	377.1	430.3	692.4	775.2	27.2%	46.6%	773.1	771.1	806.8	1.3%	69.3%
Public corporations and private enterprises	1 217.5	596.8	324.2	267.8	-39.6%	49.3%	229.1	227.2	237.8	-3.9%	21.3%
Non-profit institutions	0.3	–	–	–	-100.0%	–	–	–	–	–	–
Households	4.0	0.0	–	–	-100.0%	0.1%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>1.1</b>	<b>56.1%</b>	<b>–</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>5.3%</b>	<b>0.1%</b>
Machinery and equipment	0.3	0.2	0.0	1.1	56.1%	–	1.1	1.2	1.3	5.3%	0.1%
Software and other intangible assets	–	0.0	0.2	–	–	–	–	–	–	–	–
<b>Total</b>	<b>1 713.5</b>	<b>1 041.4</b>	<b>1 052.6</b>	<b>1 073.6</b>	<b>-14.4%</b>	<b>100.0%</b>	<b>1 129.3</b>	<b>1 129.7</b>	<b>1 176.5</b>	<b>3.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>74.4%</b>	<b>73.0%</b>	<b>58.7%</b>	<b>64.9%</b>			<b>55.3%</b>	<b>70.7%</b>	<b>73.9%</b>		

## Expenditure estimates

Table 27.9 Broadcasting and Communications Regulation and Support (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Capital</b>	4.0	-	-	-	-100.0%	0.1%	-	-	-	-	-
Sentech: 2010 FIFA World Cup	4.0	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	377.1	430.3	692.4	775.2	27.2%	46.6%	773.1	771.1	806.8	1.3%	69.3%
Independent Communications Authority of South Africa	269.6	290.9	313.4	405.8	14.6%	26.2%	390.7	376.2	393.6	-1.0%	34.7%
National Electronic Media Institute of South Africa	29.1	32.6	33.5	34.1	5.5%	2.6%	35.7	37.9	39.6	5.1%	3.3%
Universal Service and Access Agency of South Africa	33.5	66.7	83.2	59.8	21.3%	5.0%	60.1	65.4	68.5	4.6%	5.6%
Universal Service and Access Fund	36.4	38.6	260.9	274.0	95.9%	12.5%	285.0	290.0	303.4	3.5%	25.6%
.za Domain Name Authority	1.5	1.5	1.5	1.5	-	0.1%	1.6	1.7	1.8	5.4%	0.1%
Meraka Institute	7.0	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	1 217.5	596.8	324.2	267.8	-39.6%	49.3%	229.1	227.2	237.8	-3.9%	21.3%
South African Post Office	383.1	306.1	180.4	52.0	-48.6%	18.9%	-	-	-	-100.0%	1.2%
Telkom: 2010 FIFA World Cup	350.0	-	-	-	-100.0%	7.2%	-	-	-	-	-
South African Broadcasting Corporation: Digital migration project	-	-	-	-	-	-	76.0	62.0	64.9	-	4.5%
South African Broadcasting Corporation: Community radio stations	12.8	6.9	7.7	8.4	-13.1%	0.7%	8.8	9.4	9.8	5.4%	0.8%
South African Broadcasting Corporation: Programme productions	5.0	15.0	10.0	10.0	26.0%	0.8%	10.6	11.2	11.7	5.4%	1.0%
South African Broadcasting Corporation: Channel Africa	36.7	38.9	41.2	43.3	5.7%	3.3%	44.7	47.4	49.6	4.7%	4.1%
South African Broadcasting Corporation: Public broadcaster	429.9	230.0	84.9	154.2	-29.0%	18.4%	89.1	97.2	101.8	-12.9%	9.8%

## Expenditure trends

The spending focus over the medium term will be on continuing to strengthen the department's ability to exercise oversight over the public entities and facilitating the growth and development of ICT SMMEs. This will provide for the creation of 2 ICT SMME hubs in each province per year over the medium term.

Expenditure on transfers to public corporations and private enterprises decreased significantly between 2009/10 and 2012/13 due to a once-off allocation of funds to the South African Broadcasting Corporation in 2009/10 for liquidity requirements, the conclusion of transfer payments to Telkom and Sentech for 2010 FIFA World Cup ICT infrastructure, and the final allocation to the South African Post Office in 2012/13 for universal access. This accounts for the decrease in spending in the *Public Entity Oversight* subprogramme over the same period. Transfers to departmental agencies and accounts increased significantly between 2009/10 and 2012/13 due to additional allocations in 2012/13 to fund office equipment and relocation costs for the Independent Communications Authority of South Africa.

Spending on goods and services, particularly on consultants, increased significantly between 2009/10 and 2012/13, following a change to the department's budget structure in 2012/13. This resulted in expenditure for the 112 emergency call centres being moved from the *ICT Infrastructure Support* programme to this programme. The department also reduced spending on goods and services, particularly consultants, by R47 million over the medium term to give effect to the Cabinet approved reductions. The reductions and funds realised from delaying the implementation of the 112 emergency cell centres were reprioritised in 2012/13 to the *Administration* programme to provide for the awareness campaign for digital terrestrial television. In spite of the delay, spending on consultants, contractors, and agency support and outsourced services is expected to increase significantly over the medium term due as consultants, contractors and service providers will be implementing the 112 emergency call centre project.

## Programme 5: ICT Infrastructure Support

### Objectives

- Increase access to digital broadcasting services in all South African households that own television sets by facilitating and monitoring the infrastructure rollout of the digital terrestrial television by 2015/16.
- Support and enable the provision of a multiplicity of ICT applications and services through the modernisation and deployment of ICT infrastructure by developing and implementing the national broadband master plan by March 2014.
- Monitor the implementation of the Electronic Communications Transactions Act (2002) over the medium term.
- Complete the broadcasting digital migration project by 2015/16 through the facilitation of transfers to Sentech in order to rollout the digital infrastructure.

### Subprogrammes

- *Broadband* is responsible for developing and facilitating the implementation of the ICT infrastructure broadband strategy and implementation plan, and ensures that broadband goals are achieved. In 2012/13, a report on baseline data on broadband coverage, penetration, speed and cost was developed, and the recommendations have been incorporated into the revised broadband strategy; a broadband workshop was held with relevant stakeholders on broadband interventions; and a broadband market study was conducted to inform the development of a funding model.
- *Digital Terrestrial Television* is responsible for making transfers to Sentech to roll out ICT infrastructure for the migration of signal distribution from analogue to digital. This subprogramme's total budget is transferred in full to Sentech. This subprogramme has no staff complement.

### Expenditure estimates

Table 27.10 ICT Infrastructure Support

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R million											
Broadband	42.7	37.9	47.8	69.6	17.7%	18.3%	45.6	55.7	58.3	-5.8%	22.9%
Digital Terrestrial Television	260.0	71.0	388.9	165.8	-13.9%	81.7%	535.3	69.8	-	-100.0%	77.1%
<b>Total</b>	<b>302.7</b>	<b>108.9</b>	<b>436.7</b>	<b>235.5</b>	<b>-8.0%</b>	<b>100.0%</b>	<b>580.9</b>	<b>125.5</b>	<b>58.3</b>	<b>-37.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				85.8			410.3	(140.2)	(219.7)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>38.3</b>	<b>37.2</b>	<b>47.6</b>	<b>68.8</b>	<b>21.5%</b>	<b>17.7%</b>	<b>44.7</b>	<b>54.4</b>	<b>56.9</b>	<b>-6.1%</b>	<b>22.5%</b>
Compensation of employees	23.3	23.9	22.8	31.8	11.0%	9.4%	33.6	36.4	37.6	5.7%	13.9%
Goods and services	15.0	13.3	24.8	36.9	34.9%	8.3%	11.1	18.0	19.3	-19.5%	8.5%
of which:											
Advertising	0.2	0.3	0.0	0.1	-25.9%	-	0.1	0.1	0.1	5.1%	-
Consultants and professional services: Business and advisory services	3.9	2.7	13.0	22.2	78.1%	3.9%	0.8	2.3	2.5	-51.7%	2.8%
Agency and support / outsourced services	1.3	-	-	-	-100.0%	0.1%	-	-	-	-	-
Operating leases	0.7	0.3	0.3	0.5	-11.4%	0.2%	0.5	0.8	0.9	19.7%	0.3%
<b>Transfers and subsidies</b>	<b>260.0</b>	<b>71.1</b>	<b>388.9</b>	<b>165.8</b>	<b>-13.9%</b>	<b>81.7%</b>	<b>535.3</b>	<b>69.8</b>	<b>-</b>	<b>-100.0%</b>	<b>77.1%</b>
Public corporations and private enterprises	260.0	71.1	388.9	165.8	-13.9%	81.7%	535.3	69.8	-	-100.0%	77.1%
<b>Payments for capital assets</b>	<b>4.3</b>	<b>0.7</b>	<b>0.2</b>	<b>0.9</b>	<b>-41.2%</b>	<b>0.6%</b>	<b>0.9</b>	<b>1.4</b>	<b>1.4</b>	<b>17.5%</b>	<b>0.5%</b>
Machinery and equipment	0.5	0.6	0.2	0.8	16.1%	0.2%	0.9	1.4	1.4	20.5%	0.4%
Software and other intangible assets	3.8	0.1	-	0.1	-74.3%	0.4%	-	-	-	-100.0%	-
<b>Total</b>	<b>302.7</b>	<b>108.9</b>	<b>436.7</b>	<b>235.5</b>	<b>-8.0%</b>	<b>100.0%</b>	<b>580.9</b>	<b>125.5</b>	<b>58.3</b>	<b>-37.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>13.1%</b>	<b>7.6%</b>	<b>24.4%</b>	<b>14.2%</b>			<b>28.4%</b>	<b>7.9%</b>	<b>3.7%</b>		

## Expenditure estimates

Table 27.10 ICT Infrastructure Support (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Capital</b>	<b>260.0</b>	<b>71.0</b>	<b>388.9</b>	<b>165.8</b>	<b>-13.9%</b>	<b>81.7%</b>	<b>535.3</b>	<b>69.8</b>	<b>-</b>	<b>-100.0%</b>	<b>77.1%</b>
Sentech: Digitisation	160.0	71.0	268.9	165.8	1.2%	61.4%	423.3	69.8	-	-100.0%	65.9%
Sentech: African Nations Championship	-	-	-	-	-	-	6.0	-	-	-	0.6%
Sentech: Digital Terrestrial Television (Dual Illumination)	100.0	-	120.0	-	-100.0%	20.3%	106.0	-	-	-	10.6%

## Expenditure trends

The spending focus over the medium term will be on increasing transfer payments to Sentech to continue network expansion in rolling out digital terrestrial television infrastructure in preparation for the launch of commercial digital terrestrial television. The allocations will enable Sentech to complete the rollout of the infrastructure required for the migration from analogue to digital by 2014/15.

Transfers to Sentech increased significantly between 2009/10 and 2012/13, as funding was made available for digitisation in support of government's target to switch off the analogue signal in December 2013. However, Sentech had to extend the delivery date as a result of the technical standards review being delayed. Additional funding of R283 million is made available to Sentech in 2013/14, R171 million of which is for the rollout of digital terrestrial television infrastructure in time for the commercial launch of digital terrestrial television, R106 million for dual illumination, and R6 million for ICT infrastructure for the 2014 African Nations Championship.

Expenditure on consultants increased significantly between 2009/10 and 2012/13 for service providers who assisted the department develop the report on baseline data on broadband coverage, penetration, speed and cost, and implementing a testing centre for set top boxes.

Expenditure is expected to decrease significantly over the medium term the funding for broadband is placed on hold to allow more work to be done on the broadband strategy and subsequent implementation plan. The delay has allowed the department to give effect to the Cabinet approved budget reductions of R854.4 million over the medium term in this programme. The projected decline in expenditure over this period is also attributable to the reduction in allocations to Sentech as the entity concludes the rollout of digital terrestrial television infrastructure.

## Public entities and other agencies

### Sentech

#### Mandate and goals

Sentech Limited is a state owned enterprise established in terms of the Sentech Act (1996) and is listed as a schedule 3B public entity in terms of the Public Finance Management Act (1999). Its mandate is to provide broadcasting signal distribution for broadcasting licensees.

The entity's strategic goals over the medium term are to:

- align its strategic roadmap with shareholder programmes to enable the development of open access government participation in the communications industry through infrastructure based investment
- continue working to support and realise government's ICT vision and goals including innovation in broadcasting and media services, and content management and distribution.

- create solutions that enhance the customer experience and are in line with government's mandate of access to communication services for all citizens
- repackage social responsibility interventions and create community social investment ICT programmes that improve lives, create value and are sustainable.

## Selected performance indicators

Table 27.11 Sentech

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage household coverage of digital television transmission infrastructure <sup>1</sup>	Migrate to digital television	- <sup>1</sup>	60%	70%	80%	96%	100%	100%
Terrestrial analogue television (measured by percentage availability)	Provide reliable broadcasting signals	100%	100%	100%	100%	100%	100%	100%
Digital terrestrial television (measured by percentage availability)	Migrate to digital television	99%	99%	100%	100%	100%	100%	100%
Number of new radio transmitters switched on per year <sup>2</sup>	Increase access to information through listenership	10	10	10	10	21	21	21
Number of new television transmitters switched on per year <sup>4</sup>	Use increase access to information through viewership	10	90 <sup>3</sup>	10	10	280	- <sup>4</sup>	- <sup>4</sup>

1. Transmission started in 2009/10 and reporting thereof started in 2010/11.

2. The increase in radio transmitters is caused by market demand and the mandate to support the community radio stations.

3. 2010 FIFA World Cup accounts for fluctuations in the number of new television transmitters switched on per year.

4. The increase is due to a large increase in the demand for this service that is expected in 2013/14, as well as switching on of all transmitters that were not switched on in previous years. The project will also be completed in 2013/14.

## Programmes/activities/objectives

Table 27.12 Sentech

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
R million											
Providing signal distribution services	845.6	764.1	740.4	824.8	-0.8%	100.0%	942.5	913.0	1 023.2	7.4%	100.0%
<b>Total expense</b>	<b>845.6</b>	<b>764.1</b>	<b>740.4</b>	<b>824.8</b>	<b>-0.8%</b>	<b>100.0%</b>	<b>942.5</b>	<b>913.0</b>	<b>1 023.2</b>	<b>7.4%</b>	<b>100.0%</b>

## Expenditure estimates

Table 27.13 Sentech

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>895.3</b>	<b>900.8</b>	<b>874.7</b>	<b>965.3</b>	2.5%	97.6%	<b>962.8</b>	<b>1 036.4</b>	<b>1 105.2</b>	4.6%	100.0%
Sale of goods and services other than capital assets	827.8	801.8	812.6	880.5	2.1%	89.2%	960.1	1 035.1	1 104.0	7.8%	97.7%
of which:											
Sales by market establishment	827.8	801.8	812.6	880.5	2.1%	89.2%	960.1	1 035.1	1 104.0	7.8%	97.7%
Other non-tax revenue	67.4	99.0	62.1	84.8	7.9%	8.4%	2.7	1.4	1.2	-75.8%	2.3%
<b>Transfers received</b>	<b>51.4</b>	<b>36.3</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>2.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total revenue</b>	<b>950.8</b>	<b>937.0</b>	<b>874.7</b>	<b>965.3</b>	<b>0.5%</b>	<b>100.0%</b>	<b>962.8</b>	<b>1 036.4</b>	<b>1 105.2</b>	<b>4.6%</b>	<b>100.0%</b>

**Table 27.13 Sentech (continued)**

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Expenses</b>											
<b>Current expenses</b>	<b>742.0</b>	<b>702.7</b>	<b>682.5</b>	<b>766.3</b>	<b>1.1%</b>	<b>91.2%</b>	<b>913.2</b>	<b>913.0</b>	<b>978.2</b>	<b>8.5%</b>	<b>96.4%</b>
Compensation of employees	225.5	230.9	265.7	291.7	9.0%	32.0%	341.5	369.9	394.1	10.5%	37.7%
Goods and services	420.3	351.2	339.8	418.5	-0.1%	48.1%	514.7	474.7	504.3	6.4%	51.7%
Depreciation	84.3	99.8	58.5	51.6	-15.1%	9.3%	54.8	67.3	77.3	14.4%	6.7%
Interest, dividends and rent on land	12.0	20.8	18.5	4.5	-28.0%	1.8%	2.2	1.1	2.5	-18.1%	0.3%
<b>Total expenses</b>	<b>845.6</b>	<b>764.1</b>	<b>740.4</b>	<b>824.8</b>	<b>-0.8%</b>	<b>100.0%</b>	<b>942.5</b>	<b>913.0</b>	<b>1 023.2</b>	<b>7.4%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>105.0</b>	<b>173.0</b>	<b>134.0</b>	<b>140.0</b>	<b>10.1%</b>		<b>20.0</b>	<b>123.0</b>	<b>82.0</b>	<b>-16.3%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	569.9	499.2	506.8	601.3	1.8%	29.8%	650.4	683.1	635.8	1.9%	47.0%
<i>of which:</i>											
<i>Acquisition of assets</i>	269.9	67.1	83.0	689.3	36.7%	15.1%	590.4	512.9	466.3	-12.2%	40.2%
Inventory	8.5	7.3	7.5	7.7	-3.0%	0.4%	3.9	3.5	2.8	-28.9%	0.3%
Receivables and prepayments	74.4	31.4	41.2	32.6	-24.1%	2.5%	35.8	37.4	39.4	6.5%	2.7%
Cash and cash equivalents	977.5	1 135.8	1 605.9	1 279.2	9.4%	67.0%	573.7	473.7	637.5	-20.7%	49.9%
Defined benefit plan assets	1.6	1.3	1.3	1.2	-9.9%	0.1%	1.4	1.7	1.9	16.6%	0.1%
Taxation	-	11.5	0.3	-	-	0.2%	-	-	-	-	-
<b>Total assets</b>	<b>1 631.9</b>	<b>1 686.5</b>	<b>2 163.1</b>	<b>1 922.0</b>	<b>5.6%</b>	<b>100.0%</b>	<b>1 265.2</b>	<b>1 199.4</b>	<b>1 317.4</b>	<b>-11.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	43.4	216.4	350.6	453.8	118.6%	13.8%	474.1	597.5	679.5	14.4%	40.6%
Capital and reserves	498.7	529.3	558.4	584.6	5.4%	29.5%	462.5	318.5	321.7	-18.1%	29.5%
Capital reserve fund	701.9	638.4	889.3	550.0	-7.8%	37.6%	4.5	2.5	1.5	-86.0%	7.3%
Borrowings	83.2	64.7	45.4	23.9	-34.0%	3.1%	-	-	-	-100.0%	0.3%
Trade and other payables	128.1	85.0	105.0	140.5	3.1%	6.3%	143.4	144.8	159.3	4.3%	10.7%
Taxation	57.0	10.6	2.7	14.3	-36.9%	1.2%	13.9	14.1	15.5	2.6%	1.0%
Provisions	119.6	142.0	211.6	154.8	9.0%	8.4%	166.8	122.1	139.9	-3.3%	10.5%
<b>Total equity and liabilities</b>	<b>1 631.9</b>	<b>1 686.5</b>	<b>2 163.1</b>	<b>1 922.0</b>	<b>5.6%</b>	<b>100.0%</b>	<b>1 265.2</b>	<b>1 199.4</b>	<b>1 317.4</b>	<b>-11.8%</b>	<b>100.0%</b>

**Personnel information****Table 27.14 Sentech**

Salary level	Number of funded posts	Post status estimated for 31 March 2013 Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number				
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary Level/total: Average (%)			
			2011/12		Unit Cost	2012/13		Unit Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost			
	569	144	551	265.7	0.5	566	291.7	0.5	611	341.5	0.6	630	369.9	0.6	650	394.1	0.6	4.7%	100.0%
1-6	40	-	45	5.4	0.1	40	5.4	0.1	40	5.5	0.1	40	5.5	0.1	40	5.5	0.1	-	6.5%
7-10	203	63	119	47.6	0.4	140	60.2	0.4	161	72.5	0.5	170	86.7	0.5	170	91.8	0.5	6.7%	26.1%
13-16	326	81	387	212.7	0.5	386	226.1	0.6	410	263.6	0.6	420	277.7	0.7	440	296.8	0.7	4.5%	67.4%

1. Rand million.

**Expenditure trends**

Sentech derives commercial revenue from terrestrial television services, terrestrial FM and AM radio services, satellite linking, facility rentals sales, and the sale of satellite decoders. The entity also receives transfers from the department for digital terrestrial television and to provide for the dual illumination period.

The spending focus over the medium term will be on investing in capital assets to expand the network to new sites in areas that were previously not covered and preparing for the launch of the commercial digital terrestrial

television. Sentech has been allocated additional funding of R277 million in 2013/14 to expedite the rollout of the digital terrestrial television project, of which R171 million will be spent on digitisation and R106 million on dual illumination.

Expenditure decreased between 2009/10 and 2012/13 as unprofitable products were discontinued, such as the carrier of carriers business, which led to decreased expenditure on goods and services over this period. Expenditure on compensation of employees increased to R291.7 million in 2012/13 as new employees were appointed and to provide for improved conditions of service. Spending is expected to increase to R1 billion over the medium term, mainly due to higher operational expenditure for human resource development, operations maintenance and expenses related to digital terrestrial television. As a result of the higher expenditure on maintenance, expenditure on goods and services is expected to increase to R504.3 million.

As at 30 September 2012, the entity had a total funded establishment of 569 posts. The number of filled posts increased from 551 in 2011/12 to 566 in 2012/13 as the new organisational structure was implemented following the approval of the new operating model in 2011/12. The number of filled posts is expected to increase to 650 over the medium term. As at 30 September 2012, 3 posts were vacant due to natural attrition. The vacancies were mostly at the skilled and middle management levels, but are not expected to affect service delivery.

Expenditure on consultants was equivalent to 4.9 per cent of expenditure on compensation of employees in 2012/13, as the entity lacked personnel capacity in certain areas.

## **South African Broadcasting Corporation**

### **Mandate and goals**

The South African Broadcasting Corporation is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). Its mandate is set out in its charter and in the Broadcasting Act (1999), which requires it to provide radio and television broadcasting services to South Africa.

The corporation's strategic goals over the medium term are to:

- ensure access of its services to all citizens throughout the country
- inform, educate and entertain and provide services in all official languages
- reflect both the unity and diverse cultural and multilingual nature of South Africa and all of its cultures and regions, to audiences
- provide programming for children, women, youth and people with disabilities broadcast national, developmental and minority sports
- develop talent and showcase South African content
- provide independent news of high quality standards
- ensure the financial sustainability of the corporation through the cost effective use of budgets and resources
- implement the digital content strategy
- conclude the government guarantee deliverable
- complete the digital migration and multi-channel offering.

## Selected performance indicators

Table 27.15 South African Broadcasting Corporation

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of operational expenditure: Digital terrestrial television per year <sup>1</sup>	Digital terrestrial migration	R6m	– <sup>1</sup>	– <sup>1</sup>	R515m	R1.57bn	R2.4bn	R2.42bn
Local content as a percentage of total public broadcasting service television per year	Local content delivery	65%	75%	75%	75%	75%	75%	75%
Local content as a percentage of total public commercial broadcasting service television	Local content delivery	35%	35%	35%	35%	35%	35%	35%
Local content as a percentage of total public broadcasting service radio	Local content delivery	65%	70%	70%	70%	70%	70%	70%
Local content as a percentage of total public commercial broadcasting service radio	Local content delivery	40%	45%	45%	45%	45%	45%	45%
Number of low power television transmitters switched on per year <sup>2</sup>	Universal access transmitter rollout	430	426	300	300	300	367	– <sup>2</sup>
Number of low power radio transmitters switched on per year <sup>2</sup>	Universal access transmitter rollout	105	105	100	100	100	100	– <sup>2</sup>

1. No data in 2010/11 and 2011/12 as the project was delayed and the amounts reflected in the previous year were incorrect.

2. No data is available for 2015/16 as the projects will be completed in 2014/15.

## Programmes/activities/objectives

Table 27.16 South African Broadcasting Corporation

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	Three TV stations and programme content	2 016.6	1 478.1				1 450.8	2 358.3	5.4%		
18 radio stations	599.5	696.4	835.2	830.0	11.5%	12.8%	881.4	988.3	1 024.3	7.3%	12.5%
News	553.6	506.0	542.1	628.0	4.3%	9.6%	575.3	697.8	762.6	6.7%	8.9%
Sport	516.1	716.3	486.2	668.4	9.0%	10.3%	695.1	767.7	787.0	5.6%	9.8%
Technical facilities	754.3	789.0	844.3	1 001.4	9.9%	14.6%	948.2	1 101.1	1 158.1	5.0%	14.1%
Revenue and administrative support	938.8	1 279.7	1 231.8	1 541.5	18.0%	21.4%	1 378.7	1 544.7	1 613.0	1.5%	20.4%
<b>Total expense</b>	<b>5 378.8</b>	<b>5 465.5</b>	<b>5 390.3</b>	<b>7 027.6</b>	<b>9.3%</b>	<b>100.0%</b>	<b>6 913.3</b>	<b>7 802.8</b>	<b>8 126.9</b>	<b>5.0%</b>	<b>100.0%</b>

## Expenditure estimates

Table 27.17 South African Broadcasting Corporation

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R million										
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>4 052.7</b>	<b>4 683.7</b>	<b>5 242.9</b>	<b>5 897.6</b>	13.3%	88.5%	<b>6 120.3</b>	<b>6 399.0</b>	<b>6 621.2</b>	3.9%	92.2%
Sale of goods and services other than capital assets	3 942.7	4 617.5	5 161.5	5 833.7	14.0%	87.1%	6 087.7	6 358.8	6 588.2	4.1%	91.5%
<i>of which:</i>											
Administrative fees	903.1	911.8	932.0	972.6	2.5%	16.7%	985.8	1 016.3	1 047.0	2.5%	14.8%
Sales by market establishment	3 039.6	3 705.7	4 229.5	4 861.2	16.9%	70.3%	5 101.9	5 342.6	5 541.2	4.5%	76.7%
Other non-tax revenue	110.0	66.2	81.4	63.9	-16.6%	1.5%	32.6	40.2	33.0	-19.8%	0.6%
<b>Transfers received</b>	<b>831.4</b>	<b>629.2</b>	<b>490.9</b>	<b>513.3</b>	<b>-14.9%</b>	<b>11.3%</b>	<b>536.6</b>	<b>536.6</b>	<b>540.0</b>	<b>1.7%</b>	<b>7.8%</b>
<b>Total revenue</b>	<b>4 886.4</b>	<b>5 336.2</b>	<b>5 733.8</b>	<b>6 410.9</b>	<b>9.5%</b>	<b>100.0%</b>	<b>6 656.9</b>	<b>6 935.6</b>	<b>7 161.2</b>	<b>3.8%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>5 375.9</b>	<b>5 372.3</b>	<b>5 305.6</b>	<b>7 023.5</b>	<b>9.3%</b>	<b>99.2%</b>	<b>6 908.9</b>	<b>7 798.1</b>	<b>8 121.9</b>	<b>5.0%</b>	<b>99.9%</b>
Compensation of employees	1 753.5	1 481.9	1 576.0	1 693.6	-1.2%	28.3%	1 455.4	1 850.3	2 081.3	7.1%	23.6%
Goods and services	3 243.5	3 499.5	3 361.5	4 927.1	15.0%	64.2%	5 046.9	5 547.8	5 667.4	4.8%	71.0%
Depreciation	253.9	272.9	266.1	288.5	4.3%	4.7%	318.8	373.3	373.3	9.0%	4.5%
Interest, dividends and rent on land	125.0	117.9	101.9	114.3	-2.9%	2.0%	87.8	26.7	–	-100.0%	0.8%
<b>Transfers and subsidies</b>	<b>–</b>	<b>60.0</b>	<b>74.9</b>	<b>4.2</b>	<b>–</b>	<b>0.6%</b>	<b>4.4</b>	<b>4.7</b>	<b>5.0</b>	<b>6.0%</b>	<b>0.1%</b>
<b>Total expenses</b>	<b>5 378.8</b>	<b>5 465.5</b>	<b>5 390.3</b>	<b>7 027.6</b>	<b>9.3%</b>	<b>100.0%</b>	<b>6 913.3</b>	<b>7 802.8</b>	<b>8 126.9</b>	<b>5.0%</b>	<b>100.0%</b>
Surplus/(Deficit)	(492.0)	(129.0)	343.0	(617.0)	7.8%		(256.0)	(867.0)	(966.0)	16.1%	



Table 27.17 South African Broadcasting Corporation (continued)

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16		
	R million											
<b>Statement of financial position</b>												
Carrying value of assets of which:	1 816.4	1 657.4	1 496.0	1 970.9	2.8%	34.7%	2 081.8	2 303.6	2 521.1	8.6%	38.2%	
Acquisition of assets	409.7	115.2	105.1	527.0	8.8%	5.6%	570.0	605.1	590.8	3.9%	9.9%	
Investments	358.2	853.8	1 095.0	1 346.5	55.5%	17.8%	996.1	580.2	59.5	-64.6%	12.6%	
Inventory	902.3	932.5	866.8	1 233.9	11.0%	19.5%	1 664.8	1 604.4	1 706.2	11.4%	26.7%	
Receivables and prepayments	1 127.1	961.1	1 034.9	981.0	-4.5%	20.7%	1 046.4	1 155.1	1 091.7	3.6%	18.4%	
Cash and cash equivalents	114.5	108.8	217.7	200.0	20.4%	3.2%	200.0	200.0	184.9	-2.6%	3.4%	
Defined benefit plan assets	285.8	226.6	155.3	82.9	-33.8%	3.9%	9.6	-	-	-100.0%	0.4%	
Derivatives financial instruments	13.3	5.4	-	19.8	14.2%	0.2%	35.8	9.1	9.1	-22.9%	0.3%	
<b>Total assets</b>	<b>4 617.6</b>	<b>4 745.5</b>	<b>4 865.7</b>	<b>5 835.0</b>	<b>8.1%</b>	<b>100.0%</b>	<b>6 034.4</b>	<b>5 852.5</b>	<b>5 572.6</b>	<b>-1.5%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	1 063.0	848.2	1 115.8	1 626.1	15.2%	22.9%	2 140.7	2 462.6	2 105.0	9.0%	35.8%	
Capital and reserves	2.1	2.5	3.1	3.1	14.1%	0.1%	3.1	3.1	3.1	-	0.1%	
Capital reserve fund	451.0	507.2	435.7	364.3	-6.9%	8.9%	337.8	317.7	251.7	-11.6%	5.4%	
Borrowings	1 302.9	1 179.1	788.4	798.4	-15.1%	20.7%	410.2	12.7	12.5	-75.0%	5.2%	
Finance lease	47.5	167.7	389.0	1.1	-71.2%	3.1%	1.1	1.1	1.1	-	0.0%	
Deferred income	219.8	130.3	122.8	82.8	-27.8%	2.9%	82.8	82.8	82.8	-	1.4%	
Trade and other payables	740.6	990.3	932.8	1 499.0	26.5%	20.4%	1 668.9	1 549.6	1 629.0	2.8%	27.3%	
Taxation	23.9	57.2	63.0	-	-100.0%	0.8%	-	-	-	-	-	
Provisions	739.5	835.7	993.0	1 362.1	22.6%	19.3%	1 287.7	1 316.2	1 375.8	0.3%	23.0%	
Derivatives financial instruments	27.4	27.4	27.4	97.9	52.9%	0.9%	102.0	106.6	111.3	4.4%	1.8%	
<b>Total equity and liabilities</b>	<b>4 617.6</b>	<b>4 745.5</b>	<b>4 871.0</b>	<b>5 835.0</b>	<b>8.1%</b>	<b>100.0%</b>	<b>6 034.4</b>	<b>5 852.5</b>	<b>5 572.6</b>	<b>-1.5%</b>	<b>100.0%</b>	

## Personnel information

Table 27.18 South African Broadcasting Corporation

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	3 717	-	3 717	1 576.0	0.4	3 717	1 693.6	0.5	3 021	1 455.4	0.5	3 657	1 850.3	0.5	3 881	2 081.3	0.5	1.4%	100.0%
1-6	500	-	500	409.3	0.8	500	387.8	0.8	402	333.3	0.8	486	423.7	0.9	516	476.6	0.9	7.1%	13.3%
7-10	599	-	599	328.4	0.5	599	348.3	0.6	488	299.3	0.6	591	380.6	0.6	627	428.1	0.7	7.1%	16.1%
13-16	2 618	-	2 618	838.4	0.3	2 618	957.4	0.4	2 130	822.7	0.4	2 580	1 046.0	0.4	2 737	1 176.6	0.4	7.1%	70.5%

1. Rand million.

## Expenditure trends

Revenue in the South African Broadcasting Corporation is generated mainly from television licences, advertising and sponsorships, and allocations from the department. Revenue is expected to increase to R7.2 billion over the medium term due to an increase in advertising revenue in line with the new multichannel environment created by the expected rollout of digital terrestrial television.

The spending focus over the medium term will be on rebuilding the corporation's financial position, adopting good governance and realigning the organisation's operating model with the requirements of digital broadcasting. The latter explains why operational expenditure related to digital terrestrial television is projected to increase to R2.4 billion by 2015/16.

The increase in expenditure between 2009/10 and 2012/13 was due to higher signal distribution costs and higher revenue collection costs as the corporation attempted to improve liquidity. The deficit increased from R492 million in 2009/10 to R617 million in 2012/13. Expenditure is expected to increase to R8.1 billion over the medium term, due to the rollout of additional low power transmitters, higher marketing costs to promote revised channel and radio schedules, and increased investment in content. Television licence collection costs are also projected to increase in view of the annual increase in the number of registered licence holders.

The corporation had a funded establishment of 3 717 posts, all of which were filled at the end of September 2012. The number of filled posts is expected to increase to 3 881 over the medium term due to the requirements for implementing digital terrestrial television and the organisation's strategy to expand regional content and thus contribute to job creation.

Consultants are used to provide business advisory services, including those related to the development of the corporation's turnaround strategy. Expenditure on consultants was approximately 5.8 per cent of expenditure on compensation of employees in 2012/13.

## South African Post Office

### Mandate and goals

The South African Post Office is a schedule 2 public entity in terms of the Public Finance Management Act (1999). It is a government business enterprise established to provide postal and related services to the public, and derives its mandate from the South African Post Office SOC Ltd Act (2011) and the South African Postbank Limited Act (2010). The Postal Services Act (1998) grants it an exclusive mandate to conduct postal services. This act makes provision for the regulation of postal services and operational functions of the postal company, including universal service obligations and the financial services activities of Postbank.

The entity's strategic goals over the medium term are to:

- drive operational excellence to achieve quality at benchmark costs
- continue implementing universal service obligations
- implement the second and third phases of the IT network upgrade
- ensure digital business growth
- continue the corporatisation of Postbank through applying for a banking licence and upgrading banking systems
- review the labour model within the organisation.

### Selected performance indicators

Table 27.19 South African Post Office

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new post offices per year	Rollout of new post office points of presence	64	20 <sup>1</sup>	50	50	50	50	50
Number of post office service points per year <sup>2</sup>	The number of post office access points	2 467	2 487	2 537	2 497	2 547	2 597	5 647
Number of new addresses delivered as part of the address expansion programme per year	Rollout of new addresses for citizens	1 645 945	1 646 000	1 195 690	1 195 690	1 195 690	1 195 690	1 195 690
Total value of Postbank depositors' funds	The value of funds held for depositors at Postbank	R3.7bn	R4bn	R4.3bn	R4.5bn	R4.8bn	R5.1bn	R5.4bn

1. The decrease is due to budget cuts.

2. The number of service points decreased by 40, from 2 487 in 2010/11 to 2 447 in 2011/12, due to the closure of 84 retail postal agencies, as the host businesses and mines that have closed in the trading areas. 5 post offices closed due to the landlords not wishing to renew the expired leases for these offices. However, 13 new post offices and 36 new retail postal agencies were opened.

## Programmes/activities/objectives

Table 27.20 South African Post Office

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Provide postal and related services	5 643.6	6 211.8	6 123.8	6 294.1	3.7%	100.0%	6 599.4	6 961.0	7 206.4	4.6%	100.0%
<b>Total expense</b>	<b>5 643.6</b>	<b>6 211.8</b>	<b>6 123.8</b>	<b>6 294.1</b>	<b>3.7%</b>	<b>100.0%</b>	<b>6 599.4</b>	<b>6 961.0</b>	<b>7 206.4</b>	<b>4.6%</b>	<b>100.0%</b>

## Expenditure estimates

Table 27.21 South African Post Office

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Revenue</b>	<b>5 553.7</b>	<b>6 023.5</b>	<b>6 101.2</b>	<b>6 105.3</b>	<b>3.2%</b>	<b>96.2%</b>	<b>6 389.0</b>	<b>6 782.4</b>	<b>7 193.0</b>	<b>5.6%</b>	<b>98.0%</b>
<b>Non-tax revenue</b>	<b>4 894.7</b>	<b>5 576.1</b>	<b>5 700.8</b>	<b>5 835.4</b>	<b>6.0%</b>	<b>89.0%</b>	<b>5 823.9</b>	<b>6 189.1</b>	<b>6 570.1</b>	<b>4.0%</b>	<b>90.5%</b>
Sale of goods and services other than capital assets of which:											
<i>Sales by market establishment</i>	4 894.7	5 576.1	5 700.8	5 835.4	6.0%	89.0%	5 823.9	6 189.1	6 570.1	4.0%	90.5%
<i>Other non-tax revenue</i>	659.0	447.4	400.4	269.9	-25.7%	7.2%	565.1	593.3	622.9	32.1%	7.5%
<b>Transfers received</b>	<b>383.1</b>	<b>306.1</b>	<b>180.4</b>	<b>52.0</b>	<b>-48.6%</b>	<b>3.8%</b>	<b>205.0</b>	<b>252.0</b>	<b>24.0</b>	<b>-22.7%</b>	<b>2.0%</b>
<b>Total revenue</b>	<b>5 936.7</b>	<b>6 329.5</b>	<b>6 281.7</b>	<b>6 157.3</b>	<b>1.2%</b>	<b>100.0%</b>	<b>6 594.0</b>	<b>7 034.4</b>	<b>7 217.0</b>	<b>5.4%</b>	<b>100.0%</b>
<b>Expenses</b>	<b>5 561.5</b>	<b>6 142.8</b>	<b>6 031.5</b>	<b>6 294.1</b>	<b>4.2%</b>	<b>99.0%</b>	<b>6 599.4</b>	<b>6 961.0</b>	<b>7 202.3</b>	<b>4.6%</b>	<b>100.0%</b>
<b>Current expenses</b>	<b>2 961.9</b>	<b>3 095.4</b>	<b>3 228.3</b>	<b>3 340.5</b>	<b>4.1%</b>	<b>52.0%</b>	<b>3 496.9</b>	<b>3 707.5</b>	<b>3 930.6</b>	<b>5.6%</b>	<b>53.5%</b>
Compensation of employees	2 335.9	2 779.5	2 558.1	2 626.8	4.0%	42.4%	2 849.7	2 986.9	2 990.5	4.4%	42.3%
Goods and services	176.6	235.2	212.7	294.1	18.5%	3.8%	175.9	185.5	195.7	-12.7%	3.2%
Depreciation	87.1	32.7	32.4	32.7	-27.9%	0.8%	76.9	81.1	85.5	37.8%	1.0%
Interest, dividends and rent on land											
<b>Total expenses</b>	<b>5 643.6</b>	<b>6 211.8</b>	<b>6 123.8</b>	<b>6 294.1</b>	<b>3.7%</b>	<b>100.0%</b>	<b>6 599.4</b>	<b>6 961.0</b>	<b>7 206.4</b>	<b>4.6%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>293.0</b>	<b>118.0</b>	<b>158.0</b>	<b>(137.0)</b>	<b>-177.6%</b>		<b>(5.0)</b>	<b>73.0</b>	<b>11.0</b>	<b>-143.1%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	1 152.7	1 360.9	1 269.3	1 275.0	3.4%	12.8%	1 366.4	1 423.3	1 470.8	4.9%	13.1%
<i>of which:</i>											
<i>Acquisition of assets</i>	122.1	186.7	105.9	250.0	27.0%	1.7%	325.0	353.0	274.0	3.1%	2.8%
Investments	3 753.7	2 332.7	4 115.7	4 527.2	6.4%	37.5%	4 979.9	5 477.9	6 025.7	10.0%	49.6%
Inventory	48.3	47.4	61.3	69.5	12.9%	0.6%	66.7	65.4	64.7	-2.3%	0.6%
Receivables and prepayments	569.4	625.7	527.7	764.7	10.3%	6.3%	805.3	849.5	896.5	5.4%	7.8%
Cash and cash equivalents	3 528.6	4 756.2	3 277.2	2 633.9	-9.3%	36.1%	2 214.5	1 683.3	1 166.6	-23.8%	18.3%
Non-current assets held for sale	-	-	0.2	-	-	0.0%	-	-	-	-	-
Taxation	363.6	285.9	317.2	277.6	-8.6%	3.2%	266.5	261.2	258.6	-2.3%	2.5%
Derivatives financial instruments	-	688.4	0.5	751.6	-	3.5%	808.4	869.6	934.8	7.5%	8.0%
<b>Total assets</b>	<b>9 416.3</b>	<b>10 097.1</b>	<b>9 569.0</b>	<b>10 299.6</b>	<b>3.0%</b>	<b>100.0%</b>	<b>10 507.7</b>	<b>10 630.2</b>	<b>10 817.7</b>	<b>1.6%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	1 301.6	1 602.5	1 761.2	1 624.4	7.7%	15.6%	1 544.0	1 514.4	1 525.0	-2.1%	14.7%
Capital and reserves	954.4	951.8	951.0	951.6	-0.1%	9.5%	951.6	951.6	951.6	-0.0%	9.0%
Capital reserve fund	249.0	237.5	94.6	27.3	-52.1%	1.5%	-	-	-	-100.0%	0.1%
Finance lease	30.9	51.7	60.3	80.4	37.6%	0.6%	43.2	42.7	42.3	-19.3%	0.5%
Deferred income	320.8	346.7	345.7	337.3	1.7%	3.4%	333.9	327.2	324.0	-1.3%	3.1%
Trade and other payables	5 146.3	5 615.7	5 918.8	5 786.5	4.0%	55.9%	6 410.8	6 583.1	6 787.6	5.5%	60.5%
Taxation	160.8	28.9	9.2	18.7	-51.2%	0.6%	18.5	18.1	18.0	-1.3%	0.2%
Provisions	1 252.5	1 253.7	1 226.4	1 473.4	5.6%	13.0%	1 205.7	1 193.0	1 169.3	-7.4%	12.0%
Derivatives financial instruments	-	8.7	8.3	-	-	0.0%	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>9 416.3</b>	<b>10 097.1</b>	<b>10 375.6</b>	<b>10 299.6</b>	<b>3.0%</b>	<b>100.0%</b>	<b>10 507.7</b>	<b>10 630.2</b>	<b>10 817.7</b>	<b>1.6%</b>	<b>100.0%</b>

## Personnel information

Table 27.22 South African Post Office

Salary level	Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
	22 451	718	15 895	3 228.3	0.2	21 733	3 340.5	0.2	22 451	3 476.9	0.2	22 451	3 685.5	0.2	22 451	3 906.6	0.2	1.1%	100.0%
1 – 6	22 223	694	15 691	3 040.9	0.2	21 529	3 135.9	0.1	22 223	3 263.1	0.1	22 223	3 460.7	0.2	22 223	3 670.3	0.2	1.1%	99.0%
7 – 10	159	14	143	116.9	0.8	145	131.1	0.9	159	136.8	0.9	159	143.7	0.9	159	151.1	1.0	4.8%	0.7%
11 – 12	45	8	38	62.8	1.7	37	65.0	1.8	45	67.8	1.5	45	71.3	1.6	45	74.9	1.7	4.8%	0.2%
13 – 16	24	2	23	7.7	0.3	22	8.4	0.4	24	9.2	0.4	24	9.8	0.4	24	10.4	0.4	7.2%	0.1%

1.Rand million

## Expenditure trends

The South African Post Office generates revenue from the provision of postal, courier and banking services, and from financial transaction fees. The post office also received a government subsidy, which came to an end in 2012/13, to fund the universal services obligations and investment in infrastructure. Revenue increased only slightly between 2009/10 and 2012/13 as a result of difficult trading conditions, declining mail volumes and lower interest rates. Revenue is expected to grow to R7.2 billion over the medium term, and due to expected increases in postal and courier services.

The spending focus over the medium term will be on continuing to provide for universal access obligations by creating 50 new post office points of presence per year, increasing the number of addresses to allow wider access to postal and financial services in under-serviced areas, and continuing with the corporatisation of Postbank. This accounts for upward adjustments to performance indicators relating to the number of service points, new post offices, and growth in Postbank depositor funds.

The increase in expenditure between 2009/10 and 2012/13 was due to higher utility costs as a result of Eskom's electricity tariff increases, and higher maintenance and property costs due to the increase in the number of retail outlets. Spending on compensation of employees is expected to increase to R3.9 billion over the medium term to provide for improved conditions of service.

The entity had a funded establishment of 22 451 posts, 718 of which were vacant as at 30 September 2012. The number of filled posts increased from 15 895 in 2011/12 to 21 733 in 2012/13, mainly at the skilled and semi-skilled levels. In 2013/14, filled positions are expected to grow to 22 451 as demand for postal and financial services recovers.

Expenditure on consultants was equivalent to 0.8 per cent of expenditure on compensation of employees in 2012/13. Consultants provide specialised skills related to technology, communication, financial services and the Postbank corporatisation.

## Other public entities and agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Independent Communications Authority of South Africa** makes regulations and issues communications licences. In addition, it enforces compliance with rules and regulation, protects consumers from unfair business practices and poor quality services, hears and decides on disputes and complaints brought against licences, and controls and manages the frequency spectrum. The organisation's total budget for 2013/14 is R390.7 million.
- The **National Electronic Media Institute of South Africa** provides training at an advanced level for the broadcasting industry. It offers diploma courses, short courses and internships in television production, radio production and creative multimedia. The institute's total budget for 2013/14 is R 35.8 million.

- The **Universal Service and Access Agency of South Africa** is a statutory body with the sole mandate of promoting the goal of universal service in and access to electronic communications services, electronic communications network services and broadcasting services. The agency's total budget for 2013/14 is R60.1 million.
- The **Universal Service and Access Fund** funds projects and programmes that aim at providing universal access to underserved areas. Its total budget for 2013/14 is R285 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2009/10	2010/11		2013/14	2014/15
<b>Departmental infrastructure</b>								
Broadband services infrastructure in under-serviced and rural areas	Access and backhaul broadband infrastructure in all provinces	Construction	535.0	-	-	-	-	-
Sentech: Digitisation of terrestrial television network	Efficient use of spectrum, broadcast digital dividend, multiple channel possibilities and new content generation	Design	1 534.9	260.0	71.0	388.9	579.3	69.8
Telkom 2010	2010 FIFA World Cup access network infrastructure between stadiums and the international broadcast centre	Handed over	350.0	350.0	-	-	-	-
Sentech 2010	2010 FIFA World Cup satellite back-up links between stadiums and the international broadcast centre	Handed over	300.0	200.0	100.0	120.0	-	-
Universal Service and Access Agency and Fund	Subsidisation of ICT infrastructure to promote universal access and services	Various	55.0	10.0	20.0	25.0	-	-
South African Broadcasting Corporation: Digital migration project	Efficient use of spectrum, broadcast digital dividend, multiple channel possibilities and new content generation	Various	138.0	-	-	-	76.0	62.0
<b>Total</b>			<b>2 912.9</b>	<b>820.0</b>	<b>191.0</b>	<b>533.9</b>	<b>655.3</b>	<b>131.8</b>
								<b>64.9</b>

# Vote 28

## Economic Development

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	63.6	55.6	–	7.9	67.6	71.2
Economic Policy Development	25.5	25.5	–	–	27.2	28.7
Economic Planning and Coordination	663.8	51.2	612.6	–	638.4	866.6
Economic Development and Dialogue	18.6	18.6	–	–	19.7	20.9
<b>Total expenditure estimates</b>	<b>771.5</b>	<b>151.0</b>	<b>612.6</b>	<b>7.9</b>	<b>752.9</b>	<b>987.4</b>
Executive authority	Minister of Economic Development					
Accounting officer	Director General of Economic Development					
Website address	www.economic.gov.za					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to province and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

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

### Mandate

The Economic Development Department was established in 2009 and has assumed responsibilities relating to the creation of decent work through inclusive economic growth (outcome 4), including the implementation of the new growth path, which provides a policy package to facilitate the creation of employment.

The department is also responsible for five public entities, comprising three regulatory bodies and two development finance institutions. These are: the Competition Commission, the Competition Tribunal, the International Trade Administration Commission of South Africa, the Industrial Development Corporation of South Africa and the Small Enterprise Finance Agency.

In line with these responsibilities, the department administers the following legislation:

- the Industrial Development Act (1940)
- the Competition Act (1998)
- the International Trade Administration Act (2002).

### Strategic goals

The department's strategic goals over the medium term are to:

- implement the new growth path, which prioritises efforts to support employment creation in key infrastructure sectors
- oversee the policies of the Industrial Development Corporation of South Africa and the Small Enterprise Finance Agency
- promote competitiveness and decent work by overseeing the Competition Commission, the Competition Tribunal and the International Trade Administration Commission of South Africa
- promote and enhance the development of economic policy by working alongside other departments to ensure coordination that results in better employment outcomes, and further promote social dialogue

and the implementation of the basic education accord, the national skills accord, the local procurement accord and the green economy accord.

## Programme purposes

### Programme 1: Administration

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

### Programme 2: Economic Policy Development

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

### Programme 3: Economic Planning and Coordination

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

### Programme 4: Economic Development and Dialogue

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

## Selected performance indicators

**Table 28.1 Economic Development**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of technical instruments on economic development refined per year <sup>1</sup>	Economic Policy Development	Outcome 4: Decent employment through inclusive economic growth	-1	-1	-1	1	3	4	4
Number of platforms held to communicate and discuss issues related to the new growth path	Economic Policy Development		-1	1	4	4	4	4	4
Number of reports on the impact of new growth path on women, youth and rural people evaluated and improved per year <sup>1</sup>	Economic Policy Development		-1	-1	-1	4	3	1	1
Number of spatial economic plans produced and/or reviewed per year	Economic Planning and Coordination		-1	9	7	4	2	2	3
Number of economic development initiatives facilitated and unblocked per year	Economic Planning and Coordination		-1	4	9	15	18	20	22
Number of strategic integrated projects construction progress reviews per year	Economic Planning and Coordination		-1	-1	-1	30	60	60	60
Number of ministerial oversight engagements with the development finance institutions per year	Economic Planning and Coordination		-1	-1	6	6	6	6	6
Number of monitoring reports and strategies developed to improve implementation of accords per year	Economic Development and Dialogue		-1	-1	-1	-1	4	4	4
Number of capacity building projects for social partners on the new growth path per year	Economic Development and Dialogue		-1	11	-2	10	8	8	8

1. This is a new indicator, as such historical information is not available.

2. This indicator was introduced in 2010/11. In 2011/12, the department did not measure this indicator due to a change in strategy, thus no data is provided.

## The national development plan

The key objectives of the national development plan are to eliminate poverty and reduce inequality by 2030. The plan addresses the need to grow an inclusive economy, build capabilities, enhance the capacity of the state,



and promote leadership and partnerships throughout society. By 2030, unemployment should fall from 24.9 per cent to 14 per cent, which will require an additional 11 million jobs, and the proportion of national income earned by the lowest earning 40 per cent should increase from 6 per cent to 10 per cent. To achieve this, the plan proposes accelerating progress by focusing on job creation across government and society, improving education, addressing regional inequality, reducing dependence on resources, and improving service delivery and governance.

The department's new growth path strategy is in alignment with these goals and aims to provide concrete programmes for growth, employment creation and equity in line with government's commitment to prioritise employment creation in its economic policies. The new growth path sets the department the principal target of creating 5 million jobs over the next 10 years by identifying strategies that will enable South Africa to grow in a more equitable and inclusive manner while achieving the developmental agenda. Central to this is a massive investment in infrastructure as a critical driver of jobs across the economy. Jobs will be created in five priority areas through a series of partnerships between the government and the private sector. Both the national development plan and the new growth path highlight the importance of creating jobs in the green economy and involving the agricultural; mining; manufacturing and tourism sectors. The new growth path also proposes to eliminate unnecessary red tape; improve competition in the economy and enhance skills development.

## Expenditure estimates

**Table 28.2 Economic Development**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million						2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Administration	16.7	35.0	50.8	52.3	49.3	43.6%	7.8%	63.6	67.6	71.2	13.0%	8.0%
Economic Policy Development	–	6.6	12.5	18.5	13.5	–	1.7%	25.5	27.2	28.7	28.7%	3.0%
Economic Planning and Coordination	298.0	358.5	501.0	613.0	577.0	24.6%	89.3%	663.8	638.4	866.6	14.5%	86.9%
Economic Development and Dialogue	–	0.5	13.3	12.7	9.7	–	1.2%	18.6	19.7	20.9	28.9%	2.2%
<b>Total</b>	<b>314.6</b>	<b>400.7</b>	<b>577.6</b>	<b>696.5</b>	<b>649.5</b>	<b>27.3%</b>	<b>100.0%</b>	<b>771.5</b>	<b>752.9</b>	<b>987.4</b>	<b>15.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				23.8	(23.2)			60.1	113.4	318.6		
<b>Economic classification</b>												
<b>Current payments</b>	<b>14.2</b>	<b>39.9</b>	<b>88.3</b>	<b>161.3</b>	<b>114.3</b>	<b>100.4%</b>	<b>13.2%</b>	<b>151.0</b>	<b>160.6</b>	<b>169.5</b>	<b>14.0%</b>	<b>18.8%</b>
Compensation of employees	7.9	25.2	48.3	63.9	51.2	86.7%	6.8%	98.0	104.4	110.7	29.3%	11.5%
Goods and services	6.3	14.7	40.0	97.5	63.2	115.1%	6.4%	53.0	56.2	58.8	-2.4%	7.3%
of which:												
Operating leases	1.6	1.0	2.8	4.4	4.4	39.2%	0.5%	4.9	5.3	5.5	7.8%	0.6%
Travel and subsistence	3.6	7.8	12.0	15.7	12.6	51.2%	1.9%	17.3	18.4	19.2	15.2%	2.1%
Operating payments	0.2	0.7	1.4	59.1	29.1	434.3%	1.6%	13.9	14.7	15.4	-19.1%	2.3%
Venues and facilities	–	0.7	2.1	6.8	6.3		0.5%	5.7	6.1	6.4	0.3%	0.8%
<b>Transfers and subsidies</b>	<b>298.0</b>	<b>356.5</b>	<b>488.0</b>	<b>529.7</b>	<b>529.7</b>	<b>21.1%</b>	<b>86.1%</b>	<b>612.6</b>	<b>583.9</b>	<b>809.1</b>	<b>15.2%</b>	<b>80.2%</b>
Departmental agencies and accounts	154.7	195.6	245.4	356.4	356.4	32.1%	49.0%	381.6	291.3	306.7	-4.9%	42.3%
Higher education institutions	–	4.8	5.5	2.3	2.3		0.6%	–	–	–	-100.0%	0.1%
Public corporations and private enterprises	143.3	156.0	237.0	171.0	171.0	6.1%	36.4%	231.0	292.6	502.4	43.2%	37.9%
Households	–	–	0.1	–	–		0.0%	–	–	–		
<b>Payments for capital assets</b>	<b>2.4</b>	<b>4.3</b>	<b>1.3</b>	<b>5.5</b>	<b>5.5</b>	<b>31.2%</b>	<b>0.7%</b>	<b>7.9</b>	<b>8.4</b>	<b>8.8</b>	<b>16.8%</b>	<b>1.0%</b>
Machinery and equipment	2.4	4.3	1.2	4.0	4.0	18.0%	0.6%	6.3	6.7	7.0	20.6%	0.8%
Software and other intangible assets	–	0.0	0.1	1.5	1.5		0.1%	1.6	1.7	1.8	5.3%	0.2%
<b>Total</b>	<b>314.6</b>	<b>400.7</b>	<b>577.6</b>	<b>696.5</b>	<b>649.5</b>	<b>27.3%</b>	<b>100.0%</b>	<b>771.5</b>	<b>752.9</b>	<b>987.4</b>	<b>15.0%</b>	<b>100.0%</b>

## Personnel information

**Table 28.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16
Economic Development	142	–	96	48.3	0.5	115	63.9	0.6	166	98.0	0.6	166	104.4	0.6	166	110.7	0.7	13.0%	100.0%
Salary level																			
1 – 6	14	–	19	3.6	0.2	22	5.0	0.2	19	4.0	0.2	19	4.2	0.2	19	4.6	0.2	-4.8%	12.9%
7 – 10	30	–	31	11.5	0.4	27	9.9	0.4	35	9.4	0.3	35	12.0	0.3	35	12.9	0.4	9.0%	21.5%
11 – 12	29	–	20	9.8	0.5	29	13.6	0.5	31	15.5	0.5	31	16.6	0.5	31	18.1	0.6	2.2%	19.9%
13 – 16	69	–	26	23.4	0.9	37	35.4	1.0	81	69.1	0.9	81	71.5	0.9	81	75.1	0.9	29.8%	45.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on promoting investment for economic development and trade competitiveness by increasing the provision of developmental finance, implementing and adjudicating competition policy more effectively, and creating an efficient system of international trade administration. These activities are performed mostly by the public entities over which the department exercises oversight and funds by way of transfer payments through the *Economic Planning and Coordination* programme. Over the medium term, the transfers include those for the capitalisation of the Small Enterprise Finance Agency, a new entity established in 2012, and for the economic stimulus provided through the economic competitiveness support package, which aims to broaden economic participation by financing the (SMME) sector.

Following the department's creation in 2009/10, spending on compensation of employees increased significantly between 2009/10 and 2012/13 in order to build the capacity to deliver on the mandate. Spending on goods and services also increased over this period due to additional funding of R30 million allocated in the 2012 budget for building capacity in competition regulation within the economy and in sectors supportive of economic growth and inclusivity. Funding was reprioritised from consultants and professional services to provide for the presidential infrastructure coordination commission and the development of a green economy strategy.

The 2013 Budget includes an additional allocation of R450 million over the medium term for the capitalisation of the Small Enterprise Finance Agency through the economic competitiveness support package. An additional allocation of R35.5 million over the MTEF period provides for improved conditions of service in public entities.

The department has a funded establishment of 142 posts, 27 of which were vacant as at 30 September 2012 due to a lack of sufficient office accommodation. Personnel numbers are expected to increase to 166 in 2013/14, thus the projected increase in spending on compensation of employees over the period. The ratio of support staff to line function staff is 1:1. The use of contract staff has diminished and will continue to do so over the medium term, as the department increases its operational capacity by recruiting appropriately skilled and experienced individuals at senior and middle management levels.

## Departmental receipts

Table 28.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
Departmental receipts	456 000	547 237	592 904	580 380	580 380	8.4%	100.0%	786 679	826 800	867 313	14.3%	100.0%
Sales of goods and services produced by department	-	3	16	11	11	-	-	17	18	19	20.0%	-
Sales by market establishments	-	2	16	11	11	-	-	17	18	19	20.0%	-
of which:												
Rental: Parking	-	2	16	11	11	-	-	17	18	19	20.0%	-
Other sales	-	1	-	-	-	-	-	-	-	-	-	-
of which:												
Commission on insurance and garnishees	-	1	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	336 000	489 337	538 285	530 369	530 369	16.4%	87.0%	736 662	776 782	817 294	15.5%	93.5%
Interest, dividends and rent on land	120 000	57 897	50 263	50 000	50 000	-25.3%	12.8%	50 000	50 000	50 000	-	6.5%
Interest	-	7 897	263	-	-	-	0.4%	-	-	-	-	-
Dividends	120 000	50 000	50 000	50 000	50 000	-25.3%	12.4%	50 000	50 000	50 000	-	6.5%
of which:												
Industrial Development Corporation dividends	120 000	50 000	50 000	50 000	50 000	-25.3%	12.4%	50 000	50 000	50 000	-	6.5%
Transactions in financial assets and liabilities	-	-	4 340	-	-	-	0.2%	-	-	-	-	-
<b>Total</b>	<b>456 000</b>	<b>547 237</b>	<b>592 904</b>	<b>580 380</b>	<b>580 380</b>	<b>8.4%</b>	<b>100.0%</b>	<b>786 679</b>	<b>826 800</b>	<b>867 313</b>	<b>14.3%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 28.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Ministry	16.7	23.9	18.4	19.5	5.4%	50.7%	22.4	23.8	25.2	8.9%	35.7%
Office of the Director-General	-	4.3	9.6	6.2	-	13.0%	9.6	10.2	10.7	19.8%	14.4%
General Management Services	-	6.8	22.9	26.6	-	36.4%	31.6	33.6	35.3	9.9%	49.9%
<b>Total</b>	<b>16.7</b>	<b>35.0</b>	<b>50.8</b>	<b>52.3</b>	<b>46.4%</b>	<b>100.0%</b>	<b>63.6</b>	<b>67.6</b>	<b>71.2</b>	<b>10.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(7.8)			0.2	0.3	71.2		
<b>Economic classification</b>											
<b>Current payments</b>	<b>14.2</b>	<b>30.7</b>	<b>49.4</b>	<b>46.8</b>	<b>48.8%</b>	<b>91.1%</b>	<b>55.6</b>	<b>59.2</b>	<b>62.4</b>	<b>10.1%</b>	<b>88.0%</b>
Compensation of employees	7.9	16.8	27.9	29.5	55.4%	53.1%	34.3	36.5	38.8	9.5%	54.6%
Goods and services	6.3	13.9	21.5	17.3	39.6%	38.1%	21.3	22.6	23.7	11.1%	33.3%
of which:											
Operating leases	1.6	1.0	2.8	4.4	39.2%	6.4%	4.9	5.3	5.5	7.8%	7.9%
Travel and subsistence	3.6	7.4	6.8	5.1	11.9%	14.8%	5.4	5.7	6.0	5.3%	8.7%
Operating payments	0.2	0.7	1.3	1.3	87.9%	2.2%	1.3	1.4	1.5	5.4%	2.2%
Venues and facilities	-	0.6	0.7	1.7	-	1.9%	0.4	0.4	0.5	-34.9%	1.2%
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	-	-	0.1	-	-	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>2.4</b>	<b>4.3</b>	<b>1.3</b>	<b>5.5</b>	<b>31.2%</b>	<b>8.8%</b>	<b>7.9</b>	<b>8.4</b>	<b>8.8</b>	<b>16.8%</b>	<b>12.0%</b>
Machinery and equipment	2.4	4.3	1.2	4.0	18.0%	7.7%	6.3	6.7	7.0	20.6%	9.5%
Software and other intangible assets	-	0.0	0.1	1.5	-	1.1%	1.6	1.7	1.8	5.3%	2.6%
<b>Total</b>	<b>16.7</b>	<b>35.0</b>	<b>50.8</b>	<b>52.3</b>	<b>46.4%</b>	<b>100.0%</b>	<b>63.6</b>	<b>67.6</b>	<b>71.2</b>	<b>10.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>5.3%</b>	<b>8.7%</b>	<b>8.8%</b>	<b>7.5%</b>			<b>8.2%</b>	<b>9.0%</b>	<b>7.2%</b>		

## Personnel information

**Table 28.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate <sup>3</sup> 2012/13			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	2013/14			2014/15			2015/16				
<b>Administration</b>																			
Salary level	62	–	64	27.9	0.4	66	29.5	0.4	77	34.3	0.4	77	36.5	0.5	77	38.8	0.5	5.3%	100.0%
1 – 6	14	–	19	3.6	0.2	22	5.0	0.2	19	4.0	0.2	19	4.2	0.2	19	4.6	0.2	-4.8%	26.6%
7 – 10	17	–	22	6.6	0.3	19	5.9	0.3	22	5.4	0.2	22	6.9	0.3	22	7.5	0.3	5.0%	28.6%
11 – 12	17	–	11	5.8	0.5	13	5.4	0.4	19	9.4	0.5	19	10.0	0.5	19	10.5	0.6	13.5%	23.6%
13 – 16	14	–	12	11.8	1.0	12	13.2	1.1	17	15.5	0.9	17	15.4	0.9	17	16.2	1.0	12.3%	21.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on expanding and building capacity in support functions, such as IT, finance and human resources. The bulk of expenditure in this programme over the medium term will thus go towards spending on compensation of employees, machinery and equipment, and the related goods and services, such as operating leases and travel and subsistence.

Between 2009/10 and 2012/13, spending on compensation of employees and goods and services increased significantly as the department developed capacity to provide administrative services after it was established in 2009/10. Consultants were used to provide support where the department lacked capacity. However, as the department plans to increase its operational capacity, the use of consultants will diminish over the medium term.

Expenditure in the *Office of the Director-General* subprogramme is expected to grow significantly over the medium term to provide strategic direction on policy and legislation regarding the department's objectives with regard to outcome 4. Expenditure is also expected to increase significantly in the *General Management* subprogramme as the department continues building capacity in human resources, IT, legal services and the office of the chief financial officer.

The programme has a funded establishment of 62 posts with no vacancies at the end of September 2012. Personnel numbers are expected to increase to 77 in 2013/14, as the department continues to expand in order to deliver on its mandate.

## Programme 2: Economic Policy Development

### Objectives

- Assess trends in employment, inequality and growth, the impact of the state on employment and equity, and the key outcomes for the new growth path by conducting biannual surveys on an ongoing basis.
- Disseminate knowledge of policy options and challenges by convening 12 policy platforms by 2014/15.
- Provide analytical data on the real economy by establishing an economic database or knowledge repository by 2013/14.
- Improve the measurement of economic development over time by establishing a new economic development index by 2013/14.
- Support higher rates of employment and equity by developing 6 sector strategies between 2012/13 and 2014/15.
- Enhance economic policy development and coordination by establishing an economic development institute by March 2015.

- Address youth unemployment, gender and economic development, with a particular focus on inclusive growth, by developing, implementing, monitoring and evaluating 10 policies by 2014/15.

## Subprogrammes

- Growth Path and Creation of Decent Work* focuses on the ongoing review of policies to realise a growth path that addresses the economy's structural constraints, expands the industrial base and creates decent work opportunities. This included work on obtaining policy perspectives and participation on the national infrastructure plan. This subprogramme had a staff complement of 3 in 2012/13.
- Economic Policy* evaluates macro and microeconomic policy tools used by government to promote the developmental agenda and improve the alignment, efficiency and impact of policy tools. In 2012/13, progress was made in the development of an economic development index with the identification of variables. Over the medium term, further work is required to define key uses and test applicability. This subprogramme had a staff complement of 2 in 2012/13.
- Broad Based Black Economic Empowerment* aims to enable the meaningful participation of citizens in the economy by focusing on employment equity, staff training, preferential procurement, enterprise development and cooperative advancement. In 2012/13, proposals were developed to enhance incentives for employment creation; local procurement; and SMME support. This subprogramme had a staff complement of 5 in 2012/13.
- Second Economy* develops policies that will create and sustain livelihoods and transform second economy activities into dynamic, competitive activities that are part of the economic mainstream and are included in the country's tax and other regulatory arrangements; ensures decent income for entrepreneurs and workers; and develops strategies for youth unemployment and the second economy. In 2012/13, progress was made on the finalisation of gender and youth employment policies. This subprogramme had a staff complement of 3 in 2012/13.

## Expenditure estimates

**Table 28.7 Economic Policy Development**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Growth Path and Creation of Decent Work	–	0.8	2.6	6.2	–	25.8%	7.8	8.3	8.8	12.0%	31.1%
Economic Policy	–	5.8	9.6	8.2	–	62.8%	10.7	11.4	12.1	13.5%	42.4%
Broad Based Black Economic Empowerment	–	–	0.3	3.3	–	9.6%	4.0	4.2	4.4	10.3%	16.0%
Second Economy	–	–	–	0.7	–	1.8%	3.1	3.3	3.5	71.8%	10.5%
<b>Total</b>	<b>–</b>	<b>6.6</b>	<b>12.5</b>	<b>18.5</b>	<b>–</b>	<b>100.0%</b>	<b>25.5</b>	<b>27.2</b>	<b>28.7</b>	<b>15.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(10.6)			(5.1)	(5.4)	28.7		
<b>Economic classification</b>											
<b>Current payments</b>	<b>–</b>	<b>6.6</b>	<b>12.5</b>	<b>18.5</b>	<b>–</b>	<b>100.0%</b>	<b>25.5</b>	<b>27.2</b>	<b>28.7</b>	<b>15.8%</b>	<b>100.0%</b>
Compensation of employees	–	6.5	8.1	11.3	–	68.7%	18.5	19.7	20.9	22.9%	70.5%
Goods and services	–	0.1	4.4	7.2	–	31.3%	7.0	7.4	7.8	2.7%	29.5%
<i>of which:</i>											
Travel and subsistence	–	0.1	2.0	3.5	–	14.9%	4.3	4.5	4.7	10.6%	17.1%
Operating payments	–	–	0.2	1.0	–	3.1%	1.4	1.5	1.6	16.5%	5.5%
Venues and facilities	–	–	1.2	1.0	–	5.9%	0.9	1.0	1.0	-1.0%	3.9%
<b>Total</b>	<b>–</b>	<b>6.6</b>	<b>12.5</b>	<b>18.5</b>	<b>–</b>	<b>100.0%</b>	<b>25.5</b>	<b>27.2</b>	<b>28.7</b>	<b>15.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>		<b>1.7%</b>	<b>2.2%</b>	<b>2.7%</b>			<b>3.3%</b>	<b>3.6%</b>	<b>2.9%</b>		

## Personnel information

**Table 28.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
<b>Economic Policy Development</b>																			
Salary level	21	-	9	8.1	0.9	13	11.3	0.9	24	18.5	0.8	24	19.7	0.8	24	20.9	0.9	22.7%	100.0%
7 – 10	4	-	3	0.6	0.2	3	2.2	0.7	4	1.7	0.4	4	2.0	0.5	4	2.3	0.6	10.1%	17.6%
11 – 12	3	-	4	3.3	0.8	7	4.7	0.7	2	1.0	0.5	2	1.2	0.6	2	1.4	0.7	-34.1%	15.3%
13 – 16	14	-	2	4.2	2.1	3	4.3	1.4	18	15.8	0.9	18	16.5	0.9	18	17.2	1.0	81.7%	67.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on reviewing policies in order to increase their efficacy and on developing policy tools that advance the developmental agenda of government. The bulk of spending will thus be in the *Growth Path and Creation of Decent Work* and the *Economic Policy* subprogrammes, and will go mostly towards compensation of employees.

Between 2009/10 and 2012/13, spending increased significantly in the *Economic Policy* subprogramme as the department developed its policy capacity, particularly with regard to the new growth path.

Over the medium term, significant increases in expenditure are expected in the *Second Economy* subprogramme to allow the department to promote strategies and policies that grow an inclusive economy, and advance economic activities to address youth unemployment. This includes developing the economic developmental index and holding consultations on the national infrastructure plan with key stakeholders. Funds will be reprioritised over the medium term from spending on consultants, and venues and facilities to spending on compensation of employees to provide for these activities.

The programme has a funded establishment of 21 posts, 8 of which were vacant at the end of September 2012. These vacancies were the result of office space constraints and the difficulty in attracting appropriately skilled staff. Personnel numbers are expected to increase to 24 in 2013/14.

## Programme 3: Economic Planning and Coordination

### Objectives

- Provide oversight and policy coordination of identified development finance institutions and economic regulatory bodies by reviewing annual reports, shareholder compacts, and corporate and budgetary plans of the institutions on an ongoing basis.
- Contribute to the development of the green economy by coordinating government and private sector stakeholders, and establishing a dedicated facility for the green economy promoted by the Industrial Development Corporation of South Africa over the medium term.

### Subprogrammes

- *Spatial, Sector and Planning* focuses on developing and coordinating economic plans for South Africa, ensuring coherence between the state and state entities, safeguarding the consistency of the micro and macroeconomic plans, and supporting the development of spatial economic action plans for distressed areas. In 2012/13, the department supported spatial elements within the national infrastructure plan, with particular focus on the strategic integrated projects for rural development, and supported provinces and local governments on economic development and the implementation of the new growth path. This subprogramme had a staff complement of 12 in 2012/13.

- *Economic Development, Financing and Procurement* undertakes research and analysis on development programmes and processes, and budgeting and procurement; and identifies opportunities to improve local procurement and production to meet broader economic development goals. In 2012/13, the department supported getting mining licence applications approved and applications for section 12i tax incentives to boost skills development. This subprogramme had a staff complement of 3 in 2012/13.
- *Investment for Economic Development* provides policy oversight and strategic direction to the Industrial Development Corporation of South Africa, the Small Enterprise Finance Agency and provincial agencies; and provides information, analysis and options regarding mechanisms through which government may channel and direct public and private investment into economic development. This entails transfers to the above development finance institutions to facilitate the provision of development finance at concessionary rates. In 2011/12, the department, through the Industrial Development Corporation of South Africa, established the Agro-Processing Competitiveness Fund to boost competitiveness in the agro-processing sector. To date, more than R76 million has been committed for disbursement to 16 businesses and almost R53 million has been disbursed. This investment is expected to contribute to creating 891 jobs. This subprogramme had a staff complement of 5 in 2012/13.
- *Competitiveness and Trade for Decent Work* is discussed in more detail below.
- *Green Economy* identifies, develops and supports projects, incentives and other measures; and engages with government and non-governmental stakeholders to maximise the job creation potential of green economic activities. In 2012/13, an initiative by the department led to the Industrial Development Corporation of South Africa publishing a jobs report on the green economy, which resulted in the development of a jobs strategy. This subprogramme had a staff complement of 1 in 2012/13.

## Expenditure estimates

**Table 28.9 Economic Planning and Coordination**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12		2009/10	2012/13	2013/14	2014/15	2015/16	2012/13	2015/16	2012/13	2015/16
R million													
Spatial, Sector and Planning	-	1.6	10.9	39.6	-	2.9%	24.5	26.0	27.5	-11.5%		4.2%	
Economic Development, Financing and Procurement	-	0.2	7.4	3.9	-	0.6%	6.2	6.6	6.9	21.3%		0.8%	
Investment for Economic Development	143.3	161.1	270.5	286.9	26.0%	48.7%	346.9	301.0	511.3	21.2%		52.0%	
Competitiveness and Trade for Decent Work	154.7	195.6	212.2	282.6	22.3%	47.7%	281.5	299.7	315.6	3.7%		42.4%	
Green Economy	-	-	-	-	-	-	4.8	5.1	5.3	-		0.5%	
<b>Total</b>	<b>298.0</b>	<b>358.5</b>	<b>501.0</b>	<b>613.0</b>	<b>27.2%</b>	<b>100.0%</b>	<b>663.8</b>	<b>638.4</b>	<b>866.6</b>	<b>12.2%</b>		<b>100.0%</b>	
Change to 2012 Budget estimate				47.5			65.6	119.1	866.6				
<b>Economic classification</b>													
<b>Current payments</b>	-	<b>2.1</b>	<b>21.1</b>	<b>83.3</b>	-	<b>6.0%</b>	<b>51.2</b>	<b>54.5</b>	<b>57.5</b>	<b>-11.6%</b>		<b>8.9%</b>	
Compensation of employees	-	1.4	9.3	16.2	-	1.5%	32.4	34.5	36.6	31.1%		4.3%	
Goods and services	-	0.7	11.8	67.1	-	4.5%	18.8	20.0	20.9	-32.2%		4.6%	
of which:													
Travel and subsistence	-	0.3	2.2	5.3	-	0.4%	5.6	5.9	6.2	5.4%		0.8%	
Operating payments	-	-	(0.1)	56.1	-	3.2%	10.3	10.9	11.4	-41.1%		3.2%	
Venues and facilities	-	0.2	(0.6)	1.7	-	0.1%	1.8	1.9	2.0	5.3%		0.3%	
<b>Transfers and subsidies</b>	<b>298.0</b>	<b>356.5</b>	<b>479.9</b>	<b>529.7</b>	<b>21.1%</b>	<b>94.0%</b>	<b>612.6</b>	<b>583.9</b>	<b>809.1</b>	<b>15.2%</b>		<b>91.1%</b>	
Departmental agencies and accounts	154.7	195.6	245.4	356.4	32.1%	53.8%	381.6	291.3	306.7	-4.9%		48.0%	
Higher education institutions	-	4.8	5.5	2.3	-	0.7%	-	-	-	-100.0%		0.1%	
Public corporations and private enterprises	143.3	156.0	229.0	171.0	6.1%	39.5%	231.0	292.6	502.4	43.2%		43.0%	
<b>Total</b>	<b>298.0</b>	<b>358.5</b>	<b>501.0</b>	<b>613.0</b>	<b>27.2%</b>	<b>100.0%</b>	<b>663.8</b>	<b>638.4</b>	<b>866.6</b>	<b>12.2%</b>		<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>94.7%</b>	<b>89.5%</b>	<b>86.7%</b>	<b>88.0%</b>			<b>86.0%</b>	<b>84.8%</b>	<b>87.8%</b>				
<b>Details of selected transfers and subsidies</b>													
<b>Departmental agencies and accounts</b>													
<b>Departmental agencies (non-business entities)</b>													
<b>Current</b>	<b>154.7</b>	<b>195.6</b>	<b>245.4</b>	<b>356.4</b>	<b>32.1%</b>	<b>53.8%</b>	<b>381.6</b>	<b>291.3</b>	<b>306.7</b>	<b>-4.9%</b>		<b>48.0%</b>	
Competition Commission	80.7	117.7	126.6	157.2	24.9%	27.2%	176.9	188.1	198.0	8.0%		25.9%	
Competition Tribunal	13.0	13.6	15.2	15.8	6.6%	3.3%	16.9	18.1	19.1	6.5%		2.5%	
International Trade Administration Commission	60.9	64.3	69.6	74.4	6.9%	15.2%	79.8	85.1	89.6	6.4%		11.8%	
Industrial Development Corporation of South Africa	-	-	34.0	109.0	-	8.1%	108.0	-	-	-100.0%		7.8%	

Table 28.9 Economic Planning and Coordination (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	-	-	6.0	-	-	0.3%	-	-	-	-	-
South African Institute of Chartered Accountants	-	-	6.0	-	-	0.3%	-	-	-	-	-
<b>Higher education institutions</b>											
<b>Current</b>	-	4.8	5.5	2.3	-	0.7%	-	-	-	-100.0%	0.1%
University of the Witwatersrand: Economic development capacity building course	-	-	5.5	-	-	0.3%	-	-	-	-	-
University of Johannesburg: Academy for social economy	-	4.8	-	2.3	-	0.4%	-	-	-	-100.0%	0.1%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Public corporations - subsidies on products and production</b>											
<b>Current</b>	143.3	156.0	223.0	171.0	6.1%	39.2%	231.0	292.6	502.4	43.2%	43.0%
Small Enterprise Finance Agency	143.3	156.0	223.0	171.0	6.1%	39.2%	231.0	292.6	502.4	43.2%	43.0%

## Personnel information

Table 28.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Economic Coordination	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number							
	Number of funded posts	Number of posts additional to the establishment	Actual						Revised estimate <sup>3</sup>						Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	28	-	15	9.3	0.6	25	16.2	0.6	49	32.4	0.7	49	34.5	0.7	49	36.6	0.7	25.1%	100.0%			
7 - 10	4	-	4	3.7	0.9	3	1.0	0.3	5	0.5	0.1	5	1.1	0.2	5	1.1	0.2	18.6%	10.5%			
11 - 12	4	-	3	0.3	0.1	6	2.3	0.4	8	3.6	0.5	8	3.9	0.5	8	4.5	0.6	10.1%	17.4%			
13 - 16	20	-	8	5.4	0.7	16	12.9	0.8	36	28.2	0.8	36	29.5	0.8	36	30.9	0.9	31.0%	72.1%			

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on strengthening the institutional capacity of the competition bodies, development finance institutions and trade administration entity for which the department has an oversight responsibility. This is in accordance with the department's strategic goal of driving inclusive growth and economic diversification as these entities contribute to economic competitiveness and increased economic participation. The funding of the competitive and trade administration bodies is transferred through the *Competitiveness and Trade for Decent Work* subprogramme and is discussed in the section that follows.

Between 2009/10 and 2012/13, expenditure increased in the *Investment for Economic Development* subprogramme due to transfers and subsidies to establishment and for the initial capitalisation of the Agro-Processing Competitiveness Fund. The fund gives support to new and non-dominant market players in line with the department objective of inclusive economic growth. To date, the fund has committed R76 million in disbursements, which are expected to result in job creation.

Over the medium term, spending in the *Investment for Economic Development* subprogramme is expected to increase further due to the capitalisation of the Small Enterprise Finance Agency, a subsidiary of the Industrial Development Corporation. The agency expects to approve further financing for SMMEs to the value of R185 million over the MTEF period.



Spending will increase in the *Green Economy* subprogramme over the medium term due to funds of R4.8 million in 2013/14, R5.1 million in 2014/15 and R5.3 million in 2015/16 reprioritised from other subprogrammes to this subprogramme to enable it to implement its activities.

The programme has a funded establishment of 28 posts, 3 of which were vacant at the end of September 2012. These vacancies were a result of office space constraints. The department has a property plan in place in order to address this and is working on attracting appropriately skilled individuals.

### Subprogramme: Competitiveness and Trade for Decent Work

This subprogramme provides policy oversight and strategic direction to the Competition Commission, Competition Tribunal and the International Trade Administration Commission. This entails reducing anti-competitive practices in the economy by investigating and prosecuting offenders in key sectors and exercising oversight over the implementation of competition and trade measures.

### Expenditure estimates

Table 28.11 Competitiveness and Trade for Decent Work

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	–	–	0.9	35.2	–	4.3%	7.9	8.4	8.9	-36.9%	5.1%
Compensation of employees	–	–	0.8	2.9	–	0.4%	5.8	6.1	6.5	31.2%	1.8%
Goods and services	–	–	0.0	32.3	–	3.8%	2.1	2.3	2.4	-58.2%	3.3%
<i>of which:</i>											
Travel and subsistence	–	–	0.0	1.4	–	0.2%	1.5	1.6	1.7	5.4%	0.5%
Operating payments	–	–	–	30.1	–	3.6%	0.1	0.1	0.1	-84.9%	2.6%
Venues and facilities	–	–	–	0.3	–	–	0.4	0.4	0.4	5.3%	0.1%
<b>Transfers and subsidies</b>	154.7	195.6	211.4	247.4	17.0%	95.7%	273.6	291.3	306.7	7.4%	94.9%
Departmental agencies and accounts	154.7	195.6	211.4	247.4	17.0%	95.7%	273.6	291.3	306.7	7.4%	94.9%
<b>Total</b>	154.7	195.6	212.2	282.6	22.3%	100.0%	281.5	299.7	315.6	3.7%	100.0%
Proportion of total subprogramme expenditure to programme expenditure	51.9%	54.6%	42.4%	46.1%			42.4%	46.9%	36.4%		

### Personnel information

Table 28.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16								
Competitiveness and Trade for Decent Work		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	4	–	4	0.8	0.2	4	2.9	0.7	4	5.8	1.4	4	6.1	1.5	4	6.5	1.6	–	100.0%
11 – 12	1	–	1	0.1	0.1	1	0.4	0.4	1	1.4	1.4	1	1.5	1.5	1	1.6	1.6	–	25.0%
13 – 16	3	–	3	0.7	0.2	3	2.4	0.8	3	4.4	1.5	3	4.6	1.5	3	4.9	1.6	–	75.0%

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

2. Rand million.

3. As at 30 September 2012.

### Expenditure trends

The spending focus over the medium term will be on making transfers to the Competition Commission, Competition Tribunal and the International Trade Administration Commission in order to allow these bodies to deliver on their mandates. This is in line with the strategic focus of reducing anti-competitive practices in the economy by investigation and prosecuting offenders in key sectors deemed important for increasing economic participation.

Between 2009/10 and 2012/13, the transfers to the regulatory bodies increased significantly due to transfers to the Competition Commission to provide for the establishment of the cartels division and associated staffing costs. Over the medium term, spending on goods and services is expected to decline significantly due to the reprioritisation of spending on consultants and professional services, while spending on compensation of employees over the same period is expected to increase due to improved conditions of service.

The subprogramme has a funded establishment of 4 and no vacancies at the end of September 2012. Personnel numbers are expected to remain on this level over the medium term.

## **Programme 4: Economic Development and Dialogue**

### **Objectives**

- Promote dialogue among social partners by convening and participating in national social dialogue forums on economic development on an ongoing basis.
- Promote productivity and equity by facilitating ongoing social pacts with stakeholders.
- Mobilise society and government to agree on common socioeconomic goals by promoting dialogue, facilitating, monitoring and reporting on the implementation of framework agreements and social pacts on an ongoing basis.
- Enhance the understanding of government, society, the private sector and organised labour of the challenges and opportunities for economic development by hosting annual learning events over the medium term to showcase advances in economic development knowledge.
- Secure stakeholder partnerships for major government initiatives, such as the new growth path, by hosting an annual economic development conference over the MTEF period.

### **Subprogrammes**

- *National Social Dialogue and Strategic Frameworks* contributes to social dialogue on economic development issues and policy development; and coordinates, monitors and ensures the development and implementation of action plans and framework agreements on various economic issues, such as the global economic crisis, as well as those that are envisaged, such as national economic development and decent work pacts. In 2011/12, the department facilitated and finalised 3 memorandums of understanding with trade unions to enhance implementation of the local procurement accord. In October 2012, the department coordinated preparation and finalisation of 2 additional social partner agreements, the presidential special package on issues to respond to economic challenges, and a memorandum of understanding on an infrastructure partnership between government, business, labour and community structures. This subprogramme had a staff complement of 7 in 2012/13.
- *Sector and Workplace Social Dialogue* promotes workplace and sector agreements and social pacts that address challenges of growth and development, job creation and retention, and productivity and innovation. In 2012/13, the department engaged with various stakeholders in the clothing, metals and tourism sectors to support the revitalisation of industry and the retention of jobs by facilitating interventions on illegal trade fairs in KwaZulu-Natal; funded Proudly South African's Buy Local campaign to raise awareness and hosted workshops on the local procurement accord with key industries and government partners in 7 provinces. This subprogramme had a staff complement of 1 in 2012/13.
- *Capacity Building for Economic Development* promotes and builds the research output and knowledge base of social partners in economic development sectors and issues relating to equity and productivity. This entails implementing appropriate mechanisms for empowerment. The department collaborated with the South African Supplier Diversity Council to raise awareness within 40 companies of the local procurement accord, which resulted in a joint task team with business. In 2012/13, awareness was raised regarding the training lay-off scheme, and a distressed fund and local procurement accord was undertaken during the 5 productivity workshops. This subprogramme had a staff complement of 2 in 2012/13.
- *Productivity, Entrepreneurship, Innovation* develops a policy framework for increasing productivity and enhancing entrepreneurship and innovation. In 2012/13, the department, along with key stakeholders, held

workshops on productivity to conceptualise it in the context of the new growth path. The workshops, which were held in 5 provinces, created awareness on productivity and gave participants an opportunity to share best practices and present case studies. This subprogramme had a staff complement of 1 in 2012/13.

## Expenditure estimates

**Table 28.13 Economic Development and Dialogue**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
National Social Dialogue and Strategic Frameworks	-	0.0	5.3	10.4	-	59.4%	12.3	13.0	13.7	9.6%	68.8%
Sector and Workplace Social Dialogue	-	0.4	0.0	0.3	-	2.8%	0.6	0.7	0.7	33.8%	3.1%
Capacity Building for Economic Development	-	-	-	0.9	-	3.4%	3.1	3.3	3.5	57.5%	15.1%
Productivity, Entrepreneurship, Innovation	-	-	8.0	1.1	-	34.4%	2.6	2.7	2.9	37.5%	13.0%
<b>Total</b>	-	<b>0.5</b>	<b>13.3</b>	<b>12.7</b>	-	<b>100.0%</b>	<b>18.6</b>	<b>19.7</b>	<b>20.9</b>	<b>17.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(5.4)			(0.6)	(0.6)	20.9		

### Economic classification

<b>Current payments</b>	-	<b>0.5</b>	<b>5.3</b>	<b>12.7</b>	-	<b>69.8%</b>	<b>18.6</b>	<b>19.7</b>	<b>20.9</b>	<b>17.8%</b>	<b>100.0%</b>
Compensation of employees	-	0.4	3.0	6.9	-	39.1%	12.8	13.6	14.5	28.2%	66.4%
Goods and services	-	0.0	2.2	5.9	-	30.7%	5.8	6.1	6.4	2.8%	33.6%
Travel and subsistence	-	0.0	0.9	1.8	-	10.4%	2.1	2.2	2.4	9.2%	11.8%
Operating payments	-	-	-	0.8	-	3.0%	0.8	0.9	0.9	5.3%	4.8%
Venues and facilities	-	-	0.7	2.4	-	11.7%	2.6	2.8	2.9	6.8%	14.8%
<b>Transfers and subsidies</b>	-	-	<b>8.0</b>	-	-	<b>30.2%</b>	-	-	-	-	-
Public corporations and private enterprises	-	-	8.0	-	-	30.2%	-	-	-	-	-
<b>Total</b>	-	<b>0.5</b>	<b>13.3</b>	<b>12.7</b>	-	<b>100.0%</b>	<b>18.6</b>	<b>19.7</b>	<b>20.9</b>	<b>17.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>		<b>0.1%</b>	<b>2.3%</b>	<b>1.8%</b>			<b>2.4%</b>	<b>2.6%</b>	<b>2.1%</b>		

### Details of selected transfers and subsidies

Public corporations and private enterprises											
Private enterprises											
Private enterprises - subsidies on products and production											
<b>Current</b>	-	-	<b>8.0</b>	-	-	<b>30.2%</b>	-	-	-	-	-
Proudly South Africa	-	-	8.0	-	-	30.2%	-	-	-	-	-

## Personnel information

**Table 28.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Economic Development and Dialogue	Salary level	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
		Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2011/12	Unit Cost	Cost	2012/13	Unit Cost	Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16		
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
		31	-	8	3.0	0.4	11	6.9	0.6	16	12.8	0.8	16	13.6	0.9	16	14.5	0.9	13.3%	100.0%
	7-10	5	-	2	0.6	0.3	2	0.8	0.4	4	1.8	0.5	4	1.9	0.5	4	2.0	0.5	26.0%	23.7%
	11-12	5	-	2	0.5	0.2	3	1.1	0.4	2	1.5	0.7	2	1.5	0.8	2	1.6	0.8	-12.6%	15.3%
	13-16	21	-	4	2.0	0.5	6	4.9	0.8	10	9.5	1.0	10	10.2	1.0	10	10.8	1.1	18.6%	61.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on increasing the coordination of policies on economic development through the activities of the *National Social Dialogue and Strategic Frameworks* and *Capacity Building for Economic Development* subprogrammes. This is in line with the strategic goal of enhancing economic policy through coordination and the implementation of the procurement accords in these subprogrammes. The *Capacity Building for Economic Development* subprogramme is also the fastest growing over the medium term, mainly due to the expected increase in the staff required to conduct the activities effectively.

There were 20 vacancies in the programme as at 30 September 2012. The department is working towards recruiting the required highly skilled individuals in middle management.

## Public entities and other agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Competition Commission** is responsible for maintaining and promoting competitive market conditions through investigating and prosecuting anti-competitive behaviour; preventing concentration through merger control, and advocating for pro-competitive conduct and regulations. The department transfer payment to the commission for 2013/14 is R176.9 million.
- The **Competition Tribunal** is an adjudicative agency that rules on large mergers and alleged restrictive practice cases. The department transfer payment to the tribunal for 2013/14 is R16.9 million.
- The **International Trade Administration Commission of South Africa** aims to foster economic growth and development to raise incomes and promote investment and employment in South Africa. The department transfer payment to the commission for 2013/14 is R79.8 million.
- The **Industrial Development Corporation of South Africa** is a national development finance institution, and has been reporting to the Economic Development Department since April 2010. The primary objective of the corporation is to support industrial capacity development to facilitate the creation of sustainable employment opportunities. The department transfer payment to the corporation for 2013/14 is R108 million.
- The **Small Enterprise Finance Agency** is mandated to increase access to and the provision of finance for South African SMMEs, thereby contributing to job creation. The department transfer payment to the agency for 2013/14 was R231 million.

# Vote 29

## Energy

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	221.0	215.7	0.4	4.9	230.4	239.6
Energy Policy and Planning	51.2	51.2	–	–	53.4	51.5
Energy Regulation	49.7	49.7	–	–	52.0	47.0
Electrification and Energy Programme Management	3 942.8	75.6	3 867.0	0.3	4 224.5	5 916.9
Nuclear Energy	710.0	36.1	673.9	–	657.0	679.5
Clean Energy	1 623.6	40.6	1 583.0	–	1 997.3	1 036.0
<b>Total expenditure estimates</b>	<b>6 598.2</b>	<b>468.8</b>	<b>6 124.2</b>	<b>5.2</b>	<b>7 214.6</b>	<b>7 970.6</b>

Executive authority Minister of Energy

Accounting officer Director General of Energy

Website address [www.energy.gov.za](http://www.energy.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Formulate energy policies, regulatory frameworks and legislation, and oversee their implementation to ensure energy security, promotion of environmentally friendly energy carriers and access to affordable and reliable energy by all South Africans.*

### Mandate

The Department of Energy is mandated to ensure the secure and sustainable provision of energy for socioeconomic development. This is achieved by developing an integrated energy plan, regulating the energy industries, and promoting electric power investment in accordance with the integrated resource plan. A number of acts regulate the energy sector and reflect the legislative measures the department has instituted to govern the energy sector. Key among these are the:

- National Energy Act (2008)
- Petroleum Products Act (1977)
- Electricity Regulation Act (2006)
- Central Energy Fund Act (1977).

The National Energy Act (2008) sets out the core aspects of the department's mandate. These are to:

- ensure that diverse energy resources are available in sustainable quantities and at affordable prices in the South African economy to support economic growth and poverty alleviation, while also taking into account environmental considerations
- plan for the increased generation and consumption of renewable energy, contingency energy supply, the holding of strategic energy feedstock and carriers, adequate investment in appropriate upkeep, and access to energy infrastructure
- collect data and information regarding energy demand, supply and generation

- promote the efficient generation and consumption of energy, electricity regulation and energy research.

The department is also mandated to regulate the petroleum industry at the manufacturing, wholesale and retail levels, through the implementation of the Petroleum Products Act (1977). The Petroleum and Liquid Fuels Charter is annexed to the Petroleum Products Amendment Act (2003), and is an important part of the department's strategy to effect the transformation of the industry.

In terms of its policy mandates, the department is working with a range of documents and legislation which: support the long term vision for South Africa to use as much renewable energy as possible; create the necessary conditions for the introduction of an independent systems operator and independent power producers in the electricity market; and position South Africa to become globally competitive in the use of innovative technology for the design, manufacture and deployment of state of the art nuclear energy systems, power reactors, and nuclear fuel cycle systems.

## Strategic goals

The department's strategic goals over the medium term are to:

- ensure that energy supply is secure and demand is well managed
- facilitate an efficient, competitive and responsive energy infrastructure network
- ensure that there is improved energy regulation and competition
- ensure that there is an efficient and diverse energy mix for universal access within a transformed energy sector
- ensure that environmental assets and natural resources are protected and continually enhanced by cleaner energy technologies
- implement policies that adapt to and mitigate the effects of climate change
- implement good corporate governance for effective and efficient service delivery.

## Programme purposes

### Programme 1: Administration

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

### Programme 2: Energy Policy and Planning

**Purpose:** Ensure evidence based planning, policy setting and investment decisions in the energy sector to improve security of energy supply, regulation and competition.

### Programme 3: Energy Regulation

**Purpose:** Manage the regulation of petroleum and petroleum products to ensure the optimum and orderly functioning of the petroleum industry to achieve government's development goals.

### Programme 4: Electrification and Energy Programme Management

**Purpose:** Manage, coordinate and monitor programmes and projects focused on access to energy.

### Programme 5: Nuclear Energy

**Purpose:** Manage the South African nuclear energy industry and control source and special materials in terms of international obligations, nuclear legislation and policies to ensure the peaceful use of nuclear energy.

### Programme 6: Clean Energy

**Purpose:** Manage and facilitate the development and implementation of clean and renewable energy initiatives as well as energy efficiency and demand side management initiatives.

## Selected performance indicators

**Table 29.1 Energy**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new operational integrated energy centres established per year	Energy Policy and Planning	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	2	2	2	2	2	2	2
Number of new petroleum retail site inspections per year	Energy Regulation	Outcome 6: An efficient, competitive and responsive economic infrastructure network	1 200	3 360	1 500	1 500	1 500	1 500	1 500
Number of additional petroleum licence applications approved per year	Energy Regulation		13 800	1 800	1 200	1 000	1 000	800	800
Number of additional households electrified per year	Electrification and Energy Programme Management	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	145 157	191 469	151 390	180 000	200 000	215 000	230 000
Number of new bulk substations built per year	Electrification and Energy Programme Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	4	4	7	6	6	6	6
Number of additional substations upgraded per year	Electrification and Energy Programme Management		3	3	10	10	10	10	10
Kilometres of new medium voltage power lines constructed per year	Electrification and Energy Programme Management		310km	350km	350km	350km	350km	350km	450km
Kilometres of existing medium voltage power lines upgraded per year	Electrification and Energy Programme Management		241km	200km	200km	200km	220km	220km	220km
Number of non-grid connections per year <sup>1</sup>	Electrification and Energy Programme Management	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	10 000	15 000	20 000	30 000
Value of expenditure on black economic empowerment and small, medium and micro enterprises per year	Electrification and Energy Programme Management	Departmental mandate	R689m	R933m	R933m	R933m	R1 000m	R1 100m	R1 300m
Megawatt reduction in electricity demand per year	Clean Energy	Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced	100MW	100MW	100MW	100MW	100MW	100MW	100MW
Number of terawatts per hour of energy savings realised in energy efficiency and demand side management and verified from energy efficiency and demand side management projects <sup>1</sup>	Clean Energy		- <sup>1</sup>	- <sup>1</sup>	1 TWh	5 TWh	12 TWh	20 TWh	30 TWh
Number of solar water heating units installed in residential and commercial sectors per year <sup>1</sup>	Clean Energy		- <sup>1</sup>	55 000	242 000	250 041	129 679	169 700	69 138

1. No past data as the indicator is new.

## The national development plan

The national development plan envisages that by 2030 South Africa will have an adequate supply of electricity and liquid fuels to ensure that economic activity and welfare are not disrupted, and that at least 95 per cent of the population should have access to grid or off grid electricity. The plan proposes that gas and other renewable resources like wind, solar and hydro-electricity will be viable alternatives to coal and will supply at least 20 000MW of the additional 29 000MW of electricity needed by 2030. Other recommendations of the plan include diversifying power sources and ownership in the electricity sector, supporting cleaner coal technologies, and investing in human and physical capital in the 12 largest electricity distributors. The department will continue to address these proposals through a combination of new and existing programmes. Funds will continue to be allocated to the South African National Energy Development Institute for research and development into a carbon capture and storage project, and for a hydraulic fracturing pilot to assess the potential for shale gas. The department aims to bring independent power producers into the market when the Independent System and Market Operator Bill (2012) is signed into law. The department will also continue to implement the pilot approach to the distribution asset management programme, by providing capital subsidies to 9 municipalities to address the maintenance, refurbishment and backlog concerns in order to improve the quality of electricity supply.

## Expenditure estimates

**Table 29.2 Energy**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
Administration	98.2	121.6	192.7	242.4	242.4	35.1%	3.0%	221.0	230.4	239.6	-0.4%	3.3%
Energy Policy and Planning	146.9	1 607.2	1 541.9	1 570.2	1 570.2	120.3%	22.0%	51.2	53.4	51.5	-68.0%	6.1%
Energy Regulation	10.5	14.2	15.2	18.5	18.5	20.8%	0.3%	49.7	52.0	47.0	36.3%	0.6%
Electrification and Energy Programme Management	2 558.9	2 782.0	3 286.5	3 170.0	3 170.0	7.4%	53.4%	3 942.8	4 224.5	5 916.9	23.1%	60.5%
Nuclear Energy	609.9	612.3	642.3	643.0	642.7	1.8%	11.3%	710.0	657.0	679.5	1.9%	9.4%
Clean Energy	266.4	368.0	495.7	1 090.3	1 089.7	59.9%	10.0%	1 623.6	1 997.3	1 036.0	-1.7%	20.2%
<b>Total</b>	<b>3 690.9</b>	<b>5 505.4</b>	<b>6 174.3</b>	<b>6 734.5</b>	<b>6 733.5</b>	<b>22.2%</b>	<b>100.0%</b>	<b>6 598.2</b>	<b>7 214.6</b>	<b>7 970.6</b>	<b>5.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(71.4)	(72.4)			208.2	206.1	2 731.7		

**Economic classification**

	2009/10	2010/11	2011/12	2012/13	2013/14	2009/10 - 2012/13	2012/13 - 2015/16	2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Current payments</b>	<b>251.4</b>	<b>233.9</b>	<b>341.2</b>	<b>417.7</b>	<b>417.0</b>	<b>18.4%</b>	<b>5.6%</b>	<b>468.8</b>	<b>488.8</b>	<b>498.3</b>	<b>6.1%</b>	<b>6.6%</b>
Compensation of employees	133.3	142.8	184.8	207.4	206.2	15.7%	3.0%	247.6	271.9	285.4	11.5%	3.5%
Goods and services	118.1	91.0	156.3	210.3	210.8	21.3%	2.6%	221.3	216.9	212.9	0.3%	3.0%
<i>of which:</i>												
Consultants and professional services: Business and advisory services	23.9	9.8	35.6	61.2	62.0	37.5%	0.6%	18.4	14.8	14.5	-38.4%	0.4%
Operating leases	12.3	17.3	25.8	49.8	48.6	58.1%	0.5%	41.3	41.6	43.8	-3.4%	0.6%
Travel and subsistence	45.3	31.8	39.8	28.0	29.5	-13.3%	0.7%	61.2	64.0	64.8	29.9%	0.8%
Venues and facilities	2.3	5.0	8.1	5.7	5.0	29.9%	0.1%	27.2	29.9	31.2	83.6%	0.3%
<b>Transfers and subsidies</b>	<b>3 432.5</b>	<b>5 268.2</b>	<b>5 829.0</b>	<b>6 304.8</b>	<b>6 304.6</b>	<b>22.5%</b>	<b>94.3%</b>	<b>6 124.2</b>	<b>6 720.6</b>	<b>7 466.9</b>	<b>5.8%</b>	<b>93.3%</b>
Provinces and municipalities	1 074.6	1 253.4	1 376.6	1 351.4	1 351.4	7.9%	22.9%	1 815.5	1 720.1	2 258.1	18.7%	25.1%
Departmental agencies and accounts	96.0	81.5	55.5	99.0	99.0	1.0%	1.5%	202.5	196.4	124.0	7.8%	2.2%
Foreign governments and international organisations	-	-	-	-	-			13.6	12.1	12.5		0.1%
Public corporations and private enterprises	2 261.8	3 933.2	4 396.7	4 854.0	4 853.8	29.0%	69.9%	4 092.3	4 791.7	5 071.9	1.5%	66.0%
Households	0.1	0.1	0.2	0.4	0.4	39.9%	0.0%	0.4	0.4	0.4	1.6%	0.0%
<b>Payments for capital assets</b>	<b>6.8</b>	<b>3.3</b>	<b>4.0</b>	<b>11.9</b>	<b>11.9</b>	<b>21.0%</b>	<b>0.1%</b>	<b>5.2</b>	<b>5.2</b>	<b>5.4</b>	<b>-23.1%</b>	<b>0.1%</b>
Machinery and equipment	6.4	3.3	4.0	11.3	11.3	21.0%	0.1%	5.2	5.2	5.4	-21.6%	0.1%
Software and other intangible assets	0.4	-	-	0.7	0.7	19.6%	0.0%	-	-	-	-100.0%	0.0%
<b>Payments for financial assets</b>	<b>0.2</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>3 690.9</b>	<b>5 505.4</b>	<b>6 174.3</b>	<b>6 734.5</b>	<b>6 733.5</b>	<b>22.2%</b>	<b>100.0%</b>	<b>6 598.2</b>	<b>7 214.6</b>	<b>7 970.6</b>	<b>5.8%</b>	<b>100.0%</b>

## Personnel information

**Table 29.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Energy Salary level	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number		
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)	
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16									
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost
	546	14	560	184.8	0.3	560	209.4	0.4	576	247.6	0.4	585	271.9	0.5	585	285.4	0.5
1 - 6	103	43	145	19.8	0.1	146	22.0	0.2	143	27.8	0.2	143	33.4	0.2	143	33.8	0.2
7 - 10	265	15)	249	63.7	0.3	250	72.4	0.3	252	86.1	0.3	256	92.9	0.4	256	97.8	0.4
11 - 12	99	10)	88	40.8	0.5	89	48.5	0.5	94	52.3	0.6	96	56.5	0.6	96	59.6	0.6
13 - 16	79	4)	78	60.6	0.8	75	66.6	0.9	87	81.4	0.9	90	89.2	1.0	90	94.2	1.0

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on expanding the electrification programme to increase the number of households with connections to the grid, providing substation infrastructure and promoting energy efficiency through the expansion of the solar water geyser programme. 93.3 per cent of the department's budget is transferred to the implementing municipalities, agencies, and the state owned company Eskom.



Between 2009/10 and 2012/13, significant spending is evident in the *Energy Policy and Planning* programme as a result of allocations to Transnet of R4.5 billion for the construction of the multi-products pipeline from 2010/11 to 2012/13. Spending in the *Electrification and Energy Programme Management* programme increased over the same period to increase the number of households connected to the grid. 5.5 million households have been electrified through the programme since its inception in 1994. The high spending in compensation of employees in 2012/13 is due to additional funds approved in the adjusted budget for remuneration of staff appointed in addition to the establishment.

Over the medium term, expenditure in the *Electrification and Energy Programme Management* programme is projected to grow significantly to provide for the expansion of electrification programmes, additional funding to pilot the approach to the distribution asset management programme, and additional funding for research and development related to the carbon capture storage and hydraulic fracturing projects of the South African National Energy Development Institute. Over the same period, expenditure on current payments is expected to increase due to additional funding for improved conditions of service, allocations to capacitate the independent power producers unit within the *Electrification and Energy Programme Management* programme, and funding allocated for the department's office accommodation costs.

As part of Cabinet approved budget reductions over the medium term, spending reductions will be made of R27.9 million in 2013/14, R61.7 million in 2014/15 and R33.9 million in 2015/16. These reductions will mainly be made on non-core goods and services items such as travel and subsistence and catering, and will be managed by introducing efficiency measures across all programmes.

The department has a funded establishment of 546 posts, and 14 posts are filled in addition to this establishment. 560 positions were filled at the end of September 2012, the majority of which were at salary levels 7 to 10. The department reviewed its organisational structure and has been allocated additional funding to increase the approved establishment to 585 in 2015/16 in line with the resources required for the department to carry out its mandate. The ratio of support staff to line function staff is 1.2:1.

Consultants provide planning for the nuclear build, development of monitoring and reporting systems to improve the electrification planning and monitoring process, and strengthening of the monitoring capacity to ensure compliance with the Petroleum and Liquid Fuels Charter. The spike in spending on consultants in 2012/13 is due to a once-off allocation for research in preparation for the nuclear build.

### Infrastructure spending

#### *Mega project: Integrated national electrification programme*

The department makes transfer payments to Eskom and municipalities through the integrated national electrification programme. These transfers are used to fund infrastructure for the electrification of households and the building of substations. Between 2009/10 and 2012/13, R11.1 billion was spent by the integrated national electrification programme on electricity infrastructure, R4.2 billion went to municipalities and R6.9 billion to Eskom. As a result of the spending over this period, 475 157 households received electricity connections.

Over the medium term, infrastructure spend is expected to increase from R3.5 billion in 2012/13 to R5.7 billion in 2015/16, which will be used to electrify 200 000 households in 2013/14, 215 000 in 2014/15 and 230 000 in 2015/16. 18 new bulk substations will also be built and 30 substations will be upgraded. R3.5 billion is allocated to Eskom over the medium term to fund the installation of high and low pressure solar water geysers. Municipalities receive an allocation of R538 million over the medium term to install energy efficient lighting and technologies.

#### *Mega project: Construction of the new multi-products pipeline by Transnet*

The department received a budget allocation of R4.5 billion between 2010/11 and 2012/13, earmarked to be transferred to Transnet for the construction of the new multi-products pipeline. Transfer payments to Transnet have been effected in accordance with the funding agreement, with the final payment being made during the last quarter of 2012/13. The full construction work on the pipeline, inclusive of support infrastructure, which was initially planned for completion by the end of December 2011, will be concluded in December 2013.

## Departmental Receipts

Table 29.4 Receipts

R thousand	Audited outcome			Adjusted estimate 2012/13	Revised estimate 4 118	Average growth rate (%) 2009/10 - 2012/13	Receipt/total: Average (%) 3.9%	Medium-term receipts estimate			Average growth rate (%) 2012/13 - 2015/16	Receipt/total: Average (%) 3.0%
	2009/10	2010/11	2011/12					2013/14	2014/15	2015/16		
<b>Departmental receipts</b>	<b>4 429</b>	<b>3 917</b>	<b>3 381</b>	<b>4 118</b>	<b>4 118</b>	<b>-2.4%</b>	<b>3.9%</b>	<b>2 519</b>	<b>2 647</b>	<b>2 777</b>	<b>-12.3%</b>	<b>3.0%</b>
<b>Sales of goods and services produced by department</b>	<b>4 429</b>	<b>3 705</b>	<b>2 872</b>	<b>3 905</b>	<b>3 905</b>	<b>-4.1%</b>	<b>3.7%</b>	<b>2 305</b>	<b>2 429</b>	<b>2 559</b>	<b>-13.1%</b>	<b>2.8%</b>
Sales by market establishments	-	169	255	-	-	-	0.1%	-	-	-	-	-
of which:												
Sales by market establishment	-	169	255	-	-	-	0.1%	-	-	-	-	-
Administration fees	4 384	3 484	2 549	3 858	3 858	-4.2%	3.5%	2 257	2 381	2 511	-13.3%	2.8%
Other sales	45	52	68	47	47	1.5%	0.1%	48	48	48	0.7%	-
Interest, dividends and rent on land	-	14	168	14	14	-	-	14	15	15	2.3%	-
Interest	-	14	168	14	14	-	-	14	15	15	2.3%	-
Transactions in financial assets and liabilities	-	198	341	199	199	-	0.2%	200	203	203	0.7%	0.2%
Extraordinary receipts	-	-	-	-	387 618	-	96.1%	-	-	-	-100.0%	97.0%
of which:												
Central Energy Fund	-	-	-	-	387 618	-	96.1%	-	-	-	-100.0%	97.0%
<b>Total</b>	<b>4 429</b>	<b>3 917</b>	<b>3 381</b>	<b>4 118</b>	<b>391 736</b>	<b>345.5%</b>	<b>100.0%</b>	<b>2 519</b>	<b>2 647</b>	<b>2 777</b>	<b>-80.8%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 29.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 12.2%	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 10.5%
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Ministry	11.2	17.9	28.5	21.9	25.0%	12.2%	23.8	25.3	26.6	6.7%	10.5%
Departmental Management	11.4	18.6	25.8	33.2	42.8%	13.6%	45.4	44.9	47.1	12.3%	18.3%
Finance Administration	28.6	20.8	39.4	49.6	20.2%	21.1%	37.0	42.8	43.3	-4.4%	18.5%
Audit Services	2.2	2.3	4.5	9.4	61.5%	2.8%	5.4	5.7	5.9	-14.3%	2.8%
Corporate Services	44.8	54.8	69.3	92.3	27.3%	39.9%	73.4	75.6	78.6	-5.2%	34.3%
Office Accommodation	0.0	7.1	25.3	35.9	1383.8%	10.4%	36.0	36.1	38.1	2.0%	15.7%
<b>Total</b>	<b>98.2</b>	<b>121.6</b>	<b>192.7</b>	<b>242.4</b>	<b>35.1%</b>	<b>100.0%</b>	<b>221.0</b>	<b>230.4</b>	<b>239.6</b>	<b>-0.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				63.6			40.7	40.8	5.0		

#### Economic classification

<b>Current payments</b>	<b>91.9</b>	<b>118.2</b>	<b>188.5</b>	<b>230.3</b>	<b>35.8%</b>	<b>96.0%</b>	<b>215.7</b>	<b>224.8</b>	<b>233.8</b>	<b>0.5%</b>	<b>96.9%</b>
Compensation of employees	35.8	57.9	82.5	99.6	40.6%	42.1%	115.3	126.4	131.8	9.8%	50.7%
Goods and services	56.0	60.3	105.9	130.7	32.6%	53.9%	100.4	98.4	102.0	-7.9%	46.2%
of which:											
Consultants and professional services:	9.4	2.5	20.1	9.1	-1.1%	6.3%	5.5	1.6	1.6	-43.7%	1.9%
Business and advisory services											
Operating leases	5.1	16.2	25.8	49.7	113.7%	14.8%	41.3	41.6	43.7	-4.2%	18.9%
Travel and subsistence	25.2	19.1	23.9	16.4	-13.3%	12.9%	24.3	25.4	26.3	17.0%	9.9%
Venues and facilities	0.8	4.5	5.2	2.7	48.3%	2.0%	3.6	5.2	5.4	26.1%	1.8%
Transfers and subsidies	0.1	0.1	0.1	0.4	39.9%	0.1%	0.4	0.4	0.4	1.6%	0.2%
Households	0.1	0.1	0.1	0.4	39.9%	0.1%	0.4	0.4	0.4	1.6%	0.2%

Table 29.5 Administration (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
Payments for capital assets	6.0	3.3	4.0	11.8	25.4%	3.8%	4.9	5.2	5.4	-22.7%	2.9%
Machinery and equipment	5.6	3.3	4.0	11.1	25.7%	3.7%	4.9	5.2	5.4	-21.2%	2.9%
Software and other intangible assets	0.4	-	-	0.7	19.6%	0.2%	-	-	-	-100.0%	0.1%
Payments for financial assets	0.2	-	0.1	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>98.2</b>	<b>121.6</b>	<b>192.7</b>	<b>242.4</b>	<b>35.1%</b>	<b>100.0%</b>	<b>221.0</b>	<b>230.4</b>	<b>239.6</b>	<b>-0.4%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	2.7%	2.2%	3.1%	3.6%			3.3%	3.2%	3.0%		

## Personnel information

Table 29.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Administration		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	268	22	294	82.5	0.3	290	99.6	0.3	295	115.3	0.4	295	126.4	0.4	295	131.8	0.4	0.6%	100.0%
1 – 6	89	20	112	14.4	0.1	109	16.6	0.2	112	20.9	0.2	112	26.1	0.2	112	26.0	0.2	0.9%	37.9%
7 – 10	107	5	111	26.2	0.2	112	31.9	0.3	109	34.7	0.3	109	37.1	0.3	109	38.9	0.4	-0.9%	37.4%
11 – 12	40	3)	37	16.6	0.4	37	19.8	0.5	34	18.4	0.5	34	19.5	0.6	34	20.6	0.6	-2.8%	11.8%
13 – 16	32	-	34	25.3	0.7	32	31.3	1.0	40	41.3	1.0	40	43.7	1.1	40	46.3	1.2	7.7%	12.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on building financial management capacity, providing an effective support service structure and providing for office accommodation expenditure.

Expenditure on compensation of employees increased significantly between 2009/10 and 2012/13 mainly due to additional funding for the establishment of the national energy response team project management office in the *Finance Administration* subprogramme. This also explains the increase in spending on consultants between 2009/10 and 2011/12, as a task team was appointed to look into various ways of responding to the electricity blackouts caused by load-shedding. There was also an increase in posts to create corporate and financial management capacity following the establishment of the department in 2009/10. Expenditure in the *Office Accommodation* subprogramme increased significantly over the same period due to a once-off payment made to facilitate the department's relocation to a new office building in 2012/13. The relocation payment also accounts for the large increase in expenditure on property payments between 2009/10 and 2012/13.

The decrease in expenditure over the medium term is due to the once-off allocation for expenditure associated with the relocation of the department in 2012/13, as well as lower legal and audit costs in the *Finance Administration* and *Audit Services* subprogrammes. There is increased expenditure on travel and subsistence over the MTEF period, which is when this office will conduct oversight responsibilities. Spending on consultants is expected to decrease between 2012/13 and 2015/16 as a result of a gradual strengthening of the support service structure. Over the medium term, spending on consultants will be focussed on outsourced services that are not available within the department, such as employee wellness services and health risk management services.

As part of the Cabinet approved budget reductions, this programme has identified cost savings of R6.1 million over the medium term on various non-core goods and services items, particularly for travel and subsistence, and communications.

The programme has a funded establishment of 268 posts, and 22 posts are filled in addition to this establishment. A total of 290 positions were filled at the end of September 2012, the majority of which were in

salary levels 7 to 10. Over the medium term, it is expected that the establishment will increase to 295 posts, which also accounts for the strong growth in the compensation of employees budget.

## Programme 2: Energy Policy and Planning

### Objectives

- Improve energy security by:
  - regulating demand and introducing a diversified mix of energy generation technologies
  - improving efficiency through competition in the energy sector
  - developing key indicators to effectively monitor the energy sector policies on an ongoing basis
  - planning interventions to expand energy infrastructure by developing a policy framework for the integrated energy plan, the integrated resource plan, the liquid fuels infrastructure roadmap, the transmission development plan and the major distribution infrastructure plan over the medium term
  - publishing an annual energy statistics report to facilitate information based decision making.
- Address current and envisaged energy supply and distribution constraints by developing the approach to distribution asset management plan for the rehabilitation of critical municipal electricity distribution infrastructure.
- Develop and implement the liquid fuels 20-year infrastructure plan over the medium term to improve liquid fuels energy security.

### Subprogrammes

- *Policy Analysis and Research* is discussed in more detail below.
- *Energy Planning* manages energy data and information; develops and maintains an energy modelling system to simulate energy supply and distribution; identifies energy supply and distribution constraints and addresses them through the integrated energy plan; manages the overall collection, collation, validation, integrity and quality of energy data; analyses and interprets economic and statistical data; and is responsible for managing the development of energy plans and strategic interventions for generation, refining, distribution and transmission of energy sources for demand and supply optimisation. Over the medium term, the focus will be on the development of standardised tools for connecting data, centralising the collection and storage of energy data collected within the unit, and automating the submission of energy data by the oil industry. This subprogramme had a staff complement of 29 in 2012/13.
- *Hydrocarbon Policy* ensures secure energy supply, well managed demand, enhanced access to hydrocarbons, and a transformed energy sector; and ensures that energy regulation and competition is improved through the development, promulgation and maintenance of a statutory framework for petroleum, petroleum products, petroleum infrastructure, coal and gas. In 2012/13, R1.5 billion was transferred to Transnet for the construction of the national multi-products pipeline. This subprogramme had a staff complement of 26 in 2012/13.
- *Electricity and Alternative Energy Policy* ensures secure energy supply, well managed demand, enhanced access to hydrocarbons, and a transformed sector; and that energy regulation and competition is improved through the development, promulgation and maintenance of a statutory framework for electricity over the medium term. This subprogramme had a staff complement of 13 in 2012/13.

## Expenditure estimates

**Table 29.7 Energy Policy and Planning**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Policy Analysis and Research	83.5	69.7	3.4	15.4	-43.1%	3.5%	8.6	8.6	8.5	-18.0%	2.4%
Energy Planning	19.7	20.5	17.1	15.6	-7.3%	1.5%	22.6	23.7	22.1	12.2%	4.9%
Hydrocarbon Policy	38.7	1 512.9	1 515.5	1 530.0	240.6%	94.5%	12.7	13.3	12.8	-79.7%	90.9%
Electricity and Alternative Energy Policy	5.0	4.1	5.9	9.2	22.5%	0.5%	7.3	7.8	8.2	-3.8%	1.9%
<b>Total</b>	<b>146.9</b>	<b>1 607.2</b>	<b>1 541.9</b>	<b>1 570.2</b>	<b>120.3%</b>	<b>100.0%</b>	<b>51.2</b>	<b>53.4</b>	<b>51.5</b>	<b>-68.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				30.7			(1.2)	(2.2)	(56.7)		

### Economic classification

<b>Current payments</b>	<b>73.9</b>	<b>45.7</b>	<b>41.9</b>	<b>70.0</b>	<b>-1.8%</b>	<b>4.8%</b>	<b>51.2</b>	<b>53.4</b>	<b>51.5</b>	<b>-9.7%</b>	<b>13.1%</b>
Compensation of employees	35.7	31.3	30.4	37.7	1.8%	2.8%	34.2	36.2	38.3	0.5%	8.5%
Goods and services	38.2	14.3	11.5	32.3	-5.4%	2.0%	17.0	17.1	13.3	-25.7%	4.6%
of which:											
Consultants and professional services:	12.5	5.0	6.7	24.8	25.8%	1.0%	2.1	2.1	1.1	-64.8%	1.7%
Business and advisory services											
Operating leases	7.2	0.0	0.0	-	-100.0%	0.1%	-	-	-	-	-
Travel and subsistence	5.7	3.8	3.3	4.0	-11.1%	0.3%	9.0	9.1	7.8	24.8%	1.7%
Venues and facilities	0.3	0.1	0.2	0.6	23.5%	-	0.0	0.0	0.0	-67.9%	-
<b>Transfers and subsidies</b>	<b>72.2</b>	<b>1 561.6</b>	<b>1 500.0</b>	<b>1 500.0</b>	<b>174.9%</b>	<b>95.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>86.9%</b>
Departmental agencies and accounts	72.2	61.6	-	-	-100.0%	2.7%	-	-	-	-	-
Public corporations and private enterprises	-	1 500.0	1 500.0	1 500.0	-	92.5%	-	-	-	-100.0%	86.9%
<b>Payments for capital assets</b>	<b>0.8</b>	<b>0.0</b>	<b>-</b>	<b>0.1</b>	<b>-44.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Machinery and equipment	0.8	0.0	-	0.1	-44.5%	-	-	-	-	-100.0%	-
<b>Total</b>	<b>146.9</b>	<b>1 607.2</b>	<b>1 541.9</b>	<b>1 570.2</b>	<b>120.3%</b>	<b>100.0%</b>	<b>51.2</b>	<b>53.4</b>	<b>51.5</b>	<b>-68.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>4.0%</b>	<b>29.2%</b>	<b>25.0%</b>	<b>23.3%</b>			<b>0.8%</b>	<b>0.7%</b>	<b>0.6%</b>		

### Details of transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>72.2</b>	<b>61.6</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>2.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Electricity Distribution Industry Holding Company	72.2	61.6	-	-	-100.0%	2.7%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Public corporations - subsidies on products and production</b>											
<b>Capital</b>	<b>-</b>	<b>1 500.0</b>	<b>1 500.0</b>	<b>1 500.0</b>	<b>-</b>	<b>92.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>86.9%</b>
Transnet	-	1 500.0	1 500.0	1 500.0	-	92.5%	-	-	-	-100.0%	86.9%

## Personnel information

**Table 29.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Energy Policy and Planning	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
	Number of funded posts	Number of posts additional to the establishment	Actual									Revised estimate <sup>3</sup>						Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Num ber	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	51	26	72	30.4	0.4	77	37.7	0.5	70	34.2	0.5	70	36.2	0.5	70	38.3	0.5	-3.1%	100.0%
1-6	-	15	14	1.9	0.1	15	2.5	0.2	12	2.7	0.2	12	2.9	0.2	12	3.1	0.3	-7.2%	17.8%
7-10	27	6	30	9.2	0.3	33	12.7	0.4	30	11.4	0.4	30	12.1	0.4	30	12.8	0.4	-3.1%	42.9%
11-12	13	3	15	8.9	0.6	16	12.2	0.8	15	8.8	0.6	15	9.3	0.6	15	9.9	0.7	-2.1%	21.3%
13-16	11	2	13	10.4	0.8	13	10.4	0.8	13	11.2	0.9	13	11.9	0.9	13	12.6	1.0	-	18.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The medium term will see the completion of the construction of the national multi-products pipeline by Transnet. The pipeline will secure the supply of petroleum products to the inland market over the long term. Expenditure in the *Hydrocarbon Policy* subprogramme and the related transfers and subsidies are consequently expected to decrease significantly over the medium term as a result of the discontinuation of transfers to Transnet. The final payment of R1.5 billion was made at the end of 2012/13, meaning R4.5 billion will have been transferred to Transnet from the project's inception to 2012/13. The focus of the *Hydrocarbons Policy* subprogramme over the medium term will be on monitoring the Transnet pipeline operations.

Expenditure on goods and services is expected to decrease over the medium term, driven mainly by a decrease in spending on consultants and professional services due to the finalisation of projects, such as the development of the energy modelling systems, the audit of refineries as an extension of scope under the 20-year liquid fuels infrastructure road map, the regulatory framework review and the integrated energy plan. R11.8 million was spent in 2012/13 on the initiation of the asset rehabilitation multi-phase project. The pilot phase of the project begins in 2013/14 and will be led by the Integrated National Electrification programme in the *Electrification and Energy Programme Management* programme. Expenditure on travel and subsistence is expected to increase over the medium term for various international engagements. There will also be growth in spending on monitoring and evaluation, particularly for electrification projects that form part of the integrated national electrification programme.

R4 million in savings over the medium term has been identified as part of Cabinet approved budget reductions, and will be effected through cost saving measures on certain controllable costs, such as catering, venues and facilities, and administrative fees.

The programme has a funded establishment of 51 posts and 26 posts are filled additional to the establishment. There were 77 filled posts at the end of September 2012, mostly at salary levels 7 to 10, for policy research and data collection and analysis for energy modelling and publications. The number of employees drops to 70 to match the budget for compensation of employees over the medium term.

### Subprogramme: Policy Analysis and Research

This subprogramme develops key indicators and monitors the impact of energy sector policies, planning and interventions; analyses all energy policies and their impact on access to energy and on the security of energy supply; conducts research and analyses policies in relation to other countries; and researches and analyses national and international trends or developments that impact on the demand and supply of energy.

## Expenditure estimates

**Table 29.9 Policy Analysis and Research**

Economic classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million											
<b>Current payments</b>	<b>11.3</b>	<b>8.2</b>	<b>3.4</b>	<b>15.4</b>	<b>10.9%</b>	<b>22.2%</b>	<b>8.6</b>	<b>8.6</b>	<b>8.5</b>	<b>-18.0%</b>	<b>100.0%</b>
Compensation of employees	4.8	5.3	2.8	3.3	-11.7%	9.4%	6.6	7.0	7.4	30.9%	59.4%
Goods and services	6.5	2.8	0.6	12.1	23.0%	12.8%	2.0	1.6	1.1	-55.5%	40.6%
<i>of which:</i>											
<i>Consultants and professional services:</i>											
<i>Business and advisory services</i>	5.9	0.3	–	11.8	25.7%	10.5%	–	–	–	-100.0%	28.7%
<i>Travel and subsistence</i>	0.4	0.3	0.5	0.2	-14.4%	0.8%	1.8	1.4	0.9	57.8%	10.4%
<b>Transfers and subsidies</b>	<b>72.2</b>	<b>61.6</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>77.8%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Departmental agencies and accounts	72.2	61.6	–	–	-100.0%	77.8%	–	–	–	–	–
<b>Total</b>	<b>83.5</b>	<b>69.7</b>	<b>3.4</b>	<b>15.4</b>	<b>-43.1%</b>	<b>100.0%</b>	<b>8.6</b>	<b>8.6</b>	<b>8.5</b>	<b>-18.0%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>56.8%</b>	<b>4.3%</b>	<b>0.2%</b>	<b>1.0%</b>			<b>16.8%</b>	<b>16.1%</b>	<b>16.4%</b>		

## Personnel information

**Table 29.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)		
		2011/12			2012/13			2013/14			2014/15			2015/16						
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16	
Policy Analysis and Research		11	(2)	10	4.0	0.4	9	3.3	0.4	14	6.6	0.5	14	7.0	0.5	14	7.4	0.5	15.9%	100.0%
Salary level																				
1 – 6	–	3		3	0.3	0.1	3	0.3	0.1	3	0.7	0.2	3	0.7	0.2	3	0.8	0.3	–	23.5%
7 – 10	8	(7)		1	0.3	0.3	1	0.2	0.2	5	1.9	0.4	5	2.0	0.4	5	2.1	0.4	71.0%	31.4%
11 – 12	2	2		4	2.2	0.5	4	1.9	0.5	4	2.4	0.6	4	2.6	0.6	4	2.7	0.7	–	31.4%
13 – 16	1	–		2	1.3	0.6	1	0.9	0.9	2	1.6	0.8	2	1.7	0.9	2	1.8	0.9	26.0%	13.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on analysis and research activities in support of the integrated energy plan.

The significant decrease in expenditure over the seven-year period is due to the discontinuation of funding to EDI Holdings, following a Cabinet decision in December 2010 to wind up the company. This is reflected in transfers and subsidies, where there is no expenditure after 2011/12. In terms of this decision, EDI Holdings ceased to exist on 31 March 2011, and the functions relating to the restructuring of the electricity distribution industry reverted to the Department of Energy with effect from 1 April 2011. Transfer payments to EDI Holdings were reprioritised in 2012/13, in accordance with Cabinet's decision, to provide for consulting and professional services costs to initiate the implementation of the asset rehabilitation multi-phase project. Expenditure on goods and services consequently increased from R6.5 million in 2009/10 to R12.1 million in 2012/13.

Over the medium term, expenditure on compensation of employees is expected to increase to provide capacity within the subprogramme for critical posts for operational work such as publishing the annual energy indicator report and the application of the policy analysis framework for the integrated energy plan. It also includes salary adjustments for improved conditions of service. Expenditure is expected to decrease over the medium term. This is due to spending reductions of R3.3 million, part of Cabinet approved budget reductions, to be effected, mostly on travel and subsistence, the review of the department's organisational structure, and the once-off allocation of R11.8 million in 2012/13 for the approach to distribution asset management programme. This also explains the significant decrease in expenditure on goods and services from 2013/14 onwards.

This subprogramme has a staff establishment of 11, of which 9 are filled. Over the medium term, the number of filled posts is expected to increase to 14, which accounts for the strong increase in the compensation of employees budget.

## Programme 3: Energy Regulation

### Objectives

- Enforce and monitor technical, economic, and legal compliance to legislation, specification, standards as well as license conditions in each year of the medium term.
- Facilitate the improved participation of historically disadvantaged individuals in the petroleum sector by licensing 25 per cent of all petroleum license applications by historically disadvantaged individuals in each year of the medium term.
- Strengthen the regulatory framework in the liquid fuels petroleum industry by implementing the regulatory accounting system to have a transparent fuel pricing mechanism for rewarding investment in the liquid fuels sector throughout the value chain by 2013/14.

## Subprogrammes

- *Petroleum Compliance* ensures compliance by all petroleum holders to the conditions of their license through monitoring and enforcement. The subprogramme also processes the arbitration requests, promotion of access to information requests on behalf of the Controller of Petroleum Products and assist in finalising the appeals on decisions of the controller. On an annual basis, 1 500 retail site inspections are conducted for petroleum manufacturers, wholesalers and retailers to ensure compliance with the Liquid Fuels Charter and technical, legal and commercial licensing conditions.
- *Petroleum Licensing and Permitting* manages the petroleum licensing process; regulates the permitting of the export and import of petroleum products; monitors compliance with the Liquid Fuels Charter and technical, legal and commercial licensing conditions; monitors fuel stock levels; and coordinates corrective actions to avoid distribution shortages. This entails conducting licence analyses, and ensuring permit and charter compliance and hydrocarbons supply. Wholesale and retail licence applications are managed by renewing 95 per cent of licences issued within 90 days and issuing new licences to the retail industry within 60 days. This subprogramme had a staff complement of 27 in 2012/13.
- *Petroleum Pricing* regulates the pricing of petroleum products in accordance with the legislative framework. This entails the determination, review, update and maintenance of fuel levies and margins, and the process of paying fuel levies. Fuel price administration includes developing, evaluating and monitoring price models; updating elements of the basic fuel price; and ensuring secure audit services for the auditing of fuel prices to ensure internationally competitive pricing of petroleum products, thereby enabling investment in the sector. This is a newly created subprogramme and its capacity will be built over the medium term. This subprogramme had a staff complement of 13 in 2012/13.

## Expenditure estimates

**Table 29.11 Energy Regulation**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	014/15		
R million					2009/10 - 2012/13		2013/14	014/15	2015/16	2012/13 - 2015/16	
Petroleum Compliance	1.6	2.6	1.2	2.7	18.9%	14.0%	14.9	15.4	9.8	53.8%	25.6%
Petroleum Licensing and Permitting	8.9	11.5	13.9	13.4	14.6%	81.9%	13.5	14.2	13.7	0.8%	32.8%
Petroleum Pricing	–	–	–	2.4	–	4.2%	21.3	22.4	23.4	112.9%	41.6%
<b>Total</b>	<b>10.5</b>	<b>14.2</b>	<b>15.2</b>	<b>18.5</b>	<b>20.8%</b>	<b>100.0%</b>	<b>49.7</b>	<b>52.0</b>	<b>47.0</b>	<b>36.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(26.4)			(22.6)	(24.5)	(0.3)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>10.5</b>	<b>14.2</b>	<b>15.2</b>	<b>18.5</b>	<b>20.8%</b>	<b>100.0%</b>	<b>49.7</b>	<b>52.0</b>	<b>47.0</b>	<b>36.3%</b>	<b>100.0%</b>
Compensation of employees	9.2	11.8	13.8	14.1	15.3%	83.8%	26.1	27.7	29.2	27.5%	58.0%
Goods and services	1.3	2.4	1.3	4.4	50.4%	16.2%	23.6	24.4	17.8	58.9%	42.0%
of which:											
Consultants and professional services:	0.5	1.6	0.3	2.4	66.6%	8.2%	2.3	2.4	2.7	4.5%	5.9%
Business and advisory services	0.4	0.6	0.7	0.7	16.9%	4.1%	7.5	7.8	7.8	123.5%	14.3%
Travel and subsistence	–	–	–	0.6	–	1.0%	–	–	0.1	-53.1%	0.4%
Venues and facilities	–	–	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>10.5</b>	<b>14.2</b>	<b>15.2</b>	<b>18.5</b>	<b>20.8%</b>	<b>100.0%</b>	<b>49.7</b>	<b>52.0</b>	<b>47.0</b>	<b>36.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.3%</b>	<b>0.3%</b>	<b>0.2%</b>	<b>0.3%</b>			<b>0.8%</b>	<b>0.7%</b>	<b>0.6%</b>		



## Personnel information

**Table 29.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)			
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14			Unit Cost	2014/15			Unit Cost	2015/16			Unit Cost	2012/13 - 2015/16	
Energy Regulation		Number	Cost		Unit Cost	Number		Cost	Unit Cost	Number		Cost	Unit Cost	Number		Cost	Unit Cost	Number		Cost	Unit Cost
Salary level	34	22	50	13.8	0.3	50	14.1	0.3	61	26.1	0.4	61	27.7	0.5	61	29.2	0.5			6.9%	100.0%
1 – 6	5	6	9	1.1	0.1	11	1.3	0.1	8	1.8	0.2	8	1.9	0.2	8	2.0	0.3			-10.1%	15.0%
7 – 10	15	16	33	8.1	0.2	31	7.9	0.3	38	14.4	0.4	38	15.3	0.4	38	16.2	0.4			7.0%	62.2%
11 – 12	7	(3)	4	1.6	0.4	4	1.8	0.4	10	5.6	0.6	10	5.9	0.6	10	6.2	0.6			35.7%	14.6%
13 – 16	7	(3)	4	3.0	0.7	4	3.2	0.8	5	4.3	0.9	5	4.5	0.9	5	4.8	1.0			7.7%	8.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on increasing staff capacity and oversight over the petroleum industry, and this subprogramme will conduct 1 500 petroleum retail site inspections per year.

The increase in expenditure on compensation of employees is due to an increase in personnel to cater for petroleum licensing, petroleum inspections and fuel price administration services, and accounts for the increase in posts to 61 across all subprogrammes over the medium term.

Expenditure in the *Petroleum Pricing* subprogramme over the medium term is projected to increase significantly as the subprogramme is newly founded and expects to build its personnel capacity. The increased spending in the *Petroleum Compliance* subprogramme projected over the medium term will go towards strengthening the monitoring capacity to ensure compliance with the Petroleum and Liquids Fuels Charter and with the relevant legislation. The emphasis will also be on the testing of fuel samples collected from licence holders, hence the expected increase in expenditure on consultants and professional services for laboratory services and travel costs associated with the collection of samples over the medium term, which also accounts for the increased expenditure on goods and services. This is reflected in the increase in expenditure on agency and support services and in the *Petroleum Compliance* subprogramme in 2013/14 and 2014/15.

This programme will make savings of R1.1 million over the medium term as part of Cabinet approved budget reductions, mostly on savings related to travel and subsistence.

This programme employed 50 staff members in 2012/13, most of whom were on salary levels 7 to 10.

## Programme 4: Electrification and Energy Programme Management

### Objectives

- Increase access to electricity by monitoring the implementation of the integrated national electrification programme, which aims to electrify an additional 710 000 (grid and non-grid) households by 2015/16.
- Improve the quality of electricity distribution by addressing the rehabilitation of municipal electricity distribution assets through ongoing monitoring and evaluation of distribution asset management.
- Ensure the efficient management of electricity supply by:
  - enhancing the application of project management business principles to assist programme and project managers on an ongoing basis
  - continuously coordinating, monitoring and reporting on the implementation of programmes and projects focused on the development, improvement and transformation of the energy generation, refinement, transmission and distribution industry and infrastructure.

## Subprogrammes

- *Integrated National Electrification Programme* oversees and manages the finance and implementation processes for the electrification programme, manages the annual planning processes including electrification infrastructure plans, and also manages and coordinates technical audits for the programme. This subprogramme had a staff complement of 37 in 2012/13.
- *Energy Regional Offices* provides advice on integrated energy services, develops appropriate interventions to enhance and promote universal access to energy, manages and coordinates regional electrification planning and ensures economic and technical compliance with relevant legislation. This subprogramme will capture and analyse all annual information submitted by licence holders. This subprogramme had a staff complement of 40 in 2012/13.
- *Programme and Projects Management Office* provides specialised assistance to programme and project managers, and management in general, to apply management principles, coordinate project information and report on projects. The focus will be on capacitating this subprogramme over the medium term through the development of a project management platform, the appointment and training of staff, and meeting with stakeholders to conduct planning sessions. This subprogramme will have a staff complement of 7 by 2014/15.
- *Electricity Infrastructure/Industry Transformation* oversees programmes and projects focused on the development, improvement and transformation of the electricity generation, transmission and distribution sector and independent power producers. In 2013/14, R320 million has been allocated to pilot an approach to asset distribution management, which aims to support 9 municipalities facing serious electricity provision challenges. This entails establishing an independent power producer unit with minimal support from external experts by 2013/14. This is a newly created subprogramme and will have a staff complement of 14 in 2013/14.
- *Community Upliftment Programmes and Projects* ensures the mainstreaming of government's priorities for broad transformation in the work of the department and the energy sector, and supports departmental special programmes and projects. This entails drafting youth and gender policies for the department and the monitoring of job creation in projects. This subprogramme had a staff complement of 6 in 2012/13.

## Expenditure estimates

**Table 29.13 Electrification and Energy Programme Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Integrated National Electrification Programme	2 542.9	2 763.1	3 264.5	3 145.5	7.3%	99.3%	3 890.2	4 173.9	5 863.0	23.1%	98.9%
Energy Regional Office	12.7	15.7	18.1	18.0	12.2%	0.5%	26.0	27.6	28.9	17.1%	0.6%
Programme and Projects Management Office	–	–	–	2.7	–	–	13.9	8.6	9.7	52.2%	0.2%
Electricity Infrastructure/Industry Transformation	–	0.9	0.3	–	–	–	7.7	9.2	9.9	–	0.2%
Community Upliftment Programmes and Projects	3.2	2.3	3.5	3.8	5.5%	0.1%	5.0	5.2	5.5	12.9%	0.1%
<b>Total</b>	<b>2 558.9</b>	<b>2 782.0</b>	<b>3 286.5</b>	<b>3 170.0</b>	<b>7.4%</b>	<b>100.0%</b>	<b>3 942.8</b>	<b>4 224.5</b>	<b>5 916.9</b>	<b>23.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				30.8			528.8	514.3	2 016.7		
<b>Economic classification</b>											
<b>Current payments</b>	<b>41.8</b>	<b>19.0</b>	<b>43.2</b>	<b>52.8</b>	<b>8.1%</b>	<b>1.3%</b>	<b>75.6</b>	<b>75.2</b>	<b>79.7</b>	<b>14.7%</b>	<b>1.6%</b>
Compensation of employees	28.2	15.9	31.8	34.6	7.0%	0.9%	46.3	51.8	54.6	16.4%	1.1%
Goods and services	13.5	3.0	11.4	18.2	10.3%	0.4%	29.3	23.4	25.2	11.5%	0.6%
of which:											
Consultants and professional services:	0.7	–	–	10.4	143.9%	0.1%	–	–	–	-100.0%	0.1%
Business and advisory services											
Travel and subsistence	8.2	1.9	8.2	4.7	-17.1%	0.2%	12.2	13.0	13.9	43.9%	0.3%
Venues and facilities	1.0	0.1	1.1	1.2	6.6%	–	4.1	4.3	4.5	53.0%	0.1%
<b>Transfers and subsidies</b>	<b>2 517.2</b>	<b>2 763.1</b>	<b>3 243.3</b>	<b>3 117.2</b>	<b>7.4%</b>	<b>98.7%</b>	<b>3 867.0</b>	<b>4 149.3</b>	<b>5 837.2</b>	<b>23.3%</b>	<b>98.4%</b>
Provinces and municipalities	899.6	1 033.4	1 096.6	1 151.4	8.6%	35.4%	1 634.8	1 564.7	2 056.1	21.3%	37.1%
Public corporations and private enterprises	1 617.6	1 729.7	2 146.7	1 965.8	6.7%	63.2%	2 232.2	2 584.7	3 781.1	24.4%	61.2%

Table 29.13 Electrification and Energy Programme Management (continued)

Economic Classification	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R million											
Payments for capital assets	-	-	-	-	-	-	0.3	-	-	-	-
Machinery and equipment	-	-	-	-	-	-	0.3	-	-	-	-
<b>Total</b>	<b>2 558.9</b>	<b>2 782.0</b>	<b>3 286.5</b>	<b>3 170.0</b>	<b>7.4%</b>	<b>100.0%</b>	<b>3 942.8</b>	<b>4 224.5</b>	<b>5 916.9</b>	<b>23.1%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	69.3%	50.5%	53.2%	47.1%			59.8%	58.6%	74.2%		
<b>Details of selected transfers and subsidies</b>											
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
Capital	-	-	281.0	-	-	2.4%	-	-	-	-	-
Local organising committee for the 2010 FIFA World Cup	-	-	281.0	-	-	2.4%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Public corporations - subsidies on products and production</b>											
Capital	1 616.3	1 719.8	1 737.8	1 879.4	5.2%	58.9%	2 141.0	2 488.0	3 680.0	25.1%	59.0%
Eskom -Integrated national electrification programme	1 616.3	1 719.8	1 737.8	1 879.4	5.2%	58.9%	2 141.0	2 488.0	3 680.0	25.1%	59.0%
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Private enterprises - subsidies on products and production</b>											
Capital	1.3	9.9	127.9	86.4	306.2%	1.9%	91.2	96.6	101.1	5.4%	2.2%
Integrated national electrification programme grant	1.3	9.9	127.9	86.4	306.2%	1.9%	91.2	96.6	101.1	5.4%	2.2%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
Capital	899.6	1 033.4	1 096.6	1 151.4	8.6%	35.4%	1 634.8	1 564.7	2 056.1	21.3%	37.1%
Integrated national electrification programme grant	899.6	1 033.4	1 096.6	1 151.4	8.6%	35.4%	1 314.8	1 564.7	2 056.1	21.3%	35.3%
Integrated national electrification programme - Approach to Distribution Asset Management	-	-	-	-	-	-	320.0	-	-	-	1.9%

## Personnel information

Table 29.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16								
Electrification and Energy Programme Management	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16			
Salary level	152	(55)	94	31.8	0.3	97	36.6	0.4	99	46.3	0.5	104	51.8	0.5	104	54.6	0.5	2.3%	100.0%
1-6	9	(5)	3	0.4	0.1	4	0.5	0.1	3	0.7	0.2	3	0.7	0.2	3	0.8	0.3	-9.1%	3.2%
7-10	94	(35)	58	13.4	0.2	59	15.2	0.3	58	19.4	0.3	61	21.6	0.4	61	22.7	0.4	1.1%	59.2%
11-12	29	(11)	18	7.2	0.4	18	7.6	0.4	19	10.3	0.5	20	11.4	0.6	20	12.1	0.6	3.6%	19.1%
13-16	20	(4)	15	10.8	0.7	16	13.4	0.8	19	16.0	0.8	20	18.0	0.9	20	19.0	0.9	7.7%	18.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the expansion of the electrification programmes being implemented by Eskom and municipalities, as well as the establishment of the programme and projects management office and the independent power producers unit within the *Electricity Infrastructure/Industry Transformation* subprogramme. As a result, this programme will electrify 645 000 households by 2015/16 and support 9 municipalities facing serious electricity provision challenges.

The increased spending in the *Integrated National Electrification Programme* between 2009/10 and 2012/13 was due to additional allocations to municipalities and Eskom, which implement electrification projects, to

support the target of universal access to electricity by 2014. Transfers to Eskom in this period grew from R1.6 billion to R1.9 billion, while transfers to municipalities increased from R899.6 million to R1.2 billion. In the same period, expenditure on compensation of employees increased to provide for sufficient capacity for the new *Programmes and Projects Management Office*.

Expenditure is expected to increase significantly over the medium term due to additional funding for the *Integrated National Electrification Programme* as follows: R2.1 billion for Eskom, R577 million for the municipalities, and R320 million for municipalities to pilot the approach to distribution asset management programme. Spending on consultants is projected to shift from business and advisory services to infrastructure and planning over the medium term as a result of the development of the monitoring and reporting systems to enhance the electrification planning and monitoring processes. This relates to the department's responsibility to monitor progress and conduct technical audits of completed electrification projects.

The spike in spending on computer services in 2013/14 is a result of the once-off allocation for the development of reporting systems to enhance the electrification planning and monitoring processes. The process is expected to be finalised by the end of 2013/14. Savings of R1 million will be made over the medium term to give effect to the Cabinet approved budget reductions, mostly on travel and subsistence expenditure related to non-delivery. The programme currently has 97 filled posts and this is expected to increase to 104 posts over the medium term as capacity is enhanced to manage the electrification programme.

## **Programme 5: Nuclear Energy**

### **Objectives**

- Regulate the security of nuclear material and facilities for the physical protection of nuclear material by developing and publishing appropriate regulations by 2013/14.
- Strengthen the control of and accounting for nuclear materials and related equipment by enforcing the relevant regulations and facilitating the installation of monitoring equipment at identified ports of entry in conjunction with the South African Revenue Service by 2013/14.
- Promote the safe management and disposal of radioactive waste by establishing and ensuring the full operation of the National Radioactive Waste Disposal Institute, as provided for in the radioactive waste management policy and strategy, by 2014/15.

### **Subprogrammes**

- *Nuclear Safety and Technology* manages and implements all matters related to nuclear safety and technology as required by legislation and international agreements; implements the nuclear energy policy, which was approved in 2008 as a national nuclear programme in line with the integrated resource plan requirements; and administers all matters related to nuclear safety, liability and emergency management with the aim to improve the governance of the nuclear sector, specifically in relation to nuclear safety and nuclear technology. In 2012/13, R610.2 million was transferred to the National Nuclear Regulator and the South African Nuclear Energy Corporation. This subprogramme had a staff complement of 11 in 2012/13.
- *Nuclear Non-proliferation and Radiation Security* manages and implements all matters related to nuclear non-proliferation and radiation security as required by legislation and international agreements. This subprogramme will standardise security measures at ports of entry, and install portal radiation monitors at the main ports of entry. This subprogramme had a staff complement of 9 in 2012/13.
- *Nuclear Policy* develops and reviews policies as required by international agreements and governance of the nuclear sector in South Africa; undertakes research and development; and reviews and monitors nuclear safety, nuclear technology, nuclear non-proliferation and nuclear radiation security policies and provides advice accordingly. This subprogramme will oversee the process of making amendments to the National Nuclear Regulator Act (1999). This subprogramme is projected to have a staff complement of 4 in 2014/15.

## Expenditure estimates

Table 29.15 Nuclear Energy

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Nuclear Safety and Technology	601.0	607.3	638.0	637.6	2.0%	99.1%	693.3	636.7	658.2	1.1%	97.6%
Nuclear Non-proliferation and Radiation Security	2.2	2.6	0.5	3.3	13.7%	0.3%	7.9	8.3	8.8	38.8%	1.1%
Nuclear Policy	6.6	2.5	3.8	2.1	-32.2%	0.6%	8.8	12.1	12.5	82.3%	1.3%
<b>Total</b>	<b>609.9</b>	<b>612.3</b>	<b>642.3</b>	<b>643.0</b>	<b>1.8%</b>	<b>100.0%</b>	<b>710.0</b>	<b>657.0</b>	<b>679.5</b>	<b>1.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				44.6			33.8	(20.9)	(14.0)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>22.0</b>	<b>18.3</b>	<b>20.8</b>	<b>32.5</b>	<b>13.9%</b>	<b>3.7%</b>	<b>36.1</b>	<b>40.6</b>	<b>41.3</b>	<b>8.4%</b>	<b>5.6%</b>
Compensation of employees	16.3	11.4	7.5	9.5	-16.5%	1.8%	12.9	16.4	17.3	22.2%	2.1%
Goods and services	5.6	6.9	13.3	22.9	59.7%	1.9%	23.2	24.2	24.0	1.5%	3.5%
<i>of which:</i>											
<i>Consultants and professional services:</i>	<i>0.1</i>	<i>0.0</i>	<i>0.5</i>	<i>14.6</i>	<i>492.6%</i>	<i>0.6%</i>	<i>8.4</i>	<i>8.7</i>	<i>9.0</i>	<i>-14.7%</i>	<i>1.5%</i>
<i>Business and advisory services</i>											
<i>Travel and subsistence</i>	<i>4.6</i>	<i>4.7</i>	<i>1.4</i>	<i>1.3</i>	<i>-34.2%</i>	<i>0.5%</i>	<i>5.2</i>	<i>5.5</i>	<i>5.7</i>	<i>62.8%</i>	<i>0.7%</i>
<i>Venues and facilities</i>	<i>0.1</i>	<i>0.3</i>	<i>0.1</i>	<i>0.6</i>	<i>120.2%</i>	<i>-</i>	<i>5.9</i>	<i>6.1</i>	<i>6.3</i>	<i>120.2%</i>	<i>0.7%</i>
<b>Transfers and subsidies</b>	<b>587.9</b>	<b>594.1</b>	<b>621.5</b>	<b>610.5</b>	<b>1.3%</b>	<b>96.3%</b>	<b>673.9</b>	<b>616.4</b>	<b>638.2</b>	<b>1.5%</b>	<b>94.4%</b>
Departmental agencies and accounts	23.8	20.0	35.4	42.9	21.7%	4.9%	68.2	33.7	34.9	-6.7%	6.7%
Foreign governments and international organisations	-	-	-	-	-	-	13.6	12.1	12.5	-	1.4%
Public corporations and private enterprises	564.1	574.1	586.0	567.6	0.2%	91.4%	592.2	570.7	590.8	1.3%	86.3%
<b>Total</b>	<b>609.9</b>	<b>612.3</b>	<b>642.3</b>	<b>643.0</b>	<b>1.8%</b>	<b>100.0%</b>	<b>710.0</b>	<b>657.0</b>	<b>679.5</b>	<b>1.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>16.5%</b>	<b>11.1%</b>	<b>10.4%</b>	<b>9.5%</b>			<b>10.8%</b>	<b>9.1%</b>	<b>8.5%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>22.9</b>	<b>19.1</b>	<b>35.0</b>	<b>42.5</b>	<b>22.9%</b>	<b>4.8%</b>	<b>67.8</b>	<b>33.3</b>	<b>34.5</b>	<b>-6.7%</b>	<b>6.6%</b>
National Nuclear Regulator	22.9	19.1	35.0	42.5	22.9%	4.8%	48.0	33.3	34.5	-6.7%	5.9%
National Radio Active Waste Disposal Institute	-	-	-	-	-	-	19.8	-	-	-	0.7%
<b>Capital</b>	<b>0.9</b>	<b>0.9</b>	<b>0.5</b>	<b>0.4</b>	<b>-24.6%</b>	<b>0.1%</b>	<b>0.3</b>	<b>0.4</b>	<b>0.4</b>	<b>1.2%</b>	<b>0.1%</b>
National Nuclear Regulator	0.9	0.9	0.5	0.4	-24.6%	0.1%	0.3	0.4	0.4	1.2%	0.1%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Public corporations - subsidies on products and production</b>											
<b>Current</b>	<b>475.4</b>	<b>490.5</b>	<b>505.8</b>	<b>489.1</b>	<b>1.0%</b>	<b>78.2%</b>	<b>502.7</b>	<b>491.9</b>	<b>509.3</b>	<b>1.4%</b>	<b>74.1%</b>
South African Nuclear Energy Corporation	475.4	490.5	505.8	489.1	1.0%	78.2%	502.7	491.9	509.3	1.4%	74.1%
<b>Capital</b>	<b>88.7</b>	<b>83.6</b>	<b>80.2</b>	<b>78.5</b>	<b>-4.0%</b>	<b>13.2%</b>	<b>89.5</b>	<b>78.8</b>	<b>81.6</b>	<b>1.3%</b>	<b>12.2%</b>
South African Nuclear Energy Corporation	88.7	83.6	80.2	78.5	-4.0%	13.2%	89.5	78.8	81.6	1.3%	12.2%
<b>Foreign governments and international organisations</b>											
<b>Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13.6</b>	<b>12.1</b>	<b>12.5</b>	<b>-</b>	<b>1.4%</b>
International Atomic Energy Agency and International Renewable Energy Agency	-	-	-	-	-	-	13.6	12.1	12.5	-	1.4%

## Personnel information

Table 29.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Nuclear Energy</b>																			
Salary level	20	1	20	7.5	0.4	21	9.5	0.5	26	12.9	0.5	30	16.4	0.5	30	17.3	0.6	12.6%	100.0%
1 – 6	–	3	3	0.4	0.1	3	0.5	0.2	4	0.8	0.2	4	0.9	0.2	4	0.9	0.2	10.1%	14.0%
7 – 10	12	6)	6	1.4	0.2	6	1.7	0.3	8	2.6	0.3	9	3.1	0.3	9	3.2	0.4	14.5%	29.9%
11 – 12	4	3	7	2.7	0.4	7	3.3	0.5	9	5.1	0.6	10	6.0	0.6	10	6.3	0.6	12.6%	33.6%
13 – 16	4	1	4	3.1	0.8	5	4.0	0.8	5	4.3	0.9	7	6.5	0.9	7	6.8	1.0	11.9%	22.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Expenditure in the *Nuclear Safety and Technology* subprogramme is expected to increase over the medium term to establish the National Radioactive Waste Disposal Institute in 2013/14, and for the payment of International Atomic Energy Agency membership fees. This is evident in the increases in transfers and subsidies in these periods. The institute will be established in accordance with the National Radioactive Waste Disposal Institute Act (2008), with a mandate to fulfil the institutional obligation of managing the disposal of radioactive waste on a national scale which is vested in the Minister of Energy. The expected increase in spending on compensation of employees between 2012/13 and 2015/16 is due to reprioritised funding of R5.7 million for improved conditions of service and added human resource capacity, mainly from the integrated national electrification programme in the *Electrification and Energy Programme Management* programme.

Spending in this programme is dominated by transfers to the nuclear departmental agencies, such as the South African Nuclear Energy Corporation and the National Nuclear Regulator. The South African Nuclear Energy Corporation receives an additional allocation of R14.2 million in 2013/14 to build the waste processing facility, as well as a once-off allocation in 2013/14 of R33.5 million, shifted mostly from the solar water geyser project which was experiencing slow take up at the time, to assist with the research and development facilities attached to the Safari-1 nuclear reactor. The National Nuclear Regulator receives R116.9 million over the medium term, which includes a once-off allocation of R17 million to cater for the emergency preparedness centre, as well as an ICT infrastructure upgrade. Expenditure on travel and subsistence is expected to increase over the medium term due to an increase in the number of nuclear safeguards, compliance inspections, audits and investigations over the medium term, while spending on venues and facilities increases due to the public consultation process for amendments to the National Nuclear Regulator Act (1999).

Spending on consultants increased significantly between 2009/10 and 2012/13 due to a once-off allocation in 2012/13 for the conducting of research in preparation for the nuclear build. Spending on consultants is expected to decrease over the medium term as less planning is required around the nuclear build. Reductions of R40.3 million will be made over the medium term as part of Cabinet approved budget reductions, mostly in transfers to entities such as the South African Nuclear Energy Corporation and the National Nuclear Regulator. The programme will absorb these reductions by implementing efficiency measures, and by reducing the size and number of delegations to meetings and conferences.

This programme has a staff complement of 21 in 2012/13, which is expected to increase to 30 by 2015/16 as the human resource capacity of the programme is strengthened in line with the department's mandate on nuclear energy policy. Expenditure on compensation of employees thus grows significantly over the medium term.

## Programme 6: Clean Energy

### Objectives

- Manage climate change and environmental matters through regulations and monitoring to mitigate the risk of environmental impact by:
  - publishing strategies and plans by 2014/15
  - developing a regulatory framework that supports carbon capture and storage test injection by 2016.
- Promote and facilitate energy efficiency and demand management by:
  - monitoring and reporting on energy savings on an ongoing basis
  - coordinating, monitoring and reporting on the progress and impact of energy efficiency and demand management strategies by 2015
  - reviewing the energy efficiency tax incentive and energy conservation schemes by 2014/15.
- Improve demand management by facilitating the development of an energy management plan by 2014/15.
- Ensure the integration of renewable energy into the mainstream energy supply of South Africa by planning and coordinating initiatives and interventions focused on the development and improvement of the renewable energy market through:
  - improving the generation capacity of renewable energy to at least 42 per cent in 2030
  - facilitating approval of the Renewable Energy White Paper by 2013/14
  - implementing awareness campaigns from 2013/14 onwards.

### Subprogrammes

- *Energy Efficiency* advances energy efficiency in South Africa by planning and coordinating initiatives and interventions focused on developing and improving the energy efficiency market; and ensures integration and coordination of energy efficiency initiatives and interventions with relevant associated institutions. In 2012/13, the bulk of this subprogramme's total budget (99.6 per cent) was used for transfer payments to Eskom and municipalities for implementing the energy efficiency demand side management programme. This subprogramme had a staff complement of 9 in 2012/13.
- *Renewable Energy* is discussed in more detail below.
- *Climate Change and Designated National Authority* ensures that climate change and environment response measures, in terms of mitigation and adaptation, are implemented within the energy sector; and fulfils international energy commitments and obligations under the United Nations Framework Convention on Climate Change pertaining to the Kyoto Protocol. This subprogramme will develop an energy and climate change strategy, and measure and report on energy related carbon emission reductions. This subprogramme had a staff complement of 7 in 2012/13.

### Expenditure estimates

Table 29.17 Clean Energy

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Energy Efficiency	253.4	339.3	418.8	1 025.8	59.4%	91.7%	1 478.3	1 823.0	934.7	-3.1%	91.6%
Renewable Energy	10.3	25.8	73.6	61.2	81.2%	7.7%	140.8	169.5	96.2	16.3%	8.1%
Climate change and Designated National Authority	2.8	2.9	3.3	3.4	6.6%	0.6%	4.5	4.8	5.0	14.1%	0.3%
<b>Total</b>	<b>266.4</b>	<b>368.0</b>	<b>495.7</b>	<b>1 090.3</b>	<b>60.0%</b>	<b>100.0%</b>	<b>1 623.6</b>	<b>1 997.3</b>	<b>1 036.0</b>	<b>-1.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(214.7)			(371.3)	(301.4)	781.0		

Table 29.17 Clean Energy (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
<b>Current payments</b>	<b>11.4</b>	<b>18.6</b>	<b>31.6</b>	<b>13.6</b>	<b>6.1%</b>	<b>3.4%</b>	<b>40.6</b>	<b>42.8</b>	<b>44.9</b>	<b>48.9%</b>	<b>2.5%</b>	
Compensation of employees	7.9	14.5	18.7	11.8	14.1%	2.4%	12.7	13.5	14.2	6.5%	0.9%	
Goods and services	3.5	4.1	12.9	1.8	-19.4%	1.0%	27.9	29.3	30.7	156.9%	1.6%	
Consultants and professional services: Business and advisory services	0.7	0.7	8.0	-	-100.0%	0.4%	-	-	-	-	-	
Operating leases	-	1.1	-	0.1	-	0.1%	0.1	0.1	0.1	3.7%	-	
Travel and subsistence	1.2	1.7	2.3	0.8	-10.0%	0.3%	3.0	3.2	3.3	57.4%	0.2%	
Venues and facilities	0.1	0.0	1.5	0.1	-7.6%	0.1%	13.5	14.2	15.0	495.3%	0.7%	
<b>Transfers and subsidies</b>	<b>255.0</b>	<b>349.4</b>	<b>464.1</b>	<b>1 076.7</b>	<b>61.6%</b>	<b>96.6%</b>	<b>1 583.0</b>	<b>1 954.5</b>	<b>991.1</b>	<b>-2.7%</b>	<b>97.5%</b>	
Provinces and municipalities	175.0	220.0	280.0	200.0	4.6%	39.4%	180.7	155.4	202.0	0.3%	12.8%	
Departmental agencies and accounts	-	-	20.1	56.1	-	3.4%	134.3	162.7	89.1	16.7%	7.7%	
Public corporations and private enterprises	80.0	129.4	164.0	820.6	117.3%	53.8%	1 267.9	1 636.4	700.0	-5.2%	77.0%	
<b>Total</b>	<b>266.4</b>	<b>368.0</b>	<b>495.7</b>	<b>1 090.3</b>	<b>60.0%</b>	<b>100.0%</b>	<b>1 623.6</b>	<b>1 997.3</b>	<b>1 036.0</b>	<b>-1.7%</b>	<b>100.0%</b>	
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>7.2%</b>	<b>6.7%</b>	<b>8.0%</b>	<b>16.2%</b>			<b>24.6%</b>	<b>27.7%</b>	<b>13.0%</b>			

## Details of selected transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current											
South African National Energy Development Institute	-	-	20.1	56.1	-	3.4%	63.3	162.7	89.1	16.7%	6.5%
Capital	-	-	-	-	-	-	71.0	-	-	-	1.2%
South African National Energy Development Institute: Carbon capture and storage	-	-	-	-	-	-	69.0	-	-	-	1.2%
South African National Energy Development Institute: Hydraulic fracturing	-	-	-	-	-	-	2.0	-	-	-	-
Public corporations and private enterprises											
Public corporations											
Public corporations - subsidies on products and production											
Current											
Eskom: National energy efficiency and demand side management	74.5	108.9	118.8	820.6	122.5%	50.6%	1 267.9	1 636.4	700.0	-5.2%	77.0%
Provinces and municipalities											
Municipalities											
Municipal bank accounts											
Current											
Energy efficiency and demand side management grant	175.0	220.0	280.0	200.0	4.6%	39.4%	180.7	155.4	202.0	0.3%	12.8%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current											
Renewable energy subsidy scheme	5.6	20.5	45.2	-	-100.0%	3.2%	-	-	-	-	-
South African National Energy Development Institute	5.6	0.5	20.2	-	-100.0%	1.2%	-	-	-	-	-
South African National Energy Development Institute	-	20.0	25.0	-	-	2.0%	-	-	-	-	-

## Personnel information

Table 29.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Clean Energy	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16								
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary level	21	4	30	18.7	0.6	25	11.8	0.5	25	12.7	0.5	25	13.5	0.5	25	14.2	0.6	-	100.0%
1 - 6	-	4	4	1.5	0.4	4	0.7	0.2	4	0.9	0.2	4	0.9	0.2	4	1.0	0.3	-	16.0%
7 - 10	10	(1)	11	5.4	0.5	9	3.1	0.3	9	3.5	0.4	9	3.7	0.4	9	3.9	0.4	-	36.0%
11 - 12	6	1	7	3.8	0.5	7	3.8	0.5	7	4.1	0.6	7	4.3	0.6	7	4.6	0.7	-	28.0%
13 - 16	5	-	8	8.0	1.0	5	4.3	0.9	5	4.3	0.9	5	4.5	0.9	5	4.8	1.0	-	20.0%

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

2. Rand million.

3. As at 30 September 2012.



## Expenditure trends

The spending focus over the medium term will be on increasing transfer payments to the South African National Energy Development Institute to carry out research and development for two key projects: carbon capture and storage, and hydraulic fracturing. The department aims to conduct a carbon capture and storage test injection in 2016. The projected decrease in expenditure over the medium term is mainly due to a decrease in the national energy efficiency and demand side management grant to Eskom for the installation of solar water geysers, from R820.6 million in 2012/13 to R700 million in 2015/16, which is when the programme is scheduled to conclude.

Expenditure in the *Energy Efficiency* subprogramme increased between 2009/10 and 2012/13 as a result of the introduction of, and subsequent additional allocations made towards, the energy efficiency and demand side management programme implemented by both Eskom and selected municipalities, as well as spending on the solar water geyser programme. Over the same period, expenditure on compensation of employees increased due to capacity building necessitated by the separation of the department from the Department of Minerals and Energy.

Transfer payments to the South African National Energy Development Institute began in 2011/12 with an initial allocation of R20.1 million that increased to R56.1 million in 2012/13 due to a once-off allocation of R13 million for operational activities, and a baseline adjustment for operational activities, which also explains the increase in the *Renewable Energy* subprogramme. This entity also receives an additional R217 million over the medium term for research and development into the carbon capture and storage, and hydraulic fracturing projects.

Reductions in spending of R71.1 million will be made over the medium term as part of Cabinet approved budget reductions, mostly in transfers to municipalities.

The programme has a funded establishment of 21, and 4 posts are filled in addition to the establishment. There were no vacancies at the end of September 2012, and no significant changes are expected over the medium term.

## Subprogramme: Renewable Energy

This subprogramme ensures the integration of renewable energy into South Africa's mainstream energy supply by planning and coordinating initiatives and interventions focused on the development and improvement of the renewable energy market; and ensures the integration and coordination of renewable energy initiatives and interventions with relevant associated institutions. The largest spending item is on transfers to the South African National Energy Development Institute for research and development into the carbon capture and storage, and hydraulic fracturing projects. In 2012/13, the bulk of this subprogramme's total budget (90.8 per cent) was transferred to the South African National Energy Development Institute.

## Expenditure estimates

**Table 29.19 Renewable Energy**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
<b>Current payments</b>	4.7	5.3	8.3	5.1	2.6%	13.7%	6.4	6.8	7.2	12.1%	5.5%
Compensation of employees	2.9	3.5	7.1	4.0	11.6%	10.2%	4.4	4.6	4.9	6.9%	3.8%
Goods and services	1.9	1.8	1.2	1.1	-15.8%	3.5%	2.1	2.2	2.3	27.7%	1.6%
<b>Transfers and subsidies</b>	5.6	20.5	65.3	56.1	116.1%	86.3%	134.3	162.7	89.1	16.7%	94.5%
Departmental agencies and accounts	–	–	20.1	56.1	–	44.6%	134.3	162.7	89.1	16.7%	94.5%
Public corporations and private enterprises	5.6	20.5	45.2	–	-100.0%	41.7%	–	–	–	–	–
<b>Total</b>	10.3	25.8	73.6	61.2	81.2%	100.0%	140.8	169.5	96.2	16.3%	100.0%
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	3.9%	7.0%	14.9%	5.6%			8.7%	8.5%	9.3%		

## Personnel information

**Table 29.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost
<b>Renewable Energy</b>		9	4	0.4	9	4	0.4	9	4	0.5	9	5	0.5	9	5	0.5	-	100.0%	
<b>Salary level</b>	6	3																	
1 – 6	-	1	1	0	0.1	1	0	0.2	1	0	0.2	1	0	0.2	1	0	0.3	-	11.1%
7 – 10	2	1	3	0.7	0.2	3	0.8	0.3	3	1.0	0.3	3	1.1	0.4	3	1.1	0.4	-	33.3%
11 – 12	2	2	4	2.1	0.5	4	2.1	0.5	4	2.3	0.6	4	2.5	0.6	4	2.6	0.7	-	44.4%
13 – 16	2	(1)	1	0.8	0.8	1	0.9	0.9	1	0.8	0.8	1	0.9	0.9	1	0.9	0.9	-	11.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The increase in expenditure over the medium term is due to an increase in transfer payments to the South African National Energy Development Institute to fund its operations as well as to undertake specific research and development related to the carbon capture and hydraulic fracturing projects. This research will form the basis of policies to be developed which target climate change obligations and ensure the security of energy supply in the country. The institute will receive a total of R386.1 million over the medium term, consisting of R134.3 million in 2013/14, R162.7 million in 2014/15 and R89.1 million in 2015/16, including R217 million for the carbon capture and hydraulic fracturing projects.

Between 2009/10 and 2012/13, expenditure in this subprogramme increased significantly due to an increase in transfer payments to the South African National Energy Development Institute to fund its operations as well as to fund activities within the Working for Energy project. The operational grant to the institute started in 2011/12, following the institute's separation from the Central Energy Fund group of companies, with an initial allocation of R20.1 million, which increased to R56.1 million in 2012/13.

This subprogramme has a staff complement of 9 personnel, which is expected to remain constant over the medium term.

Cost savings of R132 000 have been identified over the medium term as part of the Cabinet approved reductions, from various non-core goods and services items such as consultants.

## Public entities and other agencies

### Central Energy Fund

#### Mandate and goals

The Central Energy Fund is listed in schedule 2A of the Public Finance Management Act (1999) and is a private company, which is governed by the Central Energy Fund Act (1977). The act requires the company to research, finance, develop and exploit appropriate energy solutions across the spectrum of energy sources to meet South Africa's future energy needs. In terms of its governing legislation, the company is also mandated to manage the Equalisation Fund, which collects levies from the retail sales of petroleum products to eliminate unnecessary fluctuations in the retail price of liquid fuel and to give tariff protection to the synthetic fuel industry.

Through its 10 operating subsidiaries, the Central Energy Fund is also mandated to finance and promote the acquisition of coal, the exploitation of coal deposits, the manufacture of liquid fuel, oil and other products from coal, and to market these products. The subsidiaries are: the Petroleum, Oil and Gas Corporation of South Africa; the South African Gas Development Company; the Petroleum Agency of South Africa; Oil Pollution Control South Africa; the Strategic Fuel Fund Association; African Exploration; ETA Energy; the South African Supplier Development Agency; the Central Energy Fund Carbon; and CCE Solutions.

The fund's strategic goals over the medium term are to:

- align operations and activities with the government's key outcomes and the minister's delivery agreement obligations
- ensure the long term profitability of the fund
- invest in alternative and cleaner energy technologies that will improve the quality of life for low income households through more affordable and safer energy sources
- manage investments in subsidiaries to ensure good governance and sustainability
- contribute towards South Africa's renewable energy targets
- improve energy security of supply through diversifying sources and by building and managing strategic energy stocks and energy infrastructure
- continue to develop projects in the clean and renewable energy sector.

## Selected performance indicators

Table 29.21 Central Energy Fund

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of crude oil barrels maintained as per ministerial directive per year, measured in millions of barrels (mbbl)	Security of supply	10.3mbbl	10.3mbbl	10.3mbbl	10.3mbbl	10.3mbbl	10.3mbbl	10.3mbbl
Number of demonstrations of Basa Njengo Magogo method for cleaner coal use in townships per year	Diversity of energy sources	40 000	50 000	30 000	40 000	40 000	40 000	40 000
Number of new solar water heating units installed per year <sup>1</sup>	Diversity of energy sources	500	- <sup>1</sup>	500	1 500	6 600	9 300	9 300
Number of tons (measured per thousands) of coal produced at Vlakfontein by the African Exploration Mining And Finance Corporation <sup>2</sup>	Security of supply	- <sup>2</sup>	- <sup>2</sup>	750	1 200	1 200	1 200	1 200

1. The target for 2010/11 was not achieved due to delays in the implementation process.

2. No activity in prior years as mining activity in Vlakfontein began in February 2011.

## Programmes/activities/objectives

Table 29.22 Central Energy Fund

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
R million												
Effectively manage finances	473.2	471.4	474.0	503.0	2.1%	3.5%	2 310.2	1 307.2	1 699.6	50.1%	5.5%	
Provide corporate services to subsidiaries	1 044.5	1 040.5	1 891.7	3 719.0	52.7%	12.6%	3 904.9	3 119.3	3 275.3	-4.1%	14.2%	
Manage and develop projects	6 932.7	7 670.4	11 008.6	14 099.9	26.7%	69.2%	15 222.9	20 967.1	22 342.3	16.6%	70.2%	
Develop human capital	2 477.1	2 508.8	1 200.9	1 235.2	-20.7%	14.7%	3 079.7	3 150.1	3 150.1	36.6%	10.1%	
<b>Total expense</b>	<b>10 927.6</b>	<b>11 691.0</b>	<b>14 575.3</b>	<b>19 557.1</b>	<b>21.4%</b>	<b>100.0%</b>	<b>24 517.8</b>	<b>28 543.7</b>	<b>30 467.3</b>	<b>15.9%</b>	<b>100.0%</b>	

## Expenditure estimates

Table 29.23 Central Energy Fund

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
R million												
<b>Revenue</b>												
<b>Non-tax revenue</b>	<b>10 561.8</b>	<b>12 672.3</b>	<b>16 402.0</b>	<b>19 047.0</b>	21.7%	98.8%	<b>26 303.6</b>	<b>31 904.2</b>	<b>34 152.5</b>	21.5%	100.0%	
Sale of goods and services other than capital assets	8 559.0	11 067.6	14 988.1	17 858.5	27.8%	87.4%	22 915.4	27 563.1	29 768.2	18.6%	88.6%	
of which:												
Sales by market establishment	8 559.0	11 067.6	14 982.3	17 858.5	27.8%	87.3%	22 915.4	27 563.1	29 768.2	18.6%	88.6%	
Other sales	-	-	5.8	-	-	0.0%	-	-	-	-	-	
Other non-tax revenue	2 002.7	1 604.6	1 414.0	1 188.5	-16.0%	11.4%	3 388.1	4 341.1	4 384.3	54.5%	11.4%	
<b>Total revenue</b>	<b>10 853.5</b>	<b>12 947.3</b>	<b>16 412.3</b>	<b>19 047.0</b>	<b>20.6%</b>	<b>100.0%</b>	<b>26 303.6</b>	<b>31 904.2</b>	<b>34 152.5</b>	<b>21.5%</b>	<b>100.0%</b>	
<b>Expenses</b>												
<b>Current expenses</b>	<b>10 926.7</b>	<b>11 681.8</b>	<b>14 575.3</b>	<b>19 557.1</b>	<b>21.4%</b>	<b>100.0%</b>	<b>24 517.8</b>	<b>28 543.7</b>	<b>30 467.3</b>	<b>15.9%</b>	<b>100.0%</b>	
Compensation of employees	1 324.0	1 392.2	1 169.3	1 202.1	-3.2%	9.5%	1 492.6	1 525.4	1 647.5	11.1%	5.7%	
Goods and services	8 399.8	8 563.3	11 899.0	16 963.9	26.4%	79.6%	20 051.7	23 281.6	27 726.5	17.8%	85.3%	
Depreciation	764.4	1 266.9	1 032.9	888.1	5.1%	7.4%	1 800.3	2 429.5	-	-100.0%	5.1%	
Interest, dividends and rent on land	438.6	459.4	474.0	503.0	4.7%	3.4%	1 173.2	1 307.2	1 093.3	29.5%	3.9%	
<b>Total expenses</b>	<b>10 926.7</b>	<b>11 681.8</b>	<b>14 575.3</b>	<b>19 557.1</b>	<b>21.4%</b>	<b>100.0%</b>	<b>24 517.8</b>	<b>28 543.7</b>	<b>30 467.3</b>	<b>15.9%</b>	<b>100.0%</b>	
Surplus/(Deficit)	(74.0)	1 256.0	1 837.0	(510.0)	90.3%		1 786.0	3 360.0	3 685.0	-293.3%		

Table 29.23 Central Energy Fund (continued)

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10	2012/13	2013/14	2014/15	2015/16		
								2012/13 - 2015/16			
R million											
Carrying value of assets	6 972.3	7 478.3	7 055.3	15 136.1	29.5%	24.3%	18 721.2	20 661.0	20 949.8	11.4%	38.8%
<i>of which:</i>											
Acquisition of assets	1 445.6	243.1	686.5	4 832.1	-49.5%	4.5%	3 719.3	2 061.0	398.5	-56.5%	5.8%
Investments	674.4	740.2	756.2	19 233.1	205.5%	12.3%	19 120.3	19 139.3	19 615.2	0.7%	39.9%
Inventory	3 480.1	3 637.5	5 692.9	3 848.9	3.4%	11.5%	3 464.0	3 117.6	2 805.9	-10.0%	6.9%
Receivables and prepayments	3 616.5	2 185.3	2 429.3	2 296.6	-14.0%	7.4%	3 395.5	4 662.2	4 090.2	21.2%	7.4%
Cash and cash equivalents	15 303.1	17 531.7	19 144.9	2 941.6	-42.3%	40.0%	1 466.4	400.0	900.0	-32.6%	3.0%
Non-current assets held for sale	988.2	1 168.8	0.1	-	-100.0%	1.6%	-	-	-	-	-
Taxation	1 299.2	424.2	26.8	5.9	-83.5%	1.3%	5.9	5.9	5.9	-	0.0%
Derivatives financial instruments	463.3	428.1	26.8	1 626.4	52.0%	1.6%	1 838.5	2 073.1	2 304.1	12.3%	4.0%
<b>Total assets</b>	<b>32 797.1</b>	<b>33 594.1</b>	<b>35 132.3</b>	<b>45 088.6</b>	<b>11.2%</b>	<b>100.0%</b>	<b>48 011.8</b>	<b>50 059.2</b>	<b>50 671.0</b>	<b>4.0%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	23 285.8	24 532.9	26 370.7	24 828.5	2.2%	68.5%	25 588.4	27 895.1	29 981.1	6.5%	55.8%
Capital and reserves	(80.8)	(47.0)	74.1	78.6	-199.1%	-0.0%	80.7	83.1	85.7	2.9%	0.2%
Borrowings	431.5	263.3	-	11 483.0	198.6%	6.9%	12 961.0	11 931.0	9 583.0	-5.9%	23.8%
Deferred income	48.8	3.5	13.6	-	-100.0%	0.0%	-	-	-	-	-
Trade and other payables	3 140.8	1 580.3	2 174.6	886.7	-34.4%	5.6%	798.0	718.2	646.4	-10.0%	1.6%
Taxation	961.0	28.3	10.7	7.4	-80.3%	0.8%	1.5	1.5	1.5	-41.2%	0.0%
Provisions	5 010.1	7 232.9	6 654.4	7 793.6	15.9%	18.2%	8 573.0	9 430.3	10 373.3	10.0%	18.6%
Managed funds (e.g. poverty alleviation fund)	-	-	-	10.8	-	0.0%	9.2	-	-	-100.0%	0.0%
<b>Total equity and liabilities</b>	<b>32 797.1</b>	<b>33 594.1</b>	<b>35 298.1</b>	<b>45 088.6</b>	<b>11.2%</b>	<b>100.0%</b>	<b>48 011.8</b>	<b>50 059.2</b>	<b>50 671.0</b>	<b>4.0%</b>	<b>100.0%</b>

## Personnel information

Table 29.24 Central Energy Fund

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Salary level	2 058	-	2 520	1 169.3	0.5	2 058	1 202.1	0.6	2 851	1 492.6	0.5	2 531	1 525.4	0.6	2 651	1 647.5	0.6	8.8%	100.0%
1-6	280	-	280	38.2	0.1	280	41.4	0.1	280	44.7	0.2	280	47.4	0.2	280	50.2	0.2	-	11.3%
7-10	920	-	1 405	408.1	0.3	920	267.6	0.3	1 705	473.1	0.3	1 385	444.8	0.3	1 505	502.0	0.3	17.8%	54.0%
11-12	372	-	362	196.3	0.5	372	221.5	0.6	372	239.3	0.6	372	253.6	0.7	372	268.8	0.7	-	15.0%
13-16	409	-	403	385.2	1.0	409	490.8	1.2	417	540.3	1.3	417	572.7	1.4	417	607.1	1.5	0.6%	16.7%
17-22	77	-	70	141.6	2.0	77	180.8	2.3	77	195.3	2.5	77	207.0	2.7	77	219.4	2.8	-	3.1%

1. Rand million.

## Expenditure trends

The spending focus over the medium term of the Central Energy Fund is on accelerating spending on infrastructure as well as the development of renewable and alternative energy sources. Projects incorporated over the medium term include Ikhwezi, with a total approved budget of R11.2 billion, Sabre Oil and Gas in the Jubilee Production Field, with a total budget of R4 billion, and Irene and other downstream acquisitions with a total estimated cost of R14 billion. Other projects to be undertaken are Project Mthombo, and projects in Venezuela and Equatorial Guinea. Project Mthombo is a PetroSA initiative to build a world-class crude refinery in the Coega Industrial Development Zone in the Eastern Cape. The initiative in Equatorial Guinea is a drilling project, while the project in Venezuela relates to the acquisition of a mature field opportunity. This accounts for the strong growth in acquisition of assets over the medium term.

The fund derives its revenue from the sale of energy products, services rendered, royalty receipts and tank rentals. Revenue is expected to increase over the medium term from R19 billion in 2012/13 to R34.2 billion in

2015/16 due to projected receipts from projects that will be implemented over the medium term. The improved turnover is mainly due to improved market conditions from 2011/12 and increases in oil prices, and the demand for storage.

The feasibility studies on the Solar Park project started in 2012/13, and due to capacity constraints, there will be significant reliance on the work of consultants to carry out the first phase of this project. This will result in higher consultancy costs but overall costs on other consultancy work unrelated to the project are expected to decrease. The current estimated cost of this project is R75 million inclusive of consulting, legal and travel and subsistence costs. Due to the abovementioned projects, total expenditure increased from R10.9 billion in 2009/10 to R19.6 billion in 2012/13, and over the medium term is expected to grow to R30.5 billion in 2015/16. Expenditure on goods and services increased from R8.4 billion in 2009/10 to R17 billion in 2012/13. Expenditure on consultants amounted to R140 million in 2012/13, or 11.7 per cent of the compensation of employees budget. Over the medium term, expenditure is expected to increase to R27.7 billion in 2015/16 due to various infrastructure projects that are currently underway and due to be implemented.

Expenditure on compensation of employees decreased from R1.3 billion in 2009/10 to R1.2 billion in 2012/13, attributable to the number of vacant posts that remained unfilled for the major part of the financial year due to delays in recruitment processes, and some successful candidates declining offers, thereby necessitating the company to start the processes over again. Over the medium term, spending on compensation of employees is expected to increase to R1.6 billion mainly due to inflation, and provisions made for new positions to be created in addition to the current establishment.

Cost saving initiatives include the identification of budget monitoring as a key focus area, with the alignment of spending areas linked with a business plan. Deviations will be reported on a monthly basis and corrective action taken.

The fund had an establishment of 2 058 posts, all of which were funded, and of which 2 000 are permanent employees. There were no vacancies. The number of posts decreased from 2 520 in 2011/12 to 2 058 in 2012/13 due to the reduction of contracted staff, as most of the projects were completed. Over the medium term, filled posts are expected to increase to 2 651, which is attributed to the planned investment on infrastructure projects discussed earlier.

## **South African Nuclear Energy Corporation**

### **Mandate and goals**

The South African Nuclear Energy Corporation derives its mandate from the Nuclear Energy Act (1999), the nuclear energy policy of 2008, and directives conferred on it by the Minister of Energy. The corporation is responsible for nuclear energy research, development and innovation in South Africa, and the execution of nuclear fuel cycle activities.

Responsibilities also include: operating the SAFARI-1 research nuclear reactor for research and development purposes, and to provide irradiation services for the production of radioisotopes; the decommissioning and decontamination of nuclear facilities; and contributing to South Africa's obligations in terms of international nuclear treaties and agreements. The latter includes: the comprehensive safeguards agreement with the International Atomic Energy Agency; the Africa Regional Cooperative Agreement for research, development and training related to nuclear science and technology; the Comprehensive Nuclear Test Ban Treaty; and the Pelindaba Treaty.

The corporation's strategic over the medium term are to:

- maintain and develop the capability to house nuclear programmes
- develop a strategy for the industrialisation of nuclear and associated technology
- provide research and development support to the nuclear power cluster, specifically relating to uranium process chemistry
- develop the production and commercial utilisation of radiation products and services.

## Selected performance indicators

Table 29.25 South African Nuclear Energy Corporation

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Annual sales for the Nuclear Energy Corporation of South Africa as a per cent of total group annual sales per year	All	20.40% (R1 049 014)	5.5% (R1 107 135)	5.7% (R1 113 118)	9.11% (R1 137 400)	15.26% (R1 390 577)	14.05% (R1 588 834)	13.34% (R1 767 623)
Number of published scientific articles per year	Research and development	26	17	39	36	40	45	50
Number of products and process innovations per year	Research and development	8	31	11	12	14	17	21
Maximum allowable annual dose in terms of licence conditions (microSv)	Research and development	5.5	9	6.3	6.3	6	6	6
Performance percentage in terms of the annual safeguards activity plan objective	Nuclear power programme cluster	100%	100%	100%	100%	100%	100%	100%
Number of reactor days that are operationally available out of the days scheduled for operation	Nuclear power programme cluster	301/303	306/304	308/303	303/303	303/303	303/303	303/303

## Programmes/activities/objectives

Table 29.26 South African Nuclear Energy Corporation

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Nuclear power programme cluster	-	347.1	441.7	329.5	-	16.7%	477.5	544.6	574.7	20.4%	23.6%
Radiation science and applications, programmes cluster	-	705.2	604.3	798.3	-	31.4%	868.1	914.4	996.0	7.7%	44.4%
The corporation as a host of nuclear programme cluster	-	331.3	343.4	357.4	-	15.4%	396.1	405.6	424.4	5.9%	19.7%
Support services	-	237.3	276.9	251.1	-	11.4%	229.8	245.0	263.5	1.6%	12.3%
Total amounts are disclosed due to restructuring	1 445.8	-	-	-	-100.0%	25.0%	-	-	-	-	-
<b>Total expense</b>	<b>1 445.8</b>	<b>1 620.9</b>	<b>1 666.3</b>	<b>1 736.3</b>	<b>6.3%</b>	<b>100.0%</b>	<b>1 971.4</b>	<b>2 109.7</b>	<b>2 258.6</b>	<b>9.2%</b>	<b>100.0%</b>

## Expenditure estimates

Table 29.27 South African Nuclear Energy Corporation

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>1 140.7</b>	<b>1 245.4</b>	<b>1 208.8</b>	<b>1 220.9</b>	<b>2.3%</b>	<b>70.4%</b>	<b>1 462.1</b>	<b>1 667.5</b>	<b>1 854.0</b>	<b>14.9%</b>	<b>73.5%</b>
Sale of goods and services other than capital assets	1 049.0	1 107.1	1 113.1	1 137.4	2.7%	64.5%	1 390.6	1 588.8	1 767.6	15.8%	69.7%
<i>of which:</i>											
<i>Sales by market establishment</i>	1 049.0	1 107.1	1 113.1	1 137.4	2.7%	64.5%	1 390.6	1 588.8	1 767.6	15.8%	69.7%
<i>Other non-tax revenue</i>	91.7	138.3	95.7	83.5	-3.1%	6.0%	71.5	78.7	86.3	1.1%	3.9%
<b>Transfers received</b>	<b>471.9</b>	<b>504.9</b>	<b>530.3</b>	<b>515.8</b>	<b>3.0%</b>	<b>29.6%</b>	<b>583.6</b>	<b>551.7</b>	<b>546.4</b>	<b>1.9%</b>	<b>26.5%</b>
<b>Total revenue</b>	<b>1 612.6</b>	<b>1 750.3</b>	<b>1 739.1</b>	<b>1 736.7</b>	<b>2.5%</b>	<b>100.0%</b>	<b>2 045.7</b>	<b>2 219.2</b>	<b>2 400.3</b>	<b>11.4%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>1 398.0</b>	<b>1 506.1</b>	<b>1 574.4</b>	<b>1 654.1</b>	<b>5.8%</b>	<b>94.8%</b>	<b>1 895.5</b>	<b>2 007.6</b>	<b>2 130.8</b>	<b>8.8%</b>	<b>95.2%</b>
Compensation of employees	597.0	651.1	710.9	701.1	5.5%	41.1%	786.5	833.6	883.6	8.0%	39.7%
Goods and services	732.7	767.8	771.6	864.3	5.7%	48.5%	1 008.7	1 065.8	1 140.4	9.7%	50.5%
Depreciation	47.4	72.4	79.6	83.2	20.6%	4.3%	92.6	96.3	93.1	3.8%	4.5%
Interest, dividends and rent on land	21.0	14.8	12.3	5.5	-35.9%	0.9%	7.7	11.9	13.8	35.8%	0.5%
<b>Transfers and subsidies</b>	<b>-</b>	<b>43.9</b>	<b>29.3</b>	<b>31.3</b>	<b>-</b>	<b>1.6%</b>	<b>30.3</b>	<b>31.9</b>	<b>34.3</b>	<b>3.0%</b>	<b>1.6%</b>
<b>Total expenses</b>	<b>1 445.8</b>	<b>1 620.9</b>	<b>1 666.3</b>	<b>1 736.3</b>	<b>6.3%</b>	<b>100.0%</b>	<b>1 971.4</b>	<b>2 109.7</b>	<b>2 258.6</b>	<b>9.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>167.0</b>	<b>129.0</b>	<b>73.0</b>	<b>-</b>	<b>-100.0%</b>		<b>74.0</b>	<b>110.0</b>	<b>142.0</b>	<b>-</b>	

**Table 29.27 South African Nuclear Energy Corporation (continued)**

Statement of financial position	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R million												
Carrying value of assets	766.5	812.9	907.5	1 054.3	11.2%	47.8%	1 167.1	1 284.1	1 410.3	10.2%	48.9%	
of which:												
Acquisition of assets		97.8	171.1	229.7	33.5%	7.8%	224.3	213.3	219.2	-1.5%	9.0%	
Investments	62.1	69.1	105.6	118.3	24.0%	4.7%	153.6	200.3	251.1	28.5%	7.0%	
Inventory	93.7	161.3	215.5	284.8	44.9%	9.9%	288.2	276.7	272.9	-1.4%	11.4%	
Loans	–	1.0	1.0	0.2	–	0.0%	1.0	1.0	1.0	79.0%	0.0%	
Receivables and prepayments	236.5	265.8	316.3	246.5	1.4%	14.5%	255.5	286.8	313.2	8.3%	11.0%	
Cash and cash equivalents	326.4	482.7	462.5	361.6	3.5%	22.1%	496.9	583.4	689.5	24.0%	20.9%	
Non-current assets held for sale	–	2.1	–	–	–	0.0%	–	–	–	–	–	
Taxation	18.4	16.9	19.7	19.7	2.3%	1.0%	19.2	19.2	19.2	-1.0%	0.8%	
Derivatives financial instruments	–	–	1.6	–	–	0.0%	–	–	–	–	–	
<b>Total assets</b>	<b>1 503.6</b>	<b>1 811.8</b>	<b>2 029.8</b>	<b>2 085.6</b>	<b>11.5%</b>	<b>100.0%</b>	<b>2 381.6</b>	<b>2 651.5</b>	<b>2 957.1</b>	<b>12.3%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	218.1	355.6	399.3	373.1	19.6%	17.9%	537.9	647.4	789.2	28.4%	22.9%	
Capital and reserves	340.6	351.6	346.5	375.8	3.3%	19.3%	367.0	381.6	399.7	2.1%	15.3%	
Capital reserve fund	222.0	340.9	296.3	386.3	20.3%	16.7%	357.6	379.8	418.5	2.7%	15.5%	
Borrowings	6.9	17.7	28.9	36.9	75.1%	1.2%	119.6	199.0	268.1	93.7%	5.8%	
Finance lease	9.6	10.6	7.2	6.3	-13.2%	0.5%	6.3	6.3	6.3	–	0.3%	
Trade and other payables	218.1	169.1	305.6	279.8	8.7%	13.1%	379.2	392.6	406.8	13.3%	14.5%	
Taxation	9.3	1.5	1.5	1.5	-45.3%	0.2%	1.5	1.5	1.5	0.0%	0.1%	
Provisions	475.5	564.7	642.7	625.9	9.6%	31.1%	612.5	643.3	667.0	2.1%	25.6%	
Derivatives financial instruments	3.5	–	–	–	-100.0%	0.1%	–	–	–	–	–	
<b>Total equity and liabilities</b>	<b>1 503.6</b>	<b>1 811.8</b>	<b>2 028.2</b>	<b>2 085.6</b>	<b>11.5%</b>	<b>100.0%</b>	<b>2 381.6</b>	<b>2 651.5</b>	<b>2 957.1</b>	<b>12.3%</b>	<b>100.0%</b>	

## Personnel information

**Table 29.28 South African Nuclear Energy Corporation**

Salary level	Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12			2012/13			2013/14			2014/15			2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
	2 261	217	2 273	710.9	0.3	2 044	701.1	0.3	2 261	786.5	0.3	2 261	833.6	0.4	2 261	883.6	0.4	3.4%	100.0%
1 – 6	672	59	657	90.8	0.1	613	86.5	0.1	672	97.7	0.1	672	103.6	0.2	672	109.8	0.2	3.1%	29.8%
7 – 10	855	71	875	216.2	0.2	784	214.6	0.3	855	238.1	0.3	855	252.3	0.3	855	267.4	0.3	2.9%	38.0%
11 – 12	570	72	578	263.6	0.5	498	254.4	0.5	570	286.0	0.5	570	303.2	0.5	570	321.4	0.6	4.6%	25.0%
13 – 16	157	15	156	129.1	0.8	142	133.6	0.9	157	151.7	1.0	157	160.8	1.0	157	170.5	1.1	3.4%	6.9%
17 – 22	7	–	7	11.2	1.6	7	12.0	1.7	7	12.9	1.8	7	13.7	2.0	7	14.5	2.1	–	0.3%

1. Rand million.

## Expenditure trends

The South African Nuclear Energy Corporation derives its revenue from the sale of nuclear technology products, chemical products, nuclear engineering services, and transfer payments received from government to fund the operation of the specific activities, namely the decommissioning of strategic plants, the production and conversion of low-enriched uranium fuel, and security. Between 2009/10 and 2012/13, the increase in revenue was due to inflationary increases in the transfer from government. The increase in expenditure in 2013/14 is due to an additional once-off allocation of R33.5 million to assist with the research outputs and development facilities attached to the Safari 1 reactor.

The corporation's spending focus over the medium term will be on six items: radioisotope production, radiation applications, research and development, specialised nuclear manufacturing, the nuclear fuel cycle, and nuclear power generation support. The first three are the current priority focus areas and are aimed at expanding

research and development programmes in support of the corporation's core activities, contributing to the national system of innovation, and strengthening the global market position in medical radioisotopes for NTP Radioisotopes, which is wholly owned by the corporation. The latter three are aligned with the integrated resource plan for electricity 2010-2030, and requirements for the building of new nuclear power reactors. These reactor building requirements include the manufacturing of specialised components to increase localisation opportunities that would arise out of South Africa's nuclear power expansion programme, and the commercial exploitation of the corporation's strategic fluorine technology platform. These activities account for the increase in goods and services over the medium term as well as the expenditure on acquisition of assets, and will assist the entity increase its sales as a proportion of group sales over the medium term.

The increase in expenditure between 2009/10 and 2012/13 was due to inflation adjustments, the appointment of staff for the Pebble Bed Modular Reactor, annual salary increases, and above inflation increases in electricity costs and licensing fees. Over the medium term, expenditure is expected to increase due to annual salary increases and above inflation increases in costs and licensing fees. Expenditure on goods and services increased from R732.7 million in 2009/10 to R864.3 million in 2012/13, and is expected to increase to R1.1 billion over the medium term as a result of an increase in the cost of repairs and maintenance and also contracted services.

In 2010/11, the corporation was required to respond to the downscaling of the Pebble Bed Modular Reactor programme by employing people with valuable and highly scarce nuclear skills who were being retrenched from this programme, in recognition of the impending nuclear power expansion programme. The corporation entered into a medical aid buyout agreement accepting post-retirement liability with all employees under the age of 45. In addition to this, the salary bill grew because of annual increases as well as the appointment of 422 staff in that year. This was offset by the departure of 356 personnel, but overall resulted in an increase in personnel expenditure. A process was initiated in terms of Section 189A of the Labour Relations Act (1995) aimed at organisational downsizing to reduce fixed costs. Cost reduction initiatives, which included the non-renewal of fixed term contracts, elimination of overtime where applicable, not filling vacant posts as a result of natural attrition, the departure of contract employees, and a moratorium on future appointments, have already been implemented. The finalisation and outcome of the Section 189A process is not expected to yield any savings in 2013/14, as the severance packages will have to be funded with savings. Savings are therefore only expected from 2014/15 onwards. As part of Cabinet approved budget reductions, spending reductions of R5.6 million in 2013/14, R11.6 million in 2014/15 and R18.3 million in 2015/16 have been identified on non-core and slow spending goods and services items such as consultants, lease payments, and travel and subsistence items.

Expenditure on compensation of employees increased from R597 million in 2009/10 to R701.1 million in 2012/13 as a result of the inclusion of the estimated cost of the voluntary severance packages offered and accepted by the corporation's employees, and is expected to grow to R883.6 million over the medium term, due to annual increases as well as the appointment of staff. The number of posts filled decreased from 2 273 in 2011/12 to 2 044 in 2012/13 as a result of the acceptance of severance packages, as well as the resignation of some employees in anticipation of the Section 189A process. The effect of this has, however, not been included over the medium term as the process has not yet been finalised.

Consultants are employed to: review compliance with certain environmental permit applications; conduct ISO 9000 compliance audits; determine a capital funding model for NTP Radioisotopes SOC Limited; upgrade and customise the enterprise resource planning system; conduct reactor analysis work; conduct specialised engineering on the projects; and conduct environmental impact assessments to obtain approvals for expansions and new plants. Expenditure on this item in 2012/13 was R31.2 million, which amounts to approximately 4.2 per cent of the compensation of employees budget for 2012/13.

## **Other public entities and agencies**

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **National Energy Regulator of South Africa** is the regulatory authority for electricity, gas and petroleum. Its total budget for 2013/14 is R252.8 million.
- The **National Nuclear Regulator** is responsible for the protection of people, property, and the environment against nuclear damage. Its total budget for 2013/14 is R168.7 million.



- The **South African National Energy Development Institute** is mandated to stimulate innovation in energy research and development, transform the gender and race profile of researchers in the sector, and improve South Africa's competitiveness in energy research internationally. Its total budget for 2013/14 is R206.1 million.

Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11		2013/14	2014/15	2015/16
R million									
<b>Infrastructure transfers to other spheres, agencies and departments</b>									
Integrated national electrification programme: Eskom	Provision of capital subsidies to Eskom to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure and rehabilitate electrification infrastructure	Various	-	1 616.3	1 719.8	1 879.4	2 141.0	2 488.0	3 680.0
Integrated national electrification programme: Municipalities	Provision of capital subsidies to municipalities to address electrification backlogs for permanently occupied residential dwellings, installation of bulk infrastructure and rehabilitate electrification infrastructure	Various	-	899.6	1 033.4	1 151.4	1 634.8	1 564.7	2 056.1
Petronet: Transnet pipelines	Construction of petroleum pipeline, branch lines and storage facilities	Various	-	-	1 500.0	1 500.0	-	-	-
<b>Total</b>			-	<b>2 515.9</b>	<b>4 253.2</b>	<b>4 530.8</b>	<b>3 775.8</b>	<b>4 052.7</b>	<b>5 736.1</b>

# Vote 30

## Environmental Affairs

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	747.3	584.7	12.9	149.7	630.2	661.1
Legal, Authorisations and Compliance	143.3	142.5	–	0.8	145.8	149.3
Oceans and Coasts	309.8	297.3	–	12.5	388.4	424.6
Climate Change and Air Quality	233.8	68.5	164.3	1.0	247.7	260.1
Biodiversity and Conservation	559.5	101.2	457.6	0.6	598.9	635.6
Environmental Programmes	3 371.8	375.2	2 961.5	35.1	3 494.3	3 918.5
Chemicals and Waste Management	65.7	54.8	10.5	0.4	72.2	79.2
<b>Total expenditure estimates</b>	<b>5 431.2</b>	<b>1 624.3</b>	<b>3 606.9</b>	<b>200.0</b>	<b>5 577.5</b>	<b>6 128.5</b>
Executive authority	Minister of Environmental Affairs					
Accounting officer	Director General of Environmental Affairs					
Website address	<a href="http://www.environment.gov.za">www.environment.gov.za</a>					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Lead South Africa's environmental sector to achieve sustainable development towards a better quality of life for all.*

### Mandate

The Department of Environmental Affairs is mandated to create a prosperous and equitable society living in harmony with the natural environment. To this end, the department provides leadership in environmental management, conservation and protection towards sustainability for the benefit of South Africans and the global community. This mandate is derived from the following legislation:

- the National Environmental Management Act (1998), which establishes the concepts of participatory, cooperative and developmental governance in environmental management, principles for environmental management, and provides for structures to facilitate these
- the National Environmental Management Amendment Act, (2004), which streamlines the process of regulating and administering the impact assessment process
- the National Environmental Management: Protected Areas Amendment Act (2009), which provides for the assignment of national parks, special parks and heritage sites to South African National Parks and the World Heritage Act (2001)
- the National Environmental Management: Biodiversity Act (2004), which significantly reforms South Africa's laws regulating biodiversity
- the National Environmental Management: Air Quality and Atmospheric Act (2004), which reforms the law regulating air quality in order to protect the environment by providing reasonable measures for preventing pollution and ecological degradation, securing ecologically sustainable development, and provides for national norms and standards regulating air quality monitoring
- the National Environmental Management: Waste Act (2008), which reforms the law regulating waste management, in order to protect health and the environment by providing reasonable measures for the prevention of pollution
- the National Environmental Management: Integrated Coastal Management Act (2008) which promotes the conservation of the coastal environment and ensures sustainable development practices and the use of natural resources.

## Strategic goals

The department's strategic goals over the medium term are to:

- ensure that the department has optimal capacity to deliver services efficiently and effectively
- ensure that South Africa's environmental assets are conserved, valued, sustainably used, protected and continually enhanced
- enhance socioeconomic benefits and employment creation for both present and future generations from a safe, clean and healthy environment
- provide leadership in environmental management, conservation and protection towards sustainability for the benefit of both current and future generations of South Africans
- manage the interface between the environment and development to encourage the transformation of the development trajectory to an environmentally sustainable, inclusive, low carbon and green economic growth path
- promote compliance with environmental legislation, and act decisively against transgressors
- develop and facilitate the implementation of a climate change adaptation and mitigation regulatory framework
- facilitate a transition to an environmentally sustainable, job creating and low carbon, green development pathway through an environmental expanded public works programmes and the National Green Fund
- improve the provision of quality waste management services across the country with clear environmental health benefits for communities, particularly those which previously had no access to waste management services.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide leadership, strategic centralised administration and executive support and corporate services; and facilitate effective cooperative governance, international relations, and environmental education and awareness.

### Programme 2: Legal, Authorisations and Compliance

**Purpose:** Promote the development of an enabling legal regime, and a licensing and authorisation system for enforcement and compliance.

### Programme 3: Oceans and Coasts

**Purpose:** Promote, manage and provide strategic leadership on oceans and coastal conservation.

### Programme 4: Climate Change and Air Quality

**Purpose:** Formulate policies, administer legislation and implement systems to improve regulation, monitoring and compliance over climate change and air quality.

### Programme 5: Biodiversity and Conservation

**Purpose:** Ensure the regulation and management of all biodiversity, heritage and conservation matters in a manner that facilitates sustainable economic growth and development.

### Programme 6: Environmental Programmes

**Purpose:** Implement expanded public works and green economy projects in the environmental sector.

## Programme 7: Chemicals and Waste Management

**Purpose:** Formulate policies and administer legislation on chemicals and waste management to improve regulation, monitoring, compliance and enforcement.

### Selected performance indicators

**Table 30.1 Environmental Affairs**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Progress on the development and implementation of integrated environmental management instruments per year <sup>1</sup>	Administration	Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced	6 environmental management frameworks developed	2 environmental management frameworks developed for priority areas selected	Draft environmental management framework and strategy developed  2 national environmental management frameworks developed  4 provincial environmental management frameworks approved  3 environmental management framework initiated	Environmental management framework developed and strategy finalised  2 environmental management frameworks for priority areas finalised  1 environmental management framework and strategic environmental assessment developed	Environmental management framework developed and strategy gazetted  1 environmental management framework and strategic environmental assessment developed	Environmental management framework developed and strategy implemented  1 environmental management framework and strategic environmental assessment developed	1 environmental management framework developed and  1 strategic environmental assessment developed  6 environmental management frameworks developed
Percentage of national environmental impact management applications processed within stipulated time frames per year <sup>2</sup>	Legal Authorisations, Compliance and Enforcement		85% (340)	87% (348)	88% (352)	88% (352)	89% (356)	90% (360)	90% (360)
Number of facilities inspected per year	Legal Authorisations, Compliance and Enforcement		51	51	70	85	105	105	115
Number of surveys per year to determine baseline information for biodiversity and priority habitats within South Africa's exclusive economic zone and associated large marine ecosystems <sup>3</sup>	Oceans and Coasts		-3	-3	-3	2	4	6	8

Table 30.1 Environmental Affairs (continued)

Indicator	Programme	Outcome to which it Contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of annual relief voyages per year for South African research teams in Antarctica, and at Marion and Gough Islands	Oceans and Coasts	Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced	3	3	3	3	3	3	3
Number of air quality management tools developed and implemented per year (priority area air quality management plans under implementation) <sup>3</sup>	Climate Change and Air Quality		- <sup>3</sup>	- <sup>3</sup>	- <sup>3</sup>	2	2	3	3
Number of climate change response policy interventions implemented per year <sup>3</sup>	Climate Change and Air Quality		- <sup>3</sup>	- <sup>3</sup>	6	4	6	4	5
Percentage of National Environmental Management: Biodiversity Act (2004) applications assessed per year	Biodiversity and Conservation		80% (102)	80% (103)	85% (85)	85%	100%	100%	100%
Total percentage of land under conservation	Biodiversity and Conservation		6.1% (7 441 463ha)	6.4% (7 807 436ha)	6.9% (8 417 392ha)	7.4% (9 027 348ha)	7.9% (9 637 304ha)	8.4% (10 247 260ha)	8.5% (10 369 252ha)
Number of work opportunities created through expanded public works programme projects per year	Environmental Programmes		53 115	45 856	65 182	73 678	65 495	80 280	73 345
Number of full time equivalent jobs created through expanded public works programme projects per year	Environmental Programmes		22 347	21 899	23 074	23 136	34 019	41 668	38 061
Total number of Green Fund projects approved and implemented <sup>3</sup>	Environmental Programmes		- <sup>3</sup>	- <sup>3</sup>	- <sup>3</sup>	9	15	20	30
Number of unlicensed waste disposal sites that are authorised per year <sup>3</sup>	Chemicals and Waste Management		- <sup>3</sup>	- <sup>3</sup>	116	56	15	20	25

1. These instruments assist provinces and municipalities in environmental impact management and spatial planning (prioritising strategic infrastructure programmes, and industrial policy action plans and initiatives).

2. These percentages apply provided that no more than 400 applications are received.

3. These indicators were recently introduced, so there is no data for these years.

## The national development plan

The national development plan's vision for South Africa in 2030 embraces a transition to an economy that is environmentally sustainable, climate change resilient and low carbon. To achieve this, an investment in skills, technology and institutional capacity will be essential; developmental challenges will have to be examined in a way that ensures environmental sustainability; carbon pricing will have to be implemented; and environmentally sustainable green products and services should contribute to job creation.

The department's Green Fund intervention supports various initiatives aimed at contributing to the transition to a green economy and the associated creation of green jobs. Job creation is an integral part of the department's environmental policies and programmes. The focus for the future will continue to be on environmental and economic outcomes facilitated by implementing the expanded public works programme projects. The department's strategic plan is substantially aligned with the national development plan, and is in agreement with the objectives outlined in the chapter on environmental sustainability and resilience. This includes the development of indicators for the protection and management of natural resources, and the publication of annual reports on the health of identified resources, in order to inform policies of sustainability. Among the department's objectives are to target the amount of land and oceans under protection; achieve the peak, plateau and decline trajectory for greenhouse gas emissions; reduce the total volume of waste disposed to landfill each year; and entrench, by 2030, an economy wide carbon price.

## Expenditure estimates

Table 30.2 Environmental Affairs

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12			2012/13	2009/10 - 2012/13	2012/13 - 2015/16	2013/14	2014/15		
R million												
Administration	277.5	360.7	379.6	778.0	718.0	37.3%	11.3%	747.3	630.2	661.1	-2.7%	12.4%
Legal, Authorisations and Compliance	61.7	68.7	74.0	89.9	83.4	10.6%	1.9%	143.3	145.8	149.3	21.4%	2.3%
Oceans and Coasts	353.9	644.3	876.3	411.6	496.1	11.9%	15.5%	309.8	388.4	424.6	-5.1%	7.3%
Climate Change and Air Quality	166.8	186.2	309.3	215.6	211.1	8.2%	5.7%	233.8	247.7	260.1	7.2%	4.3%
Biodiversity and Conservation	386.9	422.0	456.6	579.3	567.3	13.6%	12.0%	559.5	598.9	635.6	3.9%	10.6%
Environmental Programmes	1 474.5	1 568.4	1 976.9	3 049.2	3 049.2	27.4%	52.7%	3 371.8	3 494.3	3 918.5	8.7%	62.0%
Chemicals and Waste Management	27.9	29.2	35.8	51.7	50.2	21.6%	0.9%	65.7	72.2	79.2	16.4%	1.2%
<b>Total</b>	<b>2 749.3</b>	<b>3 279.5</b>	<b>4 108.5</b>	<b>5 175.3</b>	<b>5 175.3</b>	<b>23.5%</b>	<b>100.0%</b>	<b>5 431.2</b>	<b>5 577.5</b>	<b>6 128.5</b>	<b>5.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				663.2	663.2			255.9	454.4	769.7		
<b>Economic classification</b>												
<b>Current payments</b>	<b>1 267.6</b>	<b>1 699.9</b>	<b>1 440.4</b>	<b>1 448.4</b>	<b>1 448.4</b>	<b>4.5%</b>	<b>38.2%</b>	<b>1 624.3</b>	<b>1 967.8</b>	<b>2 069.1</b>	<b>12.6%</b>	<b>31.9%</b>
Compensation of employees	333.7	400.1	469.1	614.8	553.8	18.4%	11.5%	654.5	697.6	747.3	10.5%	11.9%
Goods and services	933.8	1 299.5	971.1	833.7	894.7	-1.4%	26.8%	969.8	1 270.2	1 321.8	13.9%	20.0%
<i>of which:</i>												
<i>Consultants and professional services: Infrastructure and planning</i>	238.9	425.2	3.0	64.7	64.7	-35.3%	4.8%	97.3	148.1	126.7	25.1%	2.0%
<i>Agency and support / outsourced services</i>	183.6	254.0	86.4	28.5	136.5	-9.4%	4.3%	138.5	325.9	271.7	25.8%	3.9%
<i>Operating leases</i>	81.3	87.2	71.1	136.8	76.8	-1.9%	2.1%	148.4	157.4	164.6	28.9%	2.5%
<i>Travel and subsistence</i>	79.0	98.3	100.1	179.5	166.0	28.1%	2.9%	146.7	155.8	151.7	-2.9%	2.8%
<i>Interest and rent on land</i>	0.1	0.4	0.2	-	-	-100.0%	0.0%	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 297.4</b>	<b>1 165.4</b>	<b>2 002.0</b>	<b>3 256.2</b>	<b>3 256.2</b>	<b>35.9%</b>	<b>50.4%</b>	<b>3 606.9</b>	<b>3 547.2</b>	<b>3 994.0</b>	<b>7.0%</b>	<b>64.6%</b>
Provinces and municipalities	0.1	0.1	-	-	-	-100.0%	0.0%	-	-	-	-	-
Departmental agencies and accounts	763.8	644.3	658.7	760.6	760.6	-0.1%	18.5%	1 110.3	1 247.8	1 383.6	22.1%	20.2%
Higher education institutions	1.3	1.0	1.0	-	-	-100.0%	0.0%	-	-	-	-	-
Foreign governments and international organisations	9.0	19.1	12.9	12.9	12.9	12.7%	0.4%	12.9	12.9	13.5	1.5%	0.2%
Public corporations and private enterprises	-	4.1	-	300.0	300.0		2.0%	500.0	-	300.0		4.9%
Non-profit institutions	31.8	35.0	26.9	6.9	6.9	-40.0%	0.7%	1.4	1.4	1.4	-41.2%	0.0%
Households	491.3	461.8	1 302.6	2 175.8	2 175.8	64.2%	28.9%	1 982.3	2 285.2	2 295.6	1.8%	39.2%

**Table 30.2 Environmental Affairs (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16			
<b>Payments for capital assets</b>	<b>184.3</b>	<b>413.8</b>	<b>666.0</b>	<b>470.7</b>	<b>470.7</b>	<b>36.7%</b>	<b>11.3%</b>	<b>200.0</b>	<b>62.4</b>	<b>65.4</b>	<b>-48.2%</b>	<b>3.6%</b>
Buildings and other fixed structures	171.3	390.6	642.0	220.0	220.0	8.7%	9.3%	146.0	-	-	-100.0%	1.6%
Machinery and equipment	12.5	22.8	24.0	250.7	250.7	171.6%	2.0%	54.0	62.4	65.4	-36.1%	1.9%
Software and other intangible assets	0.4	0.4	0.1	-	-	-100.0%	0.0%	-	-	-	-	-
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.4</b>	<b>0.1</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>2 749.3</b>	<b>3 279.5</b>	<b>4 108.5</b>	<b>5 175.3</b>	<b>5 175.3</b>	<b>23.5%</b>	<b>100.0%</b>	<b>5 431.2</b>	<b>5 577.5</b>	<b>6 128.5</b>	<b>5.8%</b>	<b>100.0%</b>

## Personnel information

**Table 30.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost	2015/16				Unit Cost		
<b>Environmental Affairs</b>			<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>		
<b>Salary level</b>	<b>1 483</b>	<b>202</b>	<b>1 375</b>	<b>469.1</b>	<b>0.3</b>	<b>1 576</b>	<b>553.8</b>	<b>0.4</b>	<b>1 648</b>	<b>654.5</b>	<b>0.4</b>	<b>1 674</b>	<b>697.6</b>	<b>0.4</b>	<b>1 685</b>	<b>747.3</b>	<b>0.4</b>	<b>2.3%</b>	<b>100.0%</b>
1 - 6	299	133	381	55.7	0.1	420	66.6	0.2	432	95.2	0.2	432	86.1	0.2	432	91.2	0.2	0.9%	26.1%
7 - 10	743	51	655	203.8	0.3	755	235.6	0.3	787	270.3	0.3	791	292.7	0.4	794	312.1	0.4	1.7%	47.5%
11 - 12	279	9	213	115.6	0.5	250	136.8	0.5	265	159.1	0.6	282	178.3	0.6	288	192.7	0.7	4.8%	16.5%
13 - 16	162	9	126	94.0	0.7	151	114.8	0.8	164	129.9	0.8	169	140.6	0.8	171	151.3	0.9	4.2%	9.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on improving service delivery and creating jobs in the environmental sector. The bulk of the budget will be spent on the expanded public work projects within *Environmental Programmes* to create 113 748 full time equivalent jobs and 219 089 work opportunities.

Expenditure in *Environmental Programmes* grew significantly between 2009/10 and 2012/13 due the rollout of the expanded public works programme, which also accounted for the significant increase in transfers and subsidies over this period. The programme created 54 301 full time equivalent jobs and 172 979 work opportunities between 2009/10 and 2012/13. Over the same period, the significant increase in expenditure on the *Administration* programme was due to the expanded mandate of the *Environmental Advisory Services* subprogramme, which manages and facilitates the department's international relations, engagements and cooperation agreements, and the infrastructure development programme.

The increased expenditure projected over the medium term in the *Legal, Authorisations and Compliance* and *Chemicals and Waste Management* programmes is due to the development and implementation of instruments to improve the efficiency and effectiveness of the environmental impact management system across the country, and capacitating the two new programmes. Spending on transfers and subsidies to departmental agencies and accounts is projected to increase significantly over this period due mainly to an additional allocation of R1.2 billion received from the economic competitiveness and support package. Other increases over the medium term relate to agency and support services, such as wildlife security, administration and added support personnel for the department's new focus areas.

The 2013 Budget sets out the following additional allocations over the medium term:



- R344 million for the increased costs of research and conservation in the *Oceans and Coasts* programme; and the operation and manning of the SA Agulhas II and the Algoa research vessels
- R20 million to upgrade research laboratories to make them compliant with occupational health and safety regulations
- R90.5 million in 2014/15 for the expanded public works programme, for incentives to increase the labour component of the programme from the current 30 per cent target to 40 per cent over the medium term
- R300 million in 2015/16 for the Green Fund to fund projects that support environmental protection
- R167.3 million for improved conditions of services for the department and its public entities
- R98 million for pre-assessment of projects, and the development of an integrated permitting system to support the implementation of the infrastructure build programme, as identified in the new growth path
- R75 million for the South African National Parks to combat rhino poaching.

Cabinet approved budget reductions of R52 million in 2013/14, R102 million in 2014/15 and R161 million in 2015/16 have been effected across all programmes. The details of these reductions are discussed within each programme.

The department had a funded establishment of 1 483 posts and 202 posts were filled additional to the establishment. There are 109 vacancies, mostly as a result of natural attrition and the lack of adequate skills within the environmental sector. Personnel numbers are expected to increase to 1 685 in 2015/16 in order to better capacitate the department. The department mainly uses consultants to provide audit services and assist with infrastructure planning and studies on climate change, as well as for the biodiversity, marine and environmental sector programmes.

### Infrastructure spending

The department entered into a public private partnership project to build a new departmental building. An additional government contribution of R220 million was made in 2012/13, and R146 million has been provided in 2013/14 in order to decrease the annual unitary payments payable for 25 years after completion of the project. Construction of the building began in July 2012 and is expected to be completed by June 2014.

Additional infrastructure spending over the MTEF period includes R20 million for the *Oceans and Coasts* programme laboratory infrastructure to ensure occupational health and safety compliance; R150 million to the South African National Biodiversity Institute to upgrade the Kirstenbosch National Botanical Garden education centre, facilities and equipment; R70 million to upgrade equipment, facilities and infrastructure at iSimangaliso Wetland Park Authority; R390 million to upgrade roads, equipment and infrastructure at South African National Parks, and R50 million for high performance computers for the South African Weather Service.

## Departmental receipts

Table 30.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R thousand													
<b>Departmental receipts</b>	2 051	8 511	17 990	16 571	16 571	100.7%	100.0%	6 061	6 430	6 638	-26.3%	100.0%	
<b>Sales of goods and services produced by department</b>	394	282	323	440	440	3.7%	3.2%	1 400	1 440	1 500	50.5%	13.4%	
Other sales	394	282	323	440	440	3.7%	3.2%	1 400	1 440	1 500	50.5%	13.4%	
of which:													
Replacement of security cards	34	36	32	56	56	18.1%	0.4%	700	720	750	137.5%	6.2%	
Sales of departmental publications	360	246	291	384	384	2.2%	2.8%	700	720	750	25.0%	7.2%	
<b>Sales of scrap, waste, arms and other used current goods</b>	8	1	-	6	6	-9.1%	-	-	-	-	-100.0%	-	
of which:													
Paper	8	1	-	6	6	-9.1%	-	-	-	-	-100.0%	-	

Table 30.4 Receipts (continued)

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
Fines, penalties and forfeits	70	-	11 766	750	750	120.5%	27.9%	-	-	-	-100.0%	2.1%
Interest, dividends and rent on land	90	90	165	100	100	3.6%	1.0%	138	140	142	12.4%	1.5%
Interest	90	90	165	100	100	3.6%	1.0%	138	140	142	12.4%	1.5%
Sales of capital assets	-	87	40	25	25	-	0.3%	-	-	-	-100.0%	0.1%
Transactions in financial assets and liabilities	1 489	8 051	5 696	15 250	15 250	117.2%	67.6%	4 523	4 850	4 996	-31.1%	83.0%
<b>Total</b>	<b>2 051</b>	<b>8 511</b>	<b>17 990</b>	<b>16 571</b>	<b>16 571</b>	<b>100.7%</b>	<b>100.0%</b>	<b>6 061</b>	<b>6 430</b>	<b>6 638</b>	<b>-26.3%</b>	<b>100.0%</b>

## Programme 1: Administration

Table 30.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
Management	25.5	27.1	44.4	96.8	55.9%	10.8%	97.6	103.2	107.3	3.5%	14.4%
Corporate Affairs	91.7	134.5	158.0	167.7	22.3%	30.7%	170.5	177.9	191.6	4.5%	25.1%
Environmental Advisory Services	44.1	47.7	43.8	58.8	10.0%	10.8%	85.2	89.6	91.0	15.7%	11.5%
Financial Management	18.3	22.3	26.5	48.7	38.5%	6.4%	48.1	50.6	52.7	2.7%	7.1%
Office Accommodation	75.6	88.4	65.0	356.6	67.7%	32.6%	294.1	153.9	160.9	-23.3%	34.3%
Environmental Sector Coordination	22.4	40.8	41.9	49.5	30.3%	8.6%	51.9	55.0	57.5	5.1%	7.6%
<b>Total</b>	<b>277.5</b>	<b>360.7</b>	<b>379.6</b>	<b>778.0</b>	<b>41.0%</b>	<b>100.0%</b>	<b>747.3</b>	<b>630.2</b>	<b>661.1</b>	<b>-5.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				2.5			(11.7)	(12.9)	(18.1)		

### Economic classification

<b>Current payments</b>	<b>261.3</b>	<b>332.1</b>	<b>355.3</b>	<b>517.0</b>	<b>25.5%</b>	<b>81.6%</b>	<b>584.7</b>	<b>613.4</b>	<b>643.5</b>	<b>7.6%</b>	<b>83.7%</b>
Compensation of employees	81.5	111.9	140.7	189.7	32.5%	29.2%	228.2	242.4	258.5	10.9%	32.6%
Goods and services	179.8	220.2	214.6	327.4	22.1%	52.4%	356.5	371.0	385.0	5.6%	51.1%
<i>of which:</i>											
<i>Consultants and professional services:</i>	10.5	11.1	2.5	15.0	12.6%	2.2%	15.9	13.7	14.3	-1.6%	2.1%
<i>Infrastructure and planning</i>											
<i>Agency and support / outsourced services</i>	0.4	0.5	0.0	0.5	8.6%	0.1%	0.5	0.6	0.6	5.1%	0.1%
<i>Operating leases</i>	76.9	78.0	66.1	125.7	17.8%	19.3%	136.2	144.3	151.0	6.3%	19.8%
<i>Travel and subsistence</i>	21.9	24.5	20.7	48.1	29.9%	6.4%	43.7	47.2	38.6	-7.1%	6.3%
<b>Transfers and subsidies</b>	<b>11.8</b>	<b>24.5</b>	<b>17.8</b>	<b>17.4</b>	<b>13.8%</b>	<b>4.0%</b>	<b>12.9</b>	<b>12.9</b>	<b>13.5</b>	<b>-8.2%</b>	<b>2.0%</b>
Departmental agencies and accounts	1.5	0.1	-	-	-100.0%	0.1%	-	-	-	-	-
Higher education institutions	1.3	-	-	-	-100.0%	0.1%	-	-	-	-	-
Foreign governments and international organisations	9.0	19.1	12.9	12.9	12.7%	3.0%	12.9	12.9	13.5	1.5%	1.9%
Non-profit institutions	-	4.0	4.0	4.0	-	0.7%	-	-	-	-100.0%	0.1%
Households	0.0	1.4	0.9	0.5	260.4%	0.2%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>4.3</b>	<b>4.0</b>	<b>6.6</b>	<b>243.5</b>	<b>282.7%</b>	<b>14.4%</b>	<b>149.7</b>	<b>3.9</b>	<b>4.1</b>	<b>-74.4%</b>	<b>14.2%</b>
Buildings and other fixed structures	-	-	-	220.0	-	12.2%	146.0	-	-	-100.0%	13.0%
Machinery and equipment	4.2	3.8	6.5	23.5	78.1%	2.1%	3.7	3.9	4.1	-44.3%	1.3%
Software and other intangible assets	0.2	0.2	0.0	-	-100.0%	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>277.5</b>	<b>360.7</b>	<b>379.6</b>	<b>778.0</b>	<b>41.0%</b>	<b>100.0%</b>	<b>747.3</b>	<b>630.2</b>	<b>661.1</b>	<b>-5.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>10.1%</b>	<b>11.0%</b>	<b>9.2%</b>	<b>15.0%</b>			<b>13.8%</b>	<b>11.3%</b>	<b>10.8%</b>		

Table 30.5 Administration (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	1.5	0.1	-	-	-100.0%	0.1%	-	-	-	-	-
Council for Scientific and Industrial Research	1.5	0.1	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	-	1.2	0.6	-	-	0.1%	-	-	-	-	-
Households: severance package	-	1.2	0.6	-	-	0.1%	-	-	-	-	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	9.0	19.1	12.9	12.9	12.7%	3.0%	12.9	12.9	13.5	1.5%	1.9%
Global Environmental Fund	9.0	19.1	12.9	12.9	12.7%	3.0%	12.9	12.9	13.5	1.5%	1.9%
<b>Higher education institutions</b>											
<b>Current</b>	1.3	-	-	-	-100.0%	0.1%	-	-	-	-	-
University of Cape Town	1.3	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	-	4.0	4.0	4.0	-	0.7%	-	-	-	-100.0%	0.1%
World Environmental Wildlife Association	-	4.0	-	-	-	0.2%	-	-	-	-	-
Wildlife Environmental Society of South Africa	-	-	4.0	4.0	-	0.4%	-	-	-	-100.0%	0.1%

## Personnel information

Table 30.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)					
		2011/12			2012/13			2013/14		2014/15		2015/16								
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost		
<b>Administration</b>		579	139	526	161.7	0.3	671	217.7	0.3	683	249.6	0.4	709	269.1	0.4	718	291.2	0.4	2.3%	100.0%
<b>Salary level</b>																				
1 – 6	129	115	206	25.0	0.1	241	33.5	0.1	244	54.8	0.2	244	43.2	0.2	244	45.8	0.2	0.4%	35.0%	
7 – 10	269	19	201	62.7	0.3	279	88.0	0.3	283	88.9	0.3	287	100.7	0.4	288	107.1	0.4	1.1%	40.9%	
11 – 12	116	-	72	38.8	0.5	89	48.7	0.5	93	55.3	0.6	110	68.2	0.6	116	76.1	0.7	9.2%	14.7%	
13 – 16	65	5	47	35.1	0.7	62	47.5	0.8	63	50.6	0.8	68	56.9	0.8	70	62.2	0.9	4.1%	9.5%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing for office accommodation for the department and maintaining the required personnel to provide corporate and other support services.

Expenditure on operating leases increased between 2009/10 and 2012/13 mainly due to the government's contribution of R220 million in 2012/13 allocated to the public private partnership programme for the new departmental building. An additional allocation went towards decreasing annual unitary fees payable on completion. This accounted for the increase in spending in the *Office Accommodation* subprogramme between 2009/10 and 2012/13.

Over the medium term, expenditure in the *Environmental Advisory Services* subprogramme is expected to increase to capacitate this unit, which was created during the departmental restructuring process in 2012/13. It was allocated a budget of R58.8 million in this year to manage and facilitate the department's international relations, engagements and cooperation agreements; manage overall environmental intelligence; and support knowledge management in the department, including leading South Africa's sustainable development agenda nationally and internationally.

The programme had a funded establishment of 579 posts and 139 posts were filled additional to the establishment. There are 47 vacancies, mostly as a result of the expanded mandate of the *Environmental Advisory Services* subprogramme. Personnel numbers are expected to increase to 718 in 2015/16. Spending on consultants was equivalent to 15.7 per cent of expenditure on compensation of employees in 2012/13. Consultants are mainly used in infrastructure and planning for the new departmental building, as well as specialised international environmental cooperation agreements and engagements.

As part of the Cabinet approved budget reductions, the department will reduce spending by R42.6 million over the MTEF period mainly on travel and subsistence. These reductions are to be achieved by moderating delegations sent to international meetings, in a way that will not adversely affect service delivery.

## **Programme 2: Legal, Authorisations and Compliance**

### **Objectives**

- Improve the level of compliance with environmental legislation by increasing:
  - the number of inspections of facilities in environmentally sensitive areas from 85 in 2012/13 to 115 in 2015/16
  - the percentage of administrative enforcement actions resulting in compliance from 67 per cent in 2012/13 to 80 per cent in 2015/16
  - the number of criminal investigations finalised per year and dockets handed over for prosecution from 17 in 2012/13 to 37 in 2015/16.
- Ensure that the possible negative impacts of development activities and patterns are minimised, mitigated or managed by increasing:
- the percentage of environmental impact assessment decisions processed within prescribed timeframes from 60 per cent in 2012/13 to 67 per cent in 2015/16
  - the number of progress reports that include potential risks on strategic infrastructure projects and associated developments submitted per year from 4 in 2013/14 to 8 in 2015/16.
- Improve the quality and timely legal support rendered to the department in accordance with service level standards, protocols and applicable legislation, by increasing the percentage of litigation matters dealt with from 90 per cent in 2012/13 to 95 per cent in 2015/16.

### **Subprogrammes**

- *Legal, Authorisations and Compliance Management* provides for the overall administration and functioning of the programme. This subprogramme had a staff complement of 5 in 2012/13.
- *Integrated Environmental Authorisations* ensures that the potentially negative impact of significant new developments are avoided, reduced or managed; and establishes mechanisms to ensure the effective coordination and integration of environmental impact assessments and other regulatory authorisations, by evaluating and facilitating the streamlining of state infrastructure developments and participating in various implementation forums. This entails evaluating all applications received nationally for environmental authorisation; providing guidance on environmental impact assessment processes and requirements; identifying, prioritising and developing environmental impact assessment guidelines; and providing IT support and software for improvements to the environmental authorisation process. In 2012/13, 85 authorisations were inspected. This subprogramme had a staff complement of 67 in 2012/13.
- *Compliance Monitoring* ensures effective compliance with environmental legislation by undertaking compliance inspections on all authorisations issued by the department. In 2011/12, 79 facilities were inspected, and 35 proactive and 53 reactive inspections were carried out. In the first half of 2012/13, 37 facilities were inspected. This subprogramme had a staff complement of 22 in 2012/13.
- *Enforcement* undertakes criminal and administrative enforcement action in response to non-compliance with environmental impact and pollution legislation, and provides capacity development and support services to the environmental management inspectorate. In the first half of 2012/13, 15 criminal dockets were registered, 49 pre-directives/notices and final directives/notices were issued, 166 officials completed

environmental management inspectorate basic training, and 94 officials completed a specialised training course. This subprogramme had a staff complement of 30 in 2012/13.

- *Corporate Legal Support and Litigation* provides quality and timely corporate legal support; litigation management support; and education on legal compliance to ensure compliance by the department with legislation relating to its core business. In the first half of 2012/13, 52 litigation matters and 27 matters relating to the Promotion of Access to Information Act (2000) were dealt with, 329 contracts were vetted and 88 legal opinions were provided to the department. This subprogramme had a staff complement of 8 in 2012/13.
- *Law Reform and Appeals* processes appeals received in terms of the legislation administered by the department, investigates appeals, sources responses from all parties, conducts research and advises the minister on appeals; coordinates the law reform programme in the department; drives the commission for environmental cooperation's subcommittee on law reform; drafts legislation; comments on draft legislation; and advises on law reform issues. This subprogramme had a staff complement of 16 in 2012/13.

## Expenditure estimates

**Table 30.7 Legal, Authorisations and Compliance**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R million											
Legal, Authorisations and Compliance Management	8.5	3.5	3.3	5.6	-12.7%	7.1%	6.5	6.9	7.3	9.1%	5.0%
Compliance Monitoring	16.1	24.0	29.0	35.9	30.6%	35.7%	20.0	22.0	23.3	-13.4%	19.2%
Integrated Environmental Authorisations Enforcement	37.1	41.2	41.7	48.3	9.2%	57.2%	77.1	74.6	73.6	15.0%	51.8%
Corporate Legal Support and Litigation	-	-	-	-	-	-	18.9	20.1	21.5	-	11.5%
Law Reform and Appeals	-	-	-	-	-	-	8.2	8.8	9.3	-	5.0%
	-	-	-	-	-	-	12.6	13.4	14.3	-	7.6%
<b>Total</b>	<b>61.7</b>	<b>68.7</b>	<b>74.0</b>	<b>89.9</b>	<b>13.4%</b>	<b>100.0%</b>	<b>143.3</b>	<b>145.8</b>	<b>149.3</b>	<b>18.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				1.4			37.0	32.0	29.0		

### Economic classification

<b>Current payments</b>	<b>59.6</b>	<b>66.8</b>	<b>70.8</b>	<b>89.2</b>	<b>14.4%</b>	<b>97.3%</b>	<b>142.5</b>	<b>144.9</b>	<b>148.4</b>	<b>18.5%</b>	<b>99.4%</b>
Compensation of employees	32.9	44.0	53.2	59.1	21.5%	64.3%	78.5	83.7	89.7	14.9%	58.9%
Goods and services	26.7	22.8	17.7	30.1	4.1%	33.0%	64.0	61.2	58.8	25.0%	40.5%
of which:											
Consultants and professional services:	-	0.0	-	-	-	-	37.0	32.0	29.0	-	18.5%
Infrastructure and planning											
Operating leases	0.2	0.3	0.2	0.3	9.6%	0.4%	0.2	0.2	0.2	-11.4%	0.2%
Travel and subsistence	7.3	7.5	7.7	12.6	19.7%	11.9%	11.2	12.6	13.2	1.5%	9.4%
<b>Transfers and subsidies</b>	<b>0.5</b>	<b>1.0</b>	<b>2.2</b>	<b>-</b>	<b>-100.0%</b>	<b>1.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Higher education institutions	-	1.0	1.0	-	-	0.7%	-	-	-	-	-
Non-profit institutions	0.5	-	1.3	-	-100.0%	0.6%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1.6</b>	<b>0.8</b>	<b>0.9</b>	<b>0.7</b>	<b>-22.3%</b>	<b>1.4%</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>7.3%</b>	<b>0.6%</b>
Machinery and equipment	1.6	0.8	0.9	0.7	-21.8%	1.3%	0.8	0.9	0.9	7.3%	0.6%
Software and other intangible assets	0.0	0.1	-	-	-100.0%	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>61.7</b>	<b>68.7</b>	<b>74.0</b>	<b>89.9</b>	<b>13.4%</b>	<b>100.0%</b>	<b>143.3</b>	<b>145.8</b>	<b>149.3</b>	<b>18.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>2.2%</b>	<b>2.1%</b>	<b>1.8%</b>	<b>1.7%</b>			<b>2.6%</b>	<b>2.6%</b>	<b>2.4%</b>		

### Details of selected transfers and subsidies

<b>Higher education institutions</b>											
<b>Current</b>	-	1.0	1.0	-	-	0.7%	-	-	-	-	-
University of North West	-	1.0	1.0	-	-	0.7%	-	-	-	-	-
<b>Non-profit institutions</b>											
<b>Current</b>	0.5	-	1.3	-	-100.0%	0.6%	-	-	-	-	-
National off-road workshop	0.5	-	1.3	-	-100.0%	0.6%	-	-	-	-	-

## Personnel information

Table 30.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
Legal, Authorisations and Compliance			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	162	2	145	61.2	0.4	148	62.4	0.4	164	78.1	0.5	164	82.7	0.5	164	87.7	0.5	3.5%	100.0%
1 – 6	19	–	17	3.3	0.2	17	3.3	0.2	19	4.3	0.2	19	4.6	0.2	19	4.9	0.3	3.8%	11.6%
7 – 10	90	–	83	29.0	0.3	84	28.1	0.3	90	35.9	0.4	90	38.0	0.4	90	40.3	0.4	2.3%	55.3%
11 – 12	30	1	28	16.4	0.6	28	16.8	0.6	31	19.4	0.6	31	20.6	0.7	31	21.8	0.7	3.5%	18.9%
13 – 16	23	1	17	12.6	0.7	19	14.2	0.7	24	18.5	0.8	24	19.5	0.8	24	20.8	0.9	8.1%	14.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on enhancing compliance and enforcement efforts to increase industry's voluntary compliance with environmental legislation, which is reflected in the increased expenditure on the *Integrated Environmental Authorisations* subprogramme.

Expenditure in the *Compliance Monitoring* and *Integrated Environmental Authorisations* subprogrammes increased between 2009/10 and 2012/13 mainly due to the increased number of environmental impact assessments conducted. Expenditure on legal services increased significantly in 2012/13 as the department dealt with 52 litigation matters during the year.

Over the medium term, spending on consultants comprises 23 per cent of the goods and services budgets. Consultants complement the limited specialist skills within the department required for the complex environmental impact assessments in the *Integrated Environmental Authorisations* subprogramme.

The programme had a funded establishment of 162 posts and 2 posts were filled additional to the establishment. There were 16 vacancies at the end of September 2012, mostly as a result of natural attrition. Personnel numbers are expected to increase to 164 in 2013/14 as the department looks to increase legal capacity within the programme.

## Programme 3: Oceans and Coasts

### Objectives

- Ensure effective management of the ocean and coastal environment by:
  - gaining approval for the Ocean Management White Paper by 2013/14 and promulgating the draft legislation by 2015/16
  - ensuring response preparedness for oil spills along the South African coast through the review of 14 of the 25 oil pollution response plans by 2015/16
  - launching the national coastal management programme to enable management of the entire coastline, including planning and conservation of the coast, by 2014/15.
- Strengthen the national science programmes for integrated ocean and coastal management by:
  - conducting research annually to determine baseline information for biodiversity species and priority habitats within South Africa's exclusive economic zone and associated large marine ecosystems
  - increasing the number of surveys of representative or priority habitats every year from 2 in 2012/13 to 8 in 2015/16
  - supporting biodiscovery and assessing marine protected areas through the cataloguing of new or unknown species, with emphasis on benthic invertebrate species, on an ongoing basis.

- Improve the conservation status of marine top predator populations, especially seals and the 12 South African seabird species by:
  - monitoring and researching their behaviour for baseline information annually
  - providing appropriate management advice based on population numbers as required.
- Implement a functional coastal and ocean observation and monitoring network for the establishment of a climate and early warning system by:
  - increasing the number of observational platforms deployed from 3 in 2012/13 to 6 in 2014/15
  - using the information gathered by the observational platforms to provide a basis for the annually compiled state of the ocean report.

## Subprogrammes

- *Oceans and Coasts Management* provides for the administration and coordination of the overall programme activities. This entails strategic planning, team building, coaching and training. In 2012/13, R11 million was used for compensation of employees. Over the medium term, focus will be placed on developing partnerships with academic institutions and research bodies, as well as with international partners to facilitate skills transfers. This subprogramme had a staff complement of 8 in 2012/13.
- *Integrated Coastal Management* provides for the coordinated and integrated management of the coastal environment. This entails implementing measures to advance the protection of coastal ecosystems and species, in particular the management of marine protected areas and the development of estuary management plans, as well as those meant to control and reduce the pollution of coastal waters from land based sources and oil spills. A draft national coastal management programme was developed in 2012/13. This subprogramme had a staff complement of 34 in 2012/13.
- *Oceans and Coastal Research* monitors and undertakes scientific investigations on marine and coastal ecosystems, ocean dynamics, ecosystem functioning and marine biodiversity, to improve the understanding and management of ocean and coastal ecosystems. This subprogramme had a staff complement of 58 in 2012/13.
- *Oceans Conservation* provides for the management and conservation of oceans, and sub-Antarctic and Antarctic ocean environments; the development and implementation of ocean policy; ocean atmosphere information coordination; the management of ocean ecosystems; and the management of regional and international oceans obligations. This entails managing all logistics in respect of supply and relief voyages undertaken to Antarctica and the Prince Edward Islands, which are South African territories. In 2011/12, focus was placed on developing an appropriate management policy framework for the ocean environment, draft legislation for which will be submitted to Cabinet for promulgation by 2015/16. This subprogramme had a staff complement of 67 in 2012/13.
- *Specialist Monitoring Services* provides leadership in specialist monitoring strategies for oceans and coasts, through coordination with sector departments and regional and international programmes and forums. This entails managing and coordinating national programmes and regional and international large marine ecosystem programmes. Over the medium term, focus will be placed on developing national spatial planning strategies and tools, such as the oceans and coasts information management system. This subprogramme will be fully established in 2013/14 with a staff complement of 4.

## Expenditure estimates

**Table 30.9 Oceans and Coasts**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Oceans and Coasts Management	11.9	15.4	32.8	22.3	23.2%	3.6%	15.3	16.2	17.1	-8.5%	4.6%
Integrated Coastal Management	31.2	47.3	29.0	46.2	13.9%	6.7%	42.5	45.2	47.8	1.1%	11.8%
Oceans and Coastal Research	69.2	49.5	57.1	51.3	-9.5%	9.9%	109.3	124.4	121.6	33.3%	26.5%
Oceans Conservation	241.6	532.1	757.4	291.9	6.5%	79.7%	139.8	199.5	234.9	-7.0%	56.4%
Specialist Monitoring Services	-	-	-	-	-	-	2.9	3.1	3.3	-	0.6%
<b>Total</b>	<b>353.9</b>	<b>644.3</b>	<b>876.3</b>	<b>411.6</b>	<b>5.2%</b>	<b>100.0%</b>	<b>309.8</b>	<b>388.4</b>	<b>424.6</b>	<b>1.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				189.8			67.7	131.5	153.8		
<b>Economic classification</b>											
<b>Current payments</b>	<b>222.1</b>	<b>254.0</b>	<b>224.5</b>	<b>219.5</b>	<b>-0.4%</b>	<b>40.2%</b>	<b>297.3</b>	<b>375.2</b>	<b>410.8</b>	<b>23.2%</b>	<b>84.9%</b>
Compensation of employees	58.9	66.1	68.5	73.6	7.7%	11.7%	76.1	81.2	87.1	5.8%	20.7%
Goods and services	163.2	187.9	155.9	145.9	-3.7%	28.6%	221.2	294.0	323.7	30.4%	64.2%
of which:											
Consultants and professional services: Infrastructure and planning	-	-	-	-	-	-	10.0	10.0	-	-	1.3%
Agency and support / outsourced services	-	41.4	7.5	3.3	-	2.3%	128.0	195.4	156.7	262.1%	31.5%
Operating leases	0.0	0.0	0.4	0.6	131.1%	-	0.7	0.7	0.8	9.6%	0.2%
Travel and subsistence	6.0	2.8	10.6	34.2	78.7%	2.3%	23.2	23.1	24.2	-10.9%	6.8%
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>-</b>	<b>0.7</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	0.0	-	0.7	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>131.8</b>	<b>390.2</b>	<b>651.2</b>	<b>192.1</b>	<b>13.4%</b>	<b>59.7%</b>	<b>12.5</b>	<b>13.2</b>	<b>13.8</b>	<b>-58.4%</b>	<b>15.1%</b>
Buildings and other fixed structures	131.4	390.2	642.0	-	-100.0%	50.9%	-	-	-	-	-
Machinery and equipment	0.2	-	9.2	192.1	847.3%	8.8%	12.5	13.2	13.8	-58.4%	15.1%
Software and other intangible assets	0.2	-	0.0	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>353.9</b>	<b>644.3</b>	<b>876.3</b>	<b>411.6</b>	<b>5.2%</b>	<b>100.0%</b>	<b>309.8</b>	<b>388.4</b>	<b>424.6</b>	<b>1.0%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	12.9%	19.6%	21.3%	8.0%			5.7%	7.0%	6.9%		

## Personnel information

**Table 30.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	Unit		2012/13	Unit		2013/14		Unit		2014/15				Unit		2012/13 - 2015/16	
<b>Oceans and Coasts</b>																			
<b>Salary level</b>	<b>124</b>	<b>47</b>	<b>171</b>	<b>63.2</b>	<b>0.4</b>	<b>171</b>	<b>64.8</b>	<b>0.4</b>	<b>171</b>	<b>76.4</b>	<b>0.4</b>	<b>171</b>	<b>80.4</b>	<b>0.5</b>	<b>171</b>	<b>85.8</b>	<b>0.5</b>	<b>-</b>	<b>100.0%</b>
1-6	16	17	33	5.3	0.2	33	5.6	0.2	33	7.0	0.2	33	7.4	0.2	33	7.8	0.2	-	19.3%
7-10	58	24	82	24.8	0.3	82	25.3	0.3	82	30.5	0.4	82	31.9	0.4	82	34.3	0.4	-	48.0%
11-12	33	6	39	20.0	0.5	39	20.5	0.5	39	24.9	0.6	39	26.4	0.7	39	28.0	0.7	-	22.8%
13-16	17	-	17	13.2	0.8	17	13.4	0.8	17	14.0	0.8	17	14.8	0.9	17	15.7	0.9	-	9.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on developing a policy and regulatory framework to guide the sustainable development, conservation and management of ocean environmental resources, and on developing an ocean environmental management strategy and regime. This is reflected in the expenditure in *Oceans and Coastal Research* and *Oceans Conservation* subprogrammes over the MTEF period.

The significant increase in payments for capital assets between 2009/10 and 2012/13 was due to allocations to replace the polar research vessel, which cost R1.2 billion. Value added tax of R187 million was paid on the delivery of the vessel. Over the medium term, an additional allocation of R344 million is made available for expenditure on research, scientific investigation and conservation within the *Oceans and Coastal Research*



subprogramme. This goes towards the operation and manning of the SA Agulhas II and Algoa research vessels, which undertake research to address the vulnerability of South Africa's coastal and ocean environment. Spending is thus expected to increase on agency, support and outsourced services to operate and man these vessels. The programme also receives R20 million over the MTEF period for the upgrading of its research laboratories in order to comply with occupational health and safety regulations.

The programme had a funded establishment of 124 posts and 47 posts were filled additional to the establishment. There were no vacancies at the end of September 2012 and personnel numbers are expected to remain at this level over the medium term. Spending on consultants was equivalent to 34.5 per cent of expenditure on goods and services in 2012/13. Consultants are used mainly to provide operational, maintenance and research services on voyages to Antarctica, and the Marion and Prince Edward Islands. The capacity within the department to deliver such services is inadequate due to shortages of the required personnel.

As part of the Cabinet approved budget reductions, the department reduced the allocation for spending on travel and subsistence over the medium term by R33.1 million by reducing the number of delegates attending international meetings.

## Programme 4: Climate Change and Air Quality

### Objectives

- Ensure an effective response to climate change impacts by:
  - building adaptive capacity, socioeconomic resilience and emergency response capacity by 2015/16
  - completing phase 1 of the development of the national integrated climate change adaptation strategy for South Africa by 2015/16.
- Contribute to the global effort to stabilise greenhouse gas concentrations in the atmosphere by:
  - making recommendations on aligning 4 climate change sectoral policies and plans by 2015/16
  - finalising 3 sector mitigation plans by 2015/16.
- Enable South Africa to meet its national and international obligations by developing a national monitoring and evaluation system for climate change by 2015/16.
- Ensure the continuous improvement of ambient air quality throughout the country by implementing air quality management plans in priority area hotspots and providing legislative support and leadership to other spheres performing air quality management functions over the MTEF period.
- Reduce the national air quality indicator from 1.150 in 2011/12 to 1.130 in 2015/16 through:
  - the national implementation of the regulatory framework of the Air Quality Act (2004) over the medium term
  - growing and maintaining the number of monitoring stations in the country that report to the South African air quality information system from 60 in 2011/12 to 80 in 2015/16.

### Subprogrammes

- *Climate Change Management* provides for the overall management and administration of the programme by ensuring strategic management and coordination of programme activities. This subprogramme had a staff complement of 6 in 2012/13.
- *Climate Change Mitigation* coordinates and informs the development of national climate change response plans for key sectors concerned with climate change mitigation. This entails adhering to the national climate change response policy in implementing a participatory process to set desired emission reduction outcomes for each sector and subsector of the economy; developing an optimal combination of mitigation measures including carbon budgeting, and conducting regulatory reviews and audits to ensure sectoral alignment with climate change policy. Most climate change adaptation and mitigation initiative projects in this subprogramme's performance plan are funded through Gesellschaft für Internationale Zusammenarbeit, a German donor funder. This subprogramme had a staff complement of 6 in 2012/13.
- *Climate Change Adaptation* leads, supports, informs, monitors and reports on efficient and effective national, provincial and local climate change adaptation responses. Most climate change adaptation and

mitigation initiative projects in this subprogramme's performance plan are funded by Gesellschaft für Internationale Zusammenarbeit. This subprogramme had a staff complement of 3 in 2012/13.

- *Air Quality Management* ensures that the possible negative impacts of air pollution on air and atmospheric quality are avoided, mitigated or managed, with a view to ensuring ambient air quality that is not harmful to health and wellbeing. This entails providing national leadership, oversight and monitoring, and setting norms and standards. In 2012/13, R1.4 million was transferred to the National Association of Clean Air for the annual air quality governance lekgotla, as well as for building capacity in local government on air quality issues. This subprogramme had a staff complement of 32 in 2012/13.
- *South African Weather Service* makes transfer payments to the South African Weather Service for the management of meteorological services. In 2012/13, R150.6 million was transferred to the organisation in quarterly tranches. This subprogramme had no staff complement in 2012/13.
- *International Climate Change Relations and Negotiations* is the focal point for South Africa's international climate change interactions, including multilateral and bilateral engagements. This entails preparing for, negotiating and informing the implementation of multilateral, mini-lateral and bilateral climate change agreements. This subprogramme had a staff complement of 7 in 2012/13.
- *Climate Change Monitoring and Evaluation* monitors and evaluates national climate change responses. This entails identifying, gathering, sorting, collating, storing, archiving, analysing, synthesising, distributing and popularising complete, accurate and current climate change and climate change response data and information, to ensure informed climate change response decision making. All projects in this subprogramme's performance plan are supported through donor funding from Gesellschaft für Internationale Zusammenarbeit. This subprogramme had a staff complement of 8 in 2012/13.

## Expenditure estimates

**Table 30.11 Climate Change and Air Quality**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Climate Change Management	–	5.6	128.0	16.3	–	17.1%	12.5	13.1	13.8	-5.4%	5.8%
Climate Change Mitigation	–	3.3	5.1	8.8	–	2.0%	7.2	7.8	8.2	-2.4%	3.3%
Climate Change Adaptation	–	2.9	4.1	4.5	–	1.3%	4.5	4.8	5.1	4.0%	2.0%
Air Quality Management	31.5	25.8	33.9	32.3	0.9%	14.1%	36.1	38.4	40.7	8.0%	15.4%
South African Weather Service	135.4	148.6	138.2	150.6	3.6%	65.2%	162.9	172.5	180.4	6.2%	69.6%
International Climate Change Relations and Negotiations	–	–	–	1.3	–	0.1%	5.2	5.5	5.9	67.3%	1.9%
Climate Change Monitoring and Evaluation	–	–	–	1.9	–	0.2%	5.4	5.7	6.1	48.8%	2.0%
<b>Total</b>	<b>166.8</b>	<b>186.2</b>	<b>309.3</b>	<b>215.6</b>	<b>8.9%</b>	<b>100.0%</b>	<b>233.8</b>	<b>247.7</b>	<b>260.1</b>	<b>6.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				0.2			–	–	–		
<b>Economic classification</b>											
<b>Current payments</b>	<b>30.8</b>	<b>35.6</b>	<b>169.2</b>	<b>62.7</b>	<b>26.8%</b>	<b>34.0%</b>	<b>68.5</b>	<b>72.8</b>	<b>77.2</b>	<b>7.2%</b>	<b>29.4%</b>
Compensation of employees	14.2	18.0	30.8	36.5	37.0%	11.3%	43.4	46.3	49.6	10.8%	18.4%
Goods and services	16.6	17.6	138.4	26.2	16.5%	22.7%	25.1	26.5	27.6	1.7%	11.0%
of which:											
Agency and support / outsourced services	–	0.3	–	1.5	–	0.2%	1.4	1.2	1.3	-5.7%	0.6%
Operating leases	0.0	0.1	0.1	0.1	28.9%	–	0.1	0.1	0.1	6.1%	–
Travel and subsistence	3.1	9.7	12.0	8.2	38.4%	3.8%	5.6	5.5	5.6	-11.6%	2.6%
<b>Transfers and subsidies</b>	<b>135.9</b>	<b>150.0</b>	<b>139.6</b>	<b>152.0</b>	<b>3.8%</b>	<b>65.8%</b>	<b>164.3</b>	<b>173.9</b>	<b>181.8</b>	<b>6.2%</b>	<b>70.2%</b>
Departmental agencies and accounts	135.4	148.6	138.2	150.6	3.6%	65.2%	162.9	172.5	180.4	6.2%	69.6%
Non-profit institutions	0.6	1.4	1.4	1.4	34.1%	0.5%	1.4	1.4	1.4	–	0.6%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.5</b>	<b>0.5</b>	<b>0.9</b>	<b>111.6%</b>	<b>0.2%</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>7.7%</b>	<b>0.4%</b>
Machinery and equipment	0.1	0.4	0.5	0.9	111.6%	0.2%	1.0	1.0	1.1	7.7%	0.4%
Software and other intangible assets	–	0.1	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>166.8</b>	<b>186.2</b>	<b>309.3</b>	<b>215.6</b>	<b>8.9%</b>	<b>100.0%</b>	<b>233.8</b>	<b>247.7</b>	<b>260.1</b>	<b>6.5%</b>	<b>100.0%</b>

Table 30.11 Climate Change and Air Quality (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Proportion of total programme expenditure to vote expenditure	6.1%	5.7%	7.5%	4.2%			4.3%	4.4%	4.2%		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>135.4</b>	<b>148.6</b>	<b>138.2</b>	<b>150.6</b>	<b>3.6%</b>	<b>65.2%</b>	<b>162.9</b>	<b>172.5</b>	<b>180.4</b>	<b>6.2%</b>	<b>69.6%</b>
South African Weather Service	135.4	148.6	138.2	150.6	3.6%	65.2%	162.9	172.5	180.4	6.2%	69.6%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>0.6</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>34.1%</b>	<b>0.5%</b>	<b>1.4</b>	<b>1.4</b>	<b>1.4</b>	<b>-</b>	<b>0.6%</b>
National Association for Clean Air	0.6	1.4	1.4	1.4	34.1%	0.5%	1.4	1.4	1.4	-	0.6%

## Personnel information

Table 30.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%) 2012/13 - 2015/16					
		2011/12			2012/13			2013/14		2014/15		2015/16								
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost							
<b>Climate Change and Air Quality</b>		<b>63</b>	<b>1</b>	<b>54</b>	<b>26.7</b>	<b>0.5</b>	<b>62</b>	<b>31.7</b>	<b>0.5</b>	<b>64</b>	<b>34.1</b>	<b>0.5</b>	<b>64</b>	<b>36.0</b>	<b>0.6</b>	<b>64</b>	<b>38.3</b>	<b>0.6</b>	<b>1.1%</b>	<b>100.0%</b>
Salary level																				
1-6	7	-	4	0.8	0.2	5	1.0	0.2	7	1.1	0.2	7	1.2	0.2	7	1.3	0.2	11.9%	10.2%	
7-10	23	-	22	7.4	0.3	23	7.8	0.3	23	9.0	0.4	23	9.5	0.4	23	10.1	0.4	-	36.2%	
11-12	12	1	11	6.0	0.5	13	7.2	0.6	13	7.7	0.6	13	8.1	0.6	13	8.6	0.7	-	20.5%	
13-16	21	-	17	12.6	0.7	21	15.7	0.7	21	16.3	0.8	21	17.2	0.8	21	18.3	0.9	-	33.1%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on air quality management and providing for the country's ability to more accurately predict significant changes in weather patterns.

Expenditure increased between 2009/10 and 2012/13 due to the United Nations Framework Convention on Climate Change held in Durban in November 2011. R105 million was spent on the convention, which accounts for the spike in expenditure in the *Climate Change Management* subprogramme over this period. Consultants were used at the convention for arranging an exhibition to showcase efforts by national departments, public entities, and civil society organisations with regard to climate change adaptation and mitigation initiatives.

Over the medium term, expenditure is expected to increase due to the transfer of the South African Weather Services from the previous programme 2 to this programme, and an additional allocation of R50 million for high performance computers to improve the accuracy of weather forecasting. The relocation of the South African Weather Service to this programme also accounts for the projected increase in expenditure on transfers to departmental agencies and accounts over the medium term.

To give effect to the Cabinet approved budget reductions, the department reduced the allocation for spending on travel and subsistence over the medium term by R6.8 million through reducing the number of delegates attending international meetings.

The programme had a funded establishment of 63 posts and one post was filled additional to the establishment. There were 2 vacant posts as at 30 September 2012. The vacancies are to be filled in 2013/14. Personnel numbers are expected to remain on 64 posts over the medium term.

## Programme 5: Biodiversity and Conservation

### Objectives

- Improve conservation and biodiversity through the safeguarding of ecosystems, species, genetic diversity and the minimising of threats to ecological sustainability, by increasing the percentage of land under conservation from 7.7 per cent in 2012/13 to 8.5 per cent in 2015/16.
- Ensure the sustainability of ecosystems by regulating and promoting the use of biological resources, species and genes, by implementing 1 new sustainable natural resource based project per year over the MTEF period.
- Promote and enhance livelihoods through access to, and fair and equitable sharing of benefits arising from the use of biological resources, by developing a draft system for transformation of the biodiversity sector by 2015/16.

### Subprogrammes

- *Biodiversity and Conservation Management* provides for the overall administration of the programme. This subprogramme had a staff complement of 6 in 2012/13.
- *Biodiversity Planning and Management* manages, protects and conserves the country's biological resources and ecosystems for human wellbeing and sustainable development; and develops and implements programmes and processes aimed at the protection and mitigation of threats to biodiversity at the species and ecosystem levels. This entails developing, coordinating and implementing policies and decision support tools for conservation planning and biodiversity management. This subprogramme had a staff complement of 24 in 2012/13.
- *Protected Areas Systems Management* oversees the establishment and maintenance of comprehensive, effectively managed and ecologically representative national and cross border systems of protected areas. This entails facilitating the effective management of the protected area system to support conservation and sustainable development; ensuring the effective management of transfrontier conservation areas; developing and overseeing the implementation of protected area policies and legislation; and ensuring compliance with and enforcement of protected area legislation, while promoting participation and beneficiation of local communities in the establishment, development and management of protected areas. This subprogramme had a staff complement of 37 in 2012/13.
- *iSimangaliso Wetland Park Authority* transfers funds to the iSimangaliso Wetland Park Authority, which protects, conserves and promotes the park. This subprogramme's total budget is transferred monthly to the authority. This subprogramme had no staff complement in 2012/13.
- *South African National Parks* transfers funds to South African National Parks, which conserves, protects, controls and manages national parks and other defined protected areas and their biological diversity. This subprogramme's total budget is transferred monthly to the authority. This subprogramme had no staff complement in 2012/13.
- *South African National Biodiversity Institute* transfers funds to the South African National Biodiversity Institute, which implements strategic activities as identified in the National Environmental Management: Biodiversity Act (2004), with specific focus on biodiversity research and knowledge management in support of South Africa's biodiversity. This subprogramme's total budget is transferred monthly to the authority. This subprogramme had no staff complement in 2012/13.
- *Biodiversity Monitoring and Evaluation* is responsible for sector wide biodiversity monitoring and evaluation, and coordinating biodiversity related multilateral environmental agreements through the management of the science policy interface. This subprogramme had a staff complement of 3 in 2012/13.
- *Biodiversity Economy and Sustainable Use* promotes and regulates sustainable use as well as the fair and equitable sharing of benefits arising from the utilisation of biological resources; and facilitates the growth of a nature-based bio diversified economy through appropriate policies, legislation and programmes. This subprogramme had a staff complement of 14 in 2012/13.

## Expenditure estimates

Table 30.13 Biodiversity and Conservation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Biodiversity and Conservation Management	3.4	7.1	4.9	5.8	19.1%	1.1%	27.2	18.3	19.2	49.2%	3.0%
Biodiversity Planning and Management	18.4	25.9	33.8	48.4	38.0%	6.9%	16.6	27.7	30.0	-14.7%	5.2%
Protected Areas Systems Management	21.0	29.6	24.6	45.0	28.9%	6.5%	42.7	45.9	47.8	2.0%	7.6%
iSimangaliso Wetland Park Authority	20.7	21.4	25.8	27.0	9.2%	5.1%	28.8	30.6	32.1	6.0%	5.0%
South African National Parks	184.4	190.2	162.0	256.2	11.6%	43.0%	220.1	235.2	251.6	-0.6%	40.6%
South African National Biodiversity Institute	138.9	147.8	205.4	194.4	11.9%	37.2%	208.7	224.7	237.2	6.8%	36.4%
Biodiversity Monitoring and Evaluation	-	-	-	1.3	-	0.1%	5.4	5.8	6.2	70.6%	0.8%
Biodiversity Economy and Sustainable Use	-	-	-	1.3	-	0.1%	10.0	10.7	11.4	109.2%	1.4%
<b>Total</b>	<b>386.9</b>	<b>422.0</b>	<b>456.6</b>	<b>579.3</b>	<b>14.4%</b>	<b>100.0%</b>	<b>559.5</b>	<b>598.9</b>	<b>635.6</b>	<b>3.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				93.0			39.2	47.6	57.6		

## Economic classification

<b>Current payments</b>	<b>41.0</b>	<b>55.6</b>	<b>58.4</b>	<b>99.9</b>	<b>34.6%</b>	<b>13.8%</b>	<b>101.2</b>	<b>107.7</b>	<b>114.0</b>	<b>4.5%</b>	<b>17.8%</b>
Compensation of employees	23.3	29.9	34.8	38.5	18.2%	6.9%	48.0	51.2	54.8	12.5%	8.1%
Goods and services	17.7	25.7	23.5	61.5	51.4%	7.0%	53.2	56.6	59.2	-1.3%	9.7%
of which:											
Agency and support / outsourced services	0.0	-	0.0	15.0	923.3%	0.8%	(8.0)	1.6	2.4	-45.8%	0.5%
Operating leases	0.2	0.2	0.1	0.4	20.4%	0.1%	0.4	0.5	0.5	6.9%	0.1%
Travel and subsistence	8.4	12.7	11.7	31.6	55.6%	3.5%	21.5	23.4	23.7	-9.1%	4.2%
<b>Transfers and subsidies</b>	<b>345.4</b>	<b>365.7</b>	<b>397.5</b>	<b>478.9</b>	<b>11.5%</b>	<b>86.1%</b>	<b>457.6</b>	<b>490.5</b>	<b>520.9</b>	<b>2.8%</b>	<b>82.1%</b>
Departmental agencies and accounts	344.0	359.4	393.2	477.7	11.6%	85.3%	457.6	490.5	520.9	2.9%	82.0%
Non-profit institutions	1.4	6.1	4.2	1.3	-2.1%	0.7%	-	-	-	-100.0%	0.1%
Households	0.0	0.2	-	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.5</b>	<b>0.5</b>	<b>0.8</b>	<b>0.5</b>	<b>-0.8%</b>	<b>0.1%</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>14.9%</b>	<b>0.1%</b>
Machinery and equipment	0.5	0.5	0.8	0.5	-0.5%	0.1%	0.6	0.7	0.7	14.9%	0.1%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>386.9</b>	<b>422.0</b>	<b>456.6</b>	<b>579.3</b>	<b>14.4%</b>	<b>100.0%</b>	<b>559.5</b>	<b>598.9</b>	<b>635.6</b>	<b>3.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>14.1%</b>	<b>12.9%</b>	<b>11.1%</b>	<b>11.2%</b>			<b>10.3%</b>	<b>10.7%</b>	<b>10.4%</b>		

## Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>268.9</b>	<b>325.2</b>	<b>374.1</b>	<b>450.3</b>	<b>18.7%</b>	<b>76.9%</b>	<b>429.3</b>	<b>460.5</b>	<b>489.5</b>	<b>2.8%</b>	<b>77.1%</b>
iSimangaliso Wetland Park Authority	20.7	21.4	25.8	27.0	9.2%	5.1%	28.8	30.6	32.1	6.0%	5.0%
South African National Parks	109.3	156.0	142.9	228.9	27.9%	34.5%	191.8	205.2	220.2	-1.3%	35.7%
South African National Biodiversity Institute	138.9	147.8	205.4	194.4	11.9%	37.2%	208.7	224.7	237.2	6.8%	36.4%
<b>Capital</b>	<b>75.1</b>	<b>34.3</b>	<b>19.1</b>	<b>27.4</b>	<b>-28.6%</b>	<b>8.4%</b>	<b>28.3</b>	<b>30.0</b>	<b>31.4</b>	<b>4.7%</b>	<b>4.9%</b>
South African National Parks	75.1	34.3	19.1	27.4	-28.6%	8.4%	28.3	30.0	31.4	4.7%	4.9%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>1.4</b>	<b>6.1</b>	<b>4.2</b>	<b>1.3</b>	<b>-2.1%</b>	<b>0.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>
KwaZulu-Natal Conservation Board	1.1	1.1	1.2	1.3	7.0%	0.3%	-	-	-	-100.0%	0.1%
African World Heritage Fund	-	5.0	3.0	-	-	0.4%	-	-	-	-	-
Endangered Wildlife Trust	0.3	-	-	-	-100.0%	-	-	-	-	-	-

## Personnel information

Table 30.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit	2012/13		Unit	2013/14		Unit	2014/15		Unit			2015/16		Unit	
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	2012/13 - 2015/16		
<b>Biodiversity and Conservation</b>																			
Salary level	85	7	74	30.1	0.4	84	35.6	0.4	92	41.6	0.5	92	44.1	0.5	92	47.3	0.5	3.1%	100.0%
1 – 6	13	–	9	1.7	0.2	10	2.1	0.2	13	3.0	0.2	13	3.1	0.2	13	3.3	0.3	9.1%	13.6%
7 – 10	40	6	39	11.8	0.3	42	12.9	0.3	46	16.1	0.4	46	17.1	0.4	46	18.6	0.4	3.1%	50.0%
11 – 12	17	–	13	7.0	0.5	17	9.4	0.6	17	10.0	0.6	17	10.6	0.6	17	11.2	0.7	–	18.9%
13 – 16	15	1	13	9.6	0.7	15	11.3	0.8	16	12.5	0.8	16	13.2	0.8	16	14.1	0.9	2.2%	17.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on implementing the protected areas expansion strategy to ensure that endangered biodiversity, ecosystems and natural heritage areas are protected. This accounts for the significant spending on transfers to public entities, which make up 78 per cent of the programme's budget over this period.

Expenditure increased between 2009/10 and 2012/13 due to additional funding to the South African National Biodiversity Institute to ensure that the institute is able to deliver on its mandate; and to South African National Parks to improve and maintain critical infrastructure under its control. This trend is set to continue over the MTEF period. Additional allocations over the MTEF period include: R150 million to South African National Biodiversity Institute for the upgrade of infrastructure at the Kirstenbosch National Botanical Garden education centre, R75 million to South African National Parks for combatting rhino poaching, and R70 million to iSimangaliso Wetlands Park Authority for infrastructure upgrades.

The increased expenditure on compensation of employees over the MTEF period is driven by the creation of the new *Biodiversity Monitoring and Evaluation* and *Biodiversity Economy and Sustainable Use* subprogrammes, and the costs of capacitating these.

As part of the Cabinet approved budget reductions, the department reduced the allocation for spending on travel and subsistence over the medium term by R37.8 million. The department also reprioritised spending in the programme in order to fund key priorities to be undertaken by a new directorate, which was established to deal with protected areas governance matters, in particular management effectiveness. The directorate will be funded through reprioritisation within the existing budget.

The programme had a funded establishment of 85 posts and 7 posts were filled additional to the establishment. There were 8 vacancies at the end of September 2012. Personnel numbers are expected to increase to 92 posts in 2013/14, as the department expects to increase expertise in biodiversity and conservation within the programme. Consultants are used for specialised studies or services, such as the development of the national strategy for the protection of the rhino populations. In 2012/13, expenditure on consultants was equivalent to 13.4 per cent of total expenditure on compensation of employees.

## Programme 6: Environmental Programmes

### Objectives

- Promote the empowerment of designated communities by creating 219 089 work opportunities and 113 748 full time equivalents within environmental projects through the implementation of the expanded public works projects over the MTEF period.
- Restore and maintain vegetation structure and function in order to contribute to ecosystem services by:

- clearing or treating of 870 089 hectares of invasive alien plants per year
- cleaning 2 113 kilometres of coast line per year
- extinguishing 2 000 fires per year
- restoring and rehabilitating 92 157 hectares of land over the MTEF period.
- Facilitate the transition to a growth path that is low in carbon and resource efficient by providing catalytic finance to 65 green initiative projects over the medium term.

## Subprogrammes

- *Environmental Protection and Infrastructure Programme* is discussed in more detail below.
- *Working for Water and Working on Fire* ensures that South Africa addresses its responsibilities relating to water resource management, biological diversity and the functioning of natural systems; and ensures that meaningful livelihood opportunities are supported for those employed on these programmes. The Working for Wetlands programme, which is responsible for the rehabilitation, protection and sustainable use of wetlands, and on the Working for Land programme, which addresses the rehabilitation and restoration of degraded land, are where this subprogramme's activities are focused. Working on Fire employs and trains young men and women from marginalised communities to be skilled, wild land fire fighters, in order to reduce the personal and economic harm caused by unwanted wildfire. A 77 766 new work opportunities and 25 415 full time equivalents were created in 2012/13. This subprogramme had a staff complement of 292 in 2012/13.
- *Green Fund* invests in projects to protect the environment by working with the donor community and the private sector. The Development Bank of Southern Africa has been appointed as the implementing agent of the fund. In 2012/13, R300 million was allocated for the fund's activities. This subprogramme had no staff complement in 2012/13.
- *Environmental Programmes Management* contributes to sustainable development and livelihoods, and green and inclusive economic growth. This entails facilitating skills development, creating employment, managing natural resources and developing infrastructure. 107 769 accredited training person days were created in 2012/13. This subprogramme had a staff complement of 3 in 2012/13.
- *Information Management and Sector Coordination* aims to provide effective and efficient support to environmental programmes to maximise and stimulate potential for economic growth in the environment sector, and maximises the sustainable utilisation of environmental resources. This entails coordinating the expanded public works programme's environment and culture sector, and managing the reporting function for the programme; knowledge and information management, as well as monitoring and evaluation. This subprogramme had a staff complement of 19 in 2012/13.

## Expenditure estimates

**Table 30.15 Environmental Programmes**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Environmental Protection and Infrastructure Programme	849.6	679.0	869.3	1 252.5	13.8%	45.2%	1 358.5	1 518.1	1 627.3	9.1%	41.6%
Working for Water and Working on Fire	625.0	889.4	1 107.6	1 490.7	33.6%	51.0%	1 498.9	1 960.2	1 973.6	9.8%	50.0%
Green Fund	–	–	–	300.0	–	3.7%	500.0	–	300.0	–	8.0%
Environmental Programmes Management	–	–	–	3.5	–	–	4.2	4.7	5.2	13.9%	0.1%
Information Management and Sector Coordination	–	–	–	2.6	–	–	10.2	11.4	12.5	69.7%	0.3%
<b>Total</b>	<b>1 474.5</b>	<b>1 568.4</b>	<b>1 976.9</b>	<b>3 049.2</b>	<b>27.4%</b>	<b>100.0%</b>	<b>3 371.8</b>	<b>3 494.3</b>	<b>3 918.5</b>	<b>8.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				375.2			123.7	256.3	547.5		

Table 30.15 Environmental Programmes (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
<b>Current payments</b>	<b>625.1</b>	<b>926.9</b>	<b>526.6</b>	<b>418.8</b>	<b>-12.5%</b>	<b>30.9%</b>	<b>375.2</b>	<b>593.2</b>	<b>608.1</b>	<b>13.2%</b>	<b>14.4%</b>
Compensation of employees	108.6	112.1	120.4	192.3	21.0%	6.6%	145.8	154.0	163.3	-5.3%	4.7%
Goods and services	516.4	814.5	405.9	226.5	-24.0%	24.3%	229.4	439.1	444.8	25.2%	9.7%
of which:											
Consultants and professional services:	228.4	414.1	0.4	49.7	-39.8%	8.6%	34.4	92.5	83.4	18.8%	1.9%
Infrastructure and planning											
Agency and support / outsourced services	183.2	211.8	78.9	8.2	-64.5%	6.0%	16.6	127.1	110.8	138.0%	1.9%
Operating leases	3.8	8.5	4.1	9.7	36.8%	0.3%	10.5	11.2	11.7	6.6%	0.3%
Travel and subsistence	30.8	38.8	33.9	35.9	5.2%	1.7%	38.1	40.3	42.4	5.7%	1.1%
Interest and rent on land	0.1	0.4	0.2	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>803.7</b>	<b>624.2</b>	<b>1 444.3</b>	<b>2 597.8</b>	<b>47.9%</b>	<b>67.8%</b>	<b>2 961.5</b>	<b>2 858.9</b>	<b>3 266.3</b>	<b>7.9%</b>	<b>84.5%</b>
Provinces and municipalities	0.1	0.1	-	-	-100.0%	-	-	-	-	-	-
Departmental agencies and accounts	283.0	136.2	127.2	122.4	-24.4%	8.3%	479.2	573.8	670.7	76.3%	13.3%
Public corporations and private enterprises	-	4.1	-	300.0	-	3.8%	500.0	-	300.0	-	8.0%
Non-profit institutions	29.4	23.5	16.1	0.2	-81.0%	0.9%	-	-	-	-100.0%	-
Households	491.3	460.3	1 301.1	2 175.3	64.2%	54.9%	1 982.3	2 285.2	2 295.6	1.8%	63.2%
<b>Payments for capital assets</b>	<b>45.8</b>	<b>17.2</b>	<b>6.0</b>	<b>32.6</b>	<b>-10.7%</b>	<b>1.3%</b>	<b>35.1</b>	<b>42.3</b>	<b>44.2</b>	<b>10.7%</b>	<b>1.1%</b>
Buildings and other fixed structures	39.9	0.4	-	-	-100.0%	0.5%	-	-	-	-	-
Machinery and equipment	5.8	16.9	6.0	32.6	77.6%	0.8%	35.1	42.3	44.2	10.7%	1.1%
<b>Payments for financial assets</b>	<b>-</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 474.5</b>	<b>1 568.4</b>	<b>1 976.9</b>	<b>3 049.2</b>	<b>27.4%</b>	<b>100.0%</b>	<b>3 371.8</b>	<b>3 494.3</b>	<b>3 918.5</b>	<b>8.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>53.6%</b>	<b>47.8%</b>	<b>48.1%</b>	<b>58.9%</b>			<b>62.1%</b>	<b>62.7%</b>	<b>63.9%</b>		

## Details of selected transfers and subsidies

Households											
Other transfers to households											
Current											
	<b>491.3</b>	<b>460.3</b>	<b>1 301.1</b>	<b>2 175.3</b>	<b>64.2%</b>	<b>54.9%</b>	<b>1 982.3</b>	<b>2 285.2</b>	<b>2 295.6</b>	<b>1.8%</b>	<b>63.2%</b>
Expanded public works programme	491.3	394.9	552.8	900.7	22.4%	29.0%	630.5	668.5	699.3	-8.1%	21.0%
Expanded public works programme: Natural resource management programme	-	-	544.3	923.3	-	18.2%	992.4	1 218.9	1 312.2	12.4%	32.1%
Expanded public works programme incentive: Natural resource management programme	-	-	105.3	203.9	-	3.8%	197.6	214.0	123.1	-15.5%	5.3%
Expanded public works programme: Incentive	-	65.4	98.7	147.3	-	3.9%	161.9	183.7	161.0	3.0%	4.7%
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Capital											
	<b>283.0</b>	<b>136.2</b>	<b>127.2</b>	<b>122.4</b>	<b>-24.4%</b>	<b>8.3%</b>	<b>479.2</b>	<b>573.8</b>	<b>670.7</b>	<b>76.3%</b>	<b>13.3%</b>
South African Weather Service	55.2	100.2	10.2	-	-100.0%	2.1%	20.0	30.0	-	-	0.4%
iSimangaliso Wetland Park Authority	30.0	23.0	42.0	44.1	13.7%	1.7%	96.8	101.4	115.1	37.7%	2.6%
South African National Parks	185.7	-	60.0	63.0	-30.3%	3.8%	306.8	375.9	478.3	96.5%	8.8%
South African National Biodiversity Institute	12.0	13.0	15.0	15.3	8.3%	0.7%	55.6	66.5	77.3	71.8%	1.6%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
	<b>-</b>	<b>4.1</b>	<b>-</b>	<b>300.0</b>	<b>-</b>	<b>3.8%</b>	<b>500.0</b>	<b>-</b>	<b>300.0</b>	<b>-</b>	<b>8.0%</b>
Public corporations	-	4.1	-	-	-	0.1%	-	-	-	-	-
Development Bank of Southern Africa	-	-	-	300.0	-	3.7%	500.0	-	300.0	-	8.0%
Provinces and municipalities											
Non-profit institutions											
Current											
	<b>29.4</b>	<b>23.5</b>	<b>16.1</b>	<b>0.2</b>	<b>-81.0%</b>	<b>0.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Buyisa-e-Bag	29.4	23.5	16.1	0.2	-81.0%	0.9%	-	-	-	-100.0%	-



## Personnel information

**Table 30.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit	2012/13		Unit	2013/14		Unit	2014/15		Unit			2015/16		Unit	
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	2012/13 - 2015/16		
<b>Environmental Programmes</b>																			
Salary level	398	5	362	108.1	0.3	393	121.9	0.3	401	140.7	0.4	401	149.2	0.4	403	158.7	0.4	0.8%	100.0%
1 – 6	108	–	107	18.6	0.2	108	19.9	0.2	108	23.2	0.2	108	24.6	0.2	108	26.0	0.2	–	27.0%
7 – 10	223	2	204	60.0	0.3	219	64.5	0.3	223	74.1	0.3	223	78.7	0.4	225	84.0	0.4	0.9%	55.7%
11 – 12	55	1	42	22.9	0.5	55	29.2	0.5	56	32.7	0.6	56	34.7	0.6	56	36.7	0.7	0.6%	14.0%
13 – 16	12	2	9	6.7	0.7	11	8.2	0.7	14	10.7	0.8	14	11.3	0.8	14	12.0	0.9	8.4%	3.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on protecting environmental infrastructure, water resource management and promoting sustainable livelihoods by developing skills in a green context. These efforts will lead to the creation of 113 745 full time job equivalents and 219 089 work opportunities through the expanded public works programme. The bulk of spending over the medium term goes towards the implementation of these projects.

Expenditure increases between 2009/10 and 2012/13 were also due to the additional allocation for the expanded public works programme, infrastructure for the public entities, and the establishment of the Green Fund in 2012/13.

Over the medium term, expenditure is expected to increase due to the additional allocation of R680 million for infrastructure and upgrading of facilities in the iSimangaliso Wetland Park Authority, South African National Parks, South African National Biodiversity Institute and the South African Weather Service; R90.5 million in 2014/15 for the expanded public works programme incentives; and R300 million in 2015/16 for the Green Fund to invest in environmental projects. Expenditure is also expected to increase over the medium term to build capacity in the newly created *Environmental Programmes Management and Information Management and Sector Coordination* subprogrammes.

To give effect to the Cabinet approved reductions, the department reduced the allocations for spending on transfers to the expanded public works projects, specifically in the *Working for Water and Working on Fire* and to the *Environmental Protection and Infrastructure Programme* subprogrammes, by R194.6 million over the medium term. These funds were reallocated to the Department of Agriculture, Forestry and Fisheries to fund the Working for Fisheries programme.

The programme had a funded establishment of 398 posts and 5 posts additional to the establishment. There were 10 vacancies at the end of September 2012 due to natural attrition and shortage of suitable skills in the market. Personnel numbers are expected to increase to 403 in 2015/16 as the department fills vacancies. Consultants are used to provide specialised research on the spread of invasive plants, as well as developing biological control agents for invasive plants. In 2012/13, expenditure on consultants was equivalent to 46.8 per cent of expenditure on compensation of employees.

## Subprogramme: Environmental Protection and Infrastructure Programme

This subprogramme identifies, plans and implements projects under the expanded public works programme through the use of labour intensive methods targeting unemployed, youth, women and people with disabilities; and empowers small, medium and micro enterprises (SMMEs) during project implementation processes. Ongoing projects are categorised as follows: Working on Waste, which creates sustainable livelihoods through the recycling of waste; Working for Land, which undertakes initiatives aimed at discouraging or reversing soil erosion; greening and open space management, which provides for the establishment of community parks and

education awareness service centres; People and Parks, which provides for the development and upgrading of infrastructure in and around protected areas; and Working for the Coast, which focuses on cleaning up litter on beaches and upgrading and maintaining facilities and infrastructure along the coast.

## Expenditure estimates

**Table 30.17 Environmental Protection and Infrastructure Programme**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)		
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16	2012/13 - 2015/16
	R million												
<b>Current payments</b>	<b>42.7</b>	<b>57.6</b>	<b>73.7</b>	<b>81.6</b>	<b>24.0%</b>	<b>7.0%</b>	<b>86.6</b>	<b>91.8</b>	<b>96.0</b>	<b>5.6%</b>	<b>6.2%</b>		
Compensation of employees	28.8	36.2	46.8	57.0	25.5%	4.6%	52.0	55.2	57.7	0.4%	3.9%		
Goods and services	13.9	21.5	27.0	24.6	20.9%	2.4%	34.6	36.6	38.3	15.9%	2.3%		
of which:													
Operating leases	0.4	0.4	0.2	0.2	-23.4%	-	0.2	0.2	0.2	1.8%	-		
Travel and subsistence	7.0	10.6	11.8	14.4	27.1%	1.2%	15.7	17.2	17.9	7.7%	1.1%		
<b>Transfers and subsidies</b>	<b>803.6</b>	<b>619.9</b>	<b>794.8</b>	<b>1 170.6</b>	<b>13.4%</b>	<b>92.8%</b>	<b>1 271.6</b>	<b>1 426.0</b>	<b>1 530.9</b>	<b>9.4%</b>	<b>93.8%</b>		
Non-profit institutions	29.4	23.5	16.1	0.2	-81.0%	1.9%	-	-	-	-100.0%	-		
Households	491.3	460.3	651.5	1 048.0	28.7%	72.6%	792.4	852.2	860.2	-6.4%	61.7%		
<b>Payments for capital assets</b>	<b>3.2</b>	<b>1.3</b>	<b>0.8</b>	<b>0.3</b>	<b>-54.5%</b>	<b>0.2%</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>3.6%</b>	<b>-</b>		
Machinery and equipment	3.2	1.3	0.8	0.3	-54.5%	0.2%	0.3	0.3	0.3	3.6%	-		
<b>Payments for financial assets</b>	<b>-</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>849.6</b>	<b>679.0</b>	<b>869.3</b>	<b>1 252.5</b>	<b>13.8%</b>	<b>100.0%</b>	<b>1 358.5</b>	<b>1 518.1</b>	<b>1 627.3</b>	<b>9.1%</b>	<b>100.0%</b>		
Proportion of total subprogramme expenditure to programme expenditure	57.6%	43.3%	44.0%	41.1%			40.3%	43.4%	41.5%				

## Personnel information

**Table 30.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
Environmental Protection and Infrastructure Programme	83	-	53	23.0	0.4	79	34.4	0.4	83	38.3	0.5	83	40.6	0.5	83	43.1	0.5	1.7%	100.0%
Salary level																			
1 - 6	3	-	2	0.4	0.2	3	0.6	0.2	3	0.7	0.2	3	0.7	0.2	3	0.8	0.3	-	3.7%
7 - 10	37	-	23	6.3	0.3	34	9.6	0.3	37	11.2	0.3	37	11.9	0.3	37	12.6	0.3	2.9%	44.2%
11 - 12	37	-	25	14.1	0.6	37	20.6	0.6	37	21.9	0.6	37	23.2	0.6	37	24.6	0.7	-	45.1%
13 - 16	6	-	3	2.2	0.7	5	3.6	0.7	6	4.5	0.7	6	4.7	0.8	6	5.0	0.8	6.3%	7.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on promoting the empowerment of designated communities through decent employment by implementing the expanded public works programme. In 2012/13, more than 39 000 work opportunities and 19 000 full time equivalents will be created through expanded public works projects.

In 2012/13, 13.5 per cent of the total allocation for this subprogramme was spent on operational expenses to oversee the management and implementation of programmes. Of the project budget, 37.5 per cent was spent on wages. The aim is to increase this percentage to at least 40 per cent by 2014/15.

The subprogramme had a funded establishment of 83 posts, 4 of which were vacant due to natural attrition. These vacancies are to be filled in 2013/14. The implementation of the expanded public works programme has been outsourced to the private sector. Expenditure on consultants is equivalent to 3 per cent of expenditure on

compensation of employees in 2012/13. The implementation of the expanded public works programme has been outsourced to the private sector.

## Programme 7: Chemicals and Waste Management

### Objectives

- Oversee, monitor and evaluate waste sector performance, strategies, policies and initiatives by:
  - improving waste management by increasing the percentage of households with basic service collection from 56 per cent in 2012/13 to 75 per cent by 2015/16
  - regulating negative environmental impacts through the development of policies, processes and systems by 2015/16
  - finalising the approval of 96 per cent of waste licence applications within the MTEF period
  - managing and coordinating 116 reductions in unlicensed waste disposal sites within the MTEF period
  - supporting municipalities to increase waste expenditure by 5 per cent per over the MTEF period.
- Create enabling waste policies and strategies by:
  - improving intergovernmental coordination over the MTEF period
  - developing national policies, strategies, legislation; and norms and standards on chemical waste management over the MTEF period
  - monitoring and evaluating the impact of policy on the environment on an ongoing basis
  - providing specialist advisory services on chemicals, waste and pollution management as and when requested.

### Subprogrammes

- *Chemicals and Waste Management* provides for the overall administration and functioning of the programme. This subprogramme had a staff complement of 2 in 2012/13.
- *Hazardous Waste Management and Licensing* develops and implements processes and systems for the efficient and effective administration of the department's authorisation of waste management activities; ensures that the release of hazardous waste streams into the environment are reduced and that contaminated land is remediated. This subprogramme had a staff complement of 11 in 2012/13.
- *General Waste and Municipal Support* leads the development of national policies, strategies, legislation, and norms and standards; builds capacity in government, industry and civil society to respond to the challenges of pollution resulting from poor general waste management; and contributes to the provision of basic waste services to all South Africans. This subprogramme had a staff complement of 15 in 2012/13.
- *Chemicals and Waste Policy, Evaluation and Monitoring* leads the development of national policies, strategies, legislation, and norms and standards; and monitors and evaluates the impact of policy on chemicals and waste management. This subprogramme had a staff complement of 8 in 2012/13.
- *Chemicals Management* manages, facilitates, plans and coordinates both the department's and South Africa's engagement and cooperation agreements in multilateral chemical and waste agreements and related international cooperation and national programmes. This subprogramme had a staff complement of 11 in 2012/13.

## Expenditure estimates

**Table 30.19 Chemicals and Waste Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Chemicals and Waste Management	0.6	0.7	0.8	1.1	21.9%	2.3%	5.9	6.2	7.0	83.0%	7.5%
Hazardous Waste Management and Licensing	1.6	1.7	2.1	3.0	22.0%	5.8%	7.6	7.4	8.7	43.1%	9.9%
General Waste and Municipal Support	22.8	23.9	29.4	42.5	23.0%	82.0%	26.6	31.2	34.2	-7.0%	50.1%
Chemicals and Waste Policy, Evaluation and Monitoring	2.1	2.2	2.7	3.9	22.0%	7.6%	19.6	21.0	22.5	80.0%	24.9%
Chemicals Management	0.6	0.7	0.8	1.2	21.9%	2.3%	6.0	6.4	6.8	79.3%	7.6%
<b>Total</b>	<b>27.9</b>	<b>29.2</b>	<b>35.8</b>	<b>51.7</b>	<b>22.8%</b>	<b>100.0%</b>	<b>65.7</b>	<b>72.2</b>	<b>79.2</b>	<b>15.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				1.1			-	-	-		

**Economic classification**

<b>Current payments</b>	<b>27.7</b>	<b>28.8</b>	<b>35.7</b>	<b>41.3</b>	<b>14.2%</b>	<b>92.3%</b>	<b>54.8</b>	<b>60.6</b>	<b>67.1</b>	<b>17.6%</b>	<b>83.3%</b>
Compensation of employees	14.3	18.1	20.7	25.2	20.6%	54.1%	34.4	38.8	44.3	20.8%	53.1%
Goods and services	13.4	10.8	15.0	16.1	6.5%	38.2%	20.4	21.8	22.8	12.3%	30.2%
of which:											
Operating leases	0.1	0.1	0.1	0.1	-2.3%	0.2%	0.3	0.3	0.4	85.5%	0.4%
Travel and subsistence	1.5	2.3	3.6	9.0	82.1%	11.4%	3.5	3.6	4.0	-23.6%	7.5%
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>-</b>	<b>6.9%</b>	<b>10.5</b>	<b>11.0</b>	<b>11.5</b>	<b>4.9%</b>	<b>16.0%</b>
Departmental agencies and accounts	-	-	-	10.0	-	6.9%	10.5	11.0	11.5	4.9%	16.0%
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.4</b>	<b>0.2</b>	<b>0.4</b>	<b>25.8%</b>	<b>0.8%</b>	<b>0.4</b>	<b>0.5</b>	<b>0.6</b>	<b>12.7%</b>	<b>0.7%</b>
Machinery and equipment	0.2	0.4	0.2	0.4	25.8%	0.8%	0.4	0.5	0.6	12.7%	0.7%
<b>Total</b>	<b>27.9</b>	<b>29.2</b>	<b>35.8</b>	<b>51.7</b>	<b>22.8%</b>	<b>100.0%</b>	<b>65.7</b>	<b>72.2</b>	<b>79.2</b>	<b>15.3%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	1.0%	0.9%	0.9%	1.0%			1.2%	1.3%	1.3%		

**Details of selected transfers and subsidies**

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10.0</b>	<b>-</b>	<b>6.9%</b>	<b>10.5</b>	<b>11.0</b>	<b>11.5</b>	<b>4.9%</b>	<b>16.0%</b>
National Regulator for Compulsory Specifications	-	-	-	10.0	-	6.9%	10.5	11.0	11.5	4.9%	16.0%

## Personnel information

**Table 30.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
		2011/12	Unit		2012/13	Unit		2013/14		2014/15		2015/16					
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	
<b>Chemicals and Waste Management</b>																	
Salary level	72	1	43	18.0	0.4	47	19.7	0.4	73	34.1	0.5	73	36.1	0.5	73	38.3	0.5
1-6	7	1	5	1.0	0.2	6	1.2	0.2	8	1.8	0.2	8	1.9	0.2	8	2.0	0.3
7-10	40	-	24	8.2	0.3	26	8.9	0.3	40	15.8	0.4	40	16.8	0.4	40	17.8	0.4
11-12	16	-	8	4.4	0.6	9	5.1	0.6	16	9.2	0.6	16	9.7	0.6	16	10.3	0.6
13-16	9	-	6	4.4	0.7	6	4.5	0.7	9	7.3	0.8	9	7.7	0.9	9	8.2	0.9

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on developing an appropriate legislative framework and building capacity to improve the provision of quality chemical and waste management services across the country with clear environmental health benefits for communities.

Between 2009/10 and 2012/13, spending in the *General Waste and Municipal Support* subprogramme increased significantly after functions were moved from other programmes to this subprogramme and the subprogramme's

capacity increased. Spending on travel and subsistence grew significantly over the same period due to training of municipal officials and councillors on waste management.

Over the medium term, expenditure on compensation of employees and the related goods and services increased significantly to provide for the hiring of staff to fill vacancies across the subprogrammes as national policies, strategies and legislation are developed to respond to the challenges of improving waste management.

The subprogramme had a funded establishment of 72 and 1 post additional to the establishment. There were 26 vacancies at the end of September 2012. Consultants are used to provide business services with regard to developing appropriate waste management and licensing legislation, processes and policies. Expenditure on consultants was equivalent to 11.3 per cent of expenditure on compensation of employees in 2012/13.

## Public entities and other agencies

### South African National Parks

#### Mandate and goals

South African National Parks was established in terms of the National Environmental Management: Protected Areas Act (2003) with the mandate to conserve, protect, control and manage national parks and other defined protected areas and their biological diversity.

The entity's strategic goals over the medium term are to:

- contribute to economic growth and transformation by creating decent jobs, and sustainable and quality livelihoods
- ensure that national parks remain important components of economic stimulus through the entity's infrastructure development programme and expanded public works programme
- continue with the adoption and implementation of several sector skills programmes, including learnerships and internships, to enhance cost effective human capital development while addressing the objectives of the national skills development strategy
- combat and deter rhino poaching in partnership with the national wildlife reaction unit, the South African Police Service, the National Prosecuting Authority and the South African Revenue Service.

#### Selected performance indicators

Table 30.21 South African National Parks

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of visitors to national parks per year	Conservation and tourism	4 512 478	4 536 491	4 705 306	4 667 000	4 700 000	4 750 000	4 800 000
Number of domestic black visitors to national parks per year	Conservation and tourism	406 085 <sup>1</sup>	397 618	389 624	411 000	423 300	463 000	445 000
Gross operating tourism revenue (value of revenue raised from commercial activities) per year	Conservation and tourism	R657.6m	R769m	R830.5m	R883m	R893m	R937m	R1bn
Number of participants in environmental education programmes per year	Conservation and tourism	170 534	155 631	173 685	170 540	175 580	180 600	185 620
Number of hectares of land brought into the national parks system per year	Conservation and tourism	9 500ha	12 235ha	2 420ha	68ha	8 726ha	- <sup>2</sup>	- <sup>2</sup>

1. This figure differs from that published in the 2012 ENE for 2009/10, as previously the number only represented the number of domestic black visitors for three quarters of the year.

2. Property acquisition transactions take longer than planned to conclude, thus it is not possible to project targets over the MTEF period.

## Programmes/activities/objectives

Table 30.22 South African National Parks

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Conservation and tourism	1 132.3	1 464.2	1 702.5	1 054.7	-2.3%	100.0%	1 356.3	1 470.3	1 543.0	13.5%	100.0%
<b>Total expense</b>	<b>1 132.3</b>	<b>1 464.2</b>	<b>1 702.5</b>	<b>1 054.7</b>	<b>-2.3%</b>	<b>100.0%</b>	<b>1 356.3</b>	<b>1 470.3</b>	<b>1 543.0</b>	<b>13.5%</b>	<b>100.0%</b>

## Expenditure estimates

Table 30.23 South African National Parks

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>785.4</b>	<b>905.1</b>	<b>984.3</b>	<b>712.5</b>	<b>-3.2%</b>	<b>63.8%</b>	<b>878.0</b>	<b>920.4</b>	<b>961.6</b>	<b>10.5%</b>	<b>64.3%</b>
Sale of goods and services other than capital assets	740.1	826.8	942.5	667.4	-3.4%	59.8%	852.9	894.8	937.3	12.0%	61.9%
<i>of which:</i>											
<i>Sales by market establishment</i>	740.1	826.8	942.5	667.4	-3.4%	59.8%	852.9	894.8	937.3	12.0%	61.9%
<i>Other non-tax revenue</i>	45.4	78.4	41.7	45.1	-0.2%	4.0%	25.1	25.6	24.3	-18.6%	2.4%
<b>Transfers received</b>	<b>411.0</b>	<b>506.5</b>	<b>717.4</b>	<b>342.2</b>	<b>-5.9%</b>	<b>36.2%</b>	<b>478.4</b>	<b>549.9</b>	<b>581.4</b>	<b>19.3%</b>	<b>35.7%</b>
<b>Total revenue</b>	<b>1 196.5</b>	<b>1 411.6</b>	<b>1 701.6</b>	<b>1 054.7</b>	<b>-4.1%</b>	<b>100.0%</b>	<b>1 356.3</b>	<b>1 470.3</b>	<b>1 543.0</b>	<b>13.5%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>1 116.6</b>	<b>1 442.2</b>	<b>1 702.5</b>	<b>1 054.7</b>	<b>-1.9%</b>	<b>99.3%</b>	<b>1 356.3</b>	<b>1 470.3</b>	<b>1 543.0</b>	<b>13.5%</b>	<b>100.0%</b>
Compensation of employees	430.4	519.8	584.4	601.1	11.8%	41.2%	849.6	899.0	948.5	16.4%	60.6%
Goods and services	621.0	860.1	1 047.4	396.4	-13.9%	53.2%	453.8	515.9	536.5	10.6%	35.2%
Depreciation	54.0	54.0	57.7	40.9	-8.9%	3.9%	37.7	39.9	42.3	1.1%	3.0%
Interest, dividends and rent on land	11.1	8.3	13.0	16.2	13.4%	1.0%	15.3	15.5	15.7	-1.1%	1.2%
<b>Transfers and subsidies</b>	<b>15.7</b>	<b>22.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total expenses</b>	<b>1 132.3</b>	<b>1 464.2</b>	<b>1 702.5</b>	<b>1 054.7</b>	<b>-2.3%</b>	<b>100.0%</b>	<b>1 356.3</b>	<b>1 470.3</b>	<b>1 543.0</b>	<b>13.5%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>64.0</b>	<b>(53.0)</b>	<b>(1.0)</b>	<b>-</b>	<b>-100.0%</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Statement of financial position</b>											
Carrying value of assets	1 073.1	1 646.6	1 701.4	1 137.0	1.9%	68.7%	1 855.3	1 915.3	2 050.3	21.7%	77.7%
<i>of which:</i>											
<i>Acquisition of assets</i>	23.7	60.7	63.9	87.9	54.8%	3.1%	45.0	45.0	45.0	-20.0%	2.8%
Investments	231.3	223.3	83.5	232.9	0.2%	9.9%	232.9	232.9	232.9	-	10.8%
Inventory	15.7	20.5	22.7	25.2	17.1%	1.1%	21.1	21.1	21.1	-5.7%	1.0%
Receivables and prepayments	16.6	21.8	24.5	25.0	14.5%	1.1%	25.0	25.0	25.0	-	1.2%
Cash and cash equivalents	291.7	232.3	377.5	200.0	-11.8%	13.5%	200.0	200.0	200.0	-	9.3%
Non-current assets held for sale	480.7	-	-	-	-100.0%	5.7%	-	-	-	-	-
<b>Total assets</b>	<b>2 109.2</b>	<b>2 144.4</b>	<b>2 209.8</b>	<b>1 620.1</b>	<b>-8.4%</b>	<b>100.0%</b>	<b>2 334.3</b>	<b>2 394.3</b>	<b>2 529.3</b>	<b>16.0%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	517.0	562.4	548.8	167.9	-31.3%	21.5%	(39.6)	(39.6)	(39.6)	-161.8%	1.4%
Capital reserve fund	-	910.6	969.8	-	-	21.6%	90.0	105.0	195.0	-	4.0%
Borrowings	32.8	27.0	21.5	18.7	-17.1%	1.2%	22.3	22.3	22.3	6.0%	1.0%
Deferred income	1 133.9	158.4	120.8	844.2	-9.4%	29.7%	1 649.0	1 694.0	1 739.0	27.2%	65.6%
Trade and other payables	220.1	243.2	280.2	354.8	17.3%	14.1%	354.8	354.8	354.8	-	16.5%
Provisions	205.4	242.8	268.6	234.4	4.5%	11.9%	257.9	257.9	257.9	3.2%	11.6%
<b>Total equity and liabilities</b>	<b>2 109.2</b>	<b>2 144.4</b>	<b>2 209.8</b>	<b>1 620.1</b>	<b>-8.4%</b>	<b>100.0%</b>	<b>2 334.3</b>	<b>2 394.3</b>	<b>2 529.3</b>	<b>16.0%</b>	<b>100.0%</b>

## Personnel information

**Table 30.24 South African National Parks**

Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16		2012/13 - 2015/16				
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	4 112	–	4 148	584.4	0.1	4 112	601.1	0.1	4 191	849.6	0.2	4 270	899.0	0.2	4 350	948.5	0.2	1.9%	100.0%
1 – 6	4 067	–	4 104	551.9	0.1	4 067	568.7	0.1	4 146	813.4	0.2	4 225	861.0	0.2	4 305	908.6	0.2	1.9%	98.9%
11 – 12	45	–	44	32.5	0.7	45	32.5	0.7	45	36.2	0.8	45	38.0	0.8	45	39.9	0.9	–	1.1%

1. Rand million.

## Expenditure trends

South African National Parks mostly derives revenue from tourism activities. Transfers from government contributed 32.4 per cent in 2012/13. Revenue decreased between 2009/10 and 2012/13 mainly due to a decline in tourism income in 2012/13, and a decrease in the special infrastructure and expanded public works programme project undertaken in 2011/12. Revenue is expected to grow over the medium term due to an increase in the transfers received from government for infrastructure development and a projected increase in tourism income.

The spending focus over the medium term will be on improving the state of the conservation estate and contributing to conservation nationally and globally. Fighting poaching crimes across the country remains a top priority, and an additional R75 million has been allocated for this purpose. The maintenance and upgrading of tourism facilities also remains a key focus area for spending.

Expenditure is expected to increase over the medium term due to an additional allocation of R390 million from the economic competitive support package for equipment, facilities and infrastructure upgrades. Expenditure on compensation of employees, which accounts for 60.6 per cent of the total allocation over the medium term, is projected to increase significantly mainly due to additional rangers to be deployed in the Kruger National Park to fight rhino poaching.

Savings of R101 million over the medium term have been identified by implementing cost saving measures on expenditure on goods and services, mainly for consultants and travel and subsistence. The measures include insourcing previously outsourced services, training staff to reduce the entity's dependence on consultants, and encouraging the use of video and teleconferencing facilities.

The entity had a funded establishment of 4 112 posts, all of which were filled. Personnel numbers are projected to increase to 4 350 in 2015/16 mainly due to the appointment of additional rangers to curb rhino poaching. Specialist consultants were engaged to assist the conservation effort, land claim feasibility, and in consultation and bioregional assessment using the geographic information system, at a cost of R11 million in 2012/13. These are specialised skills that the entity does not possess.

## Other public entities and agencies

Comprehensive coverage of the following public entities is provided with more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **iSimangaliso Wetlands Park Authority** protects and conserves the park, to promote and facilitate tourism and tourism related development there. Its total budget for 2013/14 is R185 million.
- The **South African National Biodiversity Institute** focuses on biodiversity knowledge management and information generation and dissemination by conducting coordinated research on the composition, value, status, functioning and dynamics of South Africa's biodiversity. The institute's total budget for 2013/14 is R484.5 million.

- The **South African Weather Service** maintains, extends and improves on the quality of meteorological services. Its total budget for 2013/14 is R266.9 million.



**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation 2012/13	Medium-term expenditure estimate			
				2009/10	2010/11		2011/12	2013/14	2014/15	2015/16
<b>R million</b>										
<b>Departmental infrastructure</b>										
Polar research vessel	Vessel for research voyages to Marion Island, Gough Island and Antarctica replaced	Construction	1 429.3	131.4	467.3	642.8	187.7	216.8	270.9	284.4
South African National Parks	Tourism accommodation facilities upgraded	Construction	1 282.8	185.8	-	-	63.0	-	-	-
South African National Parks	Roads upgraded	Construction	500.0	75.1	34.3	-	27.4	28.3	30.0	31.5
South African weather stations	Weather station facilities upgraded	Various	260.6	55.2	100.2	-	-	-	-	-
South African National Biodiversity Institute	Upgrading of laboratories and replacement of old and depleted equipment and vehicles	Various	550.0	-	-	-	-	40.0	50.0	60.0
South African National Parks	Upgrading of accommodation facilities and equipment in National Parks	Various	595.7	-	-	-	-	65.0	129.0	195.0
South African Weather Service	Acquisition of high performance computer to assist with improved weather and meteorological services	Tender	50.0	-	-	-	-	20.0	30.0	-
iSimangaliso Wetland Park Authority	Upgrading of accommodation facilities and equipment	Various	220.0	-	-	-	-	20.0	20.0	20.0
<b>Total</b>			<b>4 888.4</b>	<b>447.5</b>	<b>601.7</b>	<b>642.8</b>	<b>278.1</b>	<b>418.4</b>	<b>559.9</b>	<b>622.4</b>



# Vote 31

## Human Settlements

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	422.4	420.0	–	2.4	426.9	445.1
Human Settlements Policy, Strategy and Planning	84.1	82.7	1.1	0.3	89.3	93.0
Programme Delivery Support	226.9	218.5	7.5	1.0	239.3	251.3
Housing Development Finance	27 377.1	75.6	27 301.3	0.3	29 450.6	31 957.2
<b>Total expenditure estimates</b>	<b>28 110.5</b>	<b>796.8</b>	<b>27 309.8</b>	<b>3.9</b>	<b>30 206.2</b>	<b>32 746.6</b>

Executive authority Minister of Human Settlements  
Accounting officer Director General of Human Settlements  
Website address [www.dhs.gov.za](http://www.dhs.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Facilitate the creation of sustainable human settlements and the improvement to the quality of the lives of households.*

### Mandate

In addition to the mandate derived from the Constitution, the Department of Human Settlements derives its responsibilities from section 3 of the Housing Act (1997). According to the act, the department must, after consultation with provinces and municipalities, establish and facilitate a sustainable national housing development process by:

- determining national policy, including national norms and standards, in respect of housing and human settlements development
- setting broad national housing delivery goals
- monitoring performance of provinces and municipalities against housing budgetary and delivery goals
- building the capacity of provinces and municipalities
- promoting consultation with all stakeholders in the housing delivery chain, including civil society and the private sector.

### Strategic goals

The department's strategic goals over the medium term are to:

- accelerate the delivery of housing opportunities
- improve access to basic services
- use land more efficiently for the creation of sustainable settlements
- improve the property market.

## Programme purposes

### Programme 1: Administration

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

### Programme 2: Human Settlements Policy, Strategy and Planning

**Purpose:** Manage the development and compliance with human settlements sector delivery frameworks and intergovernmental relations, and oversee integrated human settlements strategic and planning services.

### Programme 3: Programme Delivery Support

**Purpose:** Support the execution of human settlement programmes and projects and oversee the implementation of the household sanitation programme.

### Programme 4: Housing Development Finance

**Purpose:** Fund and monitor the delivery of all housing and human settlements programmes, including oversight of public entities reporting to the Minister of Human Settlements and manage all matters related to improving access to housing finance and developing partnerships with the financial sector.

## Selected performance indicators

Table 31.1 Human Settlements

	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10 <sup>1</sup>	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of additional municipalities assessed for accreditation level 2 per year	Human Settlements Policy, Strategy and Planning	Outcome 8: Sustainable human settlements and improved quality of household life	–	6	10	10	5	5	5
Total number of municipalities provided with technical assistance for informal settlement upgrading	Programme Delivery Support		–	20	20	20	49	49	49
Number of additional residential units completed per year	Housing Development Finance		161 854	121 879	120 610	72 223 <sup>2</sup>	132 705	138 540	137 898
Number of additional sites serviced per year (greenfield)	Housing Development Finance		64 362	63 546	58 587	26 308 <sup>2</sup>	77 248	81 883	85 568
Number of additional households upgraded in well located informal settlements with access to secure tenure and basic services per year (brownfield)	Housing Development Finance		–	52 383	66 639	22 460 <sup>2</sup>	62 752	66 517	69 510
Number of additional hectares of land prepared for human settlements development per year	Housing Development Finance		–	4 945	2 000	2 000	2 000	2 000	2 000
Number of additional loans granted in the affordable housing segment per year	Housing Development Finance		–	47 616	69 576	69 970	63 798	62 344	67 527
Number of additional households provided with on site sanitation in rural areas per year	Housing Development Finance		–	11 652	19 225	5 818	11 858	12 296	12 588

1. Dashes indicate that the data was not unavailable as the programme had not started or that data was not collected.

2. Figures for 2012/13 are up to December 2012.

## The national development plan

The national development plan highlights the need to provide for a more efficient urban space where suitable shelter is provided in terms of demographic profile, typology and location. This is consistent with sustainable human settlements and improved quality of household life (outcome 8), on which the department delivers. Departmental programmes such as the social housing programme and the informal settlement upgrading programme provide for higher densities in locations with access to public transport and socioeconomic services. Social housing delivers medium density rental housing in designated restructuring zones and aims to improve the quality of neighbourhoods. Through the informal settlements programme, the in-situ upgrading of informal settlements that are well located provides secure tenure and access to basic services that improve the quality of

the lives of households. The department is drafting a green paper for human settlements to support the national development plan's vision.

## Expenditure estimates

Table 31.2 Human Settlements

Programme	Audited outcome			Adjusted Appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million												
Administration	243.9	283.2	274.5	430.3	420.3	19.9%	1.5%	422.4	426.9	445.1	1.9%	1.5%
Human Settlements Policy, Strategy and Planning	40.4	46.2	60.9	67.9	67.9	18.9%	0.3%	84.1	89.3	93.0	11.0%	0.3%
Programme Delivery Support	111.2	126.0	149.1	196.0	151.0	10.7%	0.6%	226.9	239.3	251.3	18.5%	0.7%
Housing Development Finance	16 011.9	18 461.2	22 114.4	24 443.7	24 243.7	14.8%	97.6%	27 377.1	29 450.6	31 957.2	9.6%	97.5%
<b>Total</b>	<b>16 407.4</b>	<b>18 916.5</b>	<b>22 598.9</b>	<b>25 137.8</b>	<b>24 882.8</b>	<b>14.9%</b>	<b>100.0%</b>	<b>28 110.5</b>	<b>30 206.2</b>	<b>32 746.6</b>	<b>9.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(125.4)	(380.4)			(117.4)	89.6	1 244.7		

### Economic classification

<b>Current payments</b>	<b>452.5</b>	<b>439.1</b>	<b>494.3</b>	<b>734.2</b>	<b>679.2</b>	<b>14.5%</b>	<b>2.5%</b>	<b>796.8</b>	<b>824.8</b>	<b>857.3</b>	<b>8.1%</b>	<b>2.7%</b>
Compensation of employees	166.9	216.5	242.7	320.0	320.0	24.2%	1.1%	366.0	390.0	417.8	9.3%	1.3%
Goods and services of which:	285.4	222.5	251.3	413.2	358.2	7.9%	1.3%	430.4	434.4	439.0	7.0%	1.4%
Computer services	58.5	27.9	12.9	53.1	53.1	-3.1%	0.2%	51.4	53.8	56.3	1.9%	0.2%
Consultants and professional services:	62.2	74.9	100.0	166.6	121.6	25.1%	0.4%	184.7	185.8	181.2	14.2%	0.6%
Business and advisory services												
Operating leases	6.7	25.2	18.0	40.5	30.5	66.0%	0.1%	36.4	39.1	40.9	10.2%	0.1%
Travel and subsistence	53.2	40.7	56.5	44.6	44.6	-5.7%	0.2%	43.4	45.4	47.5	2.1%	0.2%
Interest and rent on land	0.3	0.2	0.2	1.0	1.0	56.2%	0.0%	0.4	0.4	0.5	-20.2%	0.0%
<b>Transfers and subsidies</b>	<b>15 948.0</b>	<b>18 357.9</b>	<b>21 881.1</b>	<b>24 044.5</b>	<b>24 044.5</b>	<b>14.7%</b>	<b>96.9%</b>	<b>27 309.8</b>	<b>29 377.2</b>	<b>31 882.8</b>	<b>9.9%</b>	<b>97.1%</b>
Provinces and municipalities	15 237.4	18 000.1	21 388.5	23 118.2	23 118.2	14.9%	93.9%	26 167.5	28 366.1	30 485.3	9.7%	93.3%
Departmental agencies and accounts	352.6	346.2	484.1	912.8	912.8	37.3%	2.5%	1 133.8	1 002.1	1 388.0	15.0%	3.8%
Higher education institutions	-	-	-	3.1	3.1	0.0%	0.0%	3.2	3.4	3.6	5.0%	0.0%
Foreign governments and international organisations	0.7	0.7	0.5	1.0	1.0	10.3%	0.0%	1.1	1.1	1.2	4.8%	0.0%
Non-profit institutions	-	-	-	0.4	0.4	0.0%	0.0%	-	-	-	-100.0%	0.0%
Households	357.2	10.9	8.0	9.1	9.1	-70.6%	0.5%	4.2	4.5	4.7	-19.7%	0.0%
<b>Payments for capital assets</b>	<b>6.7</b>	<b>119.3</b>	<b>223.6</b>	<b>359.1</b>	<b>159.1</b>	<b>188.0%</b>	<b>0.6%</b>	<b>3.9</b>	<b>4.2</b>	<b>6.5</b>	<b>-65.6%</b>	<b>0.1%</b>
Buildings and other fixed structures	-	108.6	219.7	340.6	140.6		0.6%	-	-	-	-100.0%	0.1%
Machinery and equipment	6.0	10.4	3.9	16.9	16.9	41.0%	0.0%	3.7	4.0	6.2	-28.3%	0.0%
Software and other intangible assets	0.6	0.4	0.0	1.6	1.6	35.5%	0.0%	0.2	0.2	0.3	-45.2%	0.0%
<b>Payments for financial assets</b>	<b>0.2</b>	<b>0.2</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>16 407.4</b>	<b>18 916.5</b>	<b>22 598.9</b>	<b>25 137.8</b>	<b>24 882.8</b>	<b>14.9%</b>	<b>100.0%</b>	<b>28 110.5</b>	<b>30 206.2</b>	<b>32 746.6</b>	<b>9.6%</b>	<b>100.0%</b>

## Personnel information

**Table 31.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts Additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Human Settlements																			
Salary Level	860	-	681	240.6	0.4	665	256.5	0.4	860	363.4	0.4	860	384.8	0.4	860	410.2	0.5	8.9%	100.0%
1 - 6	225	-	196	22.9	0.1	206	30.9	0.2	225	40.6	0.2	225	43.0	0.2	225	45.9	0.2	3.0%	27.1%
7 - 10	368	-	287	83.9	0.3	271	83.1	0.3	368	118.8	0.3	368	125.9	0.3	368	134.2	0.4	10.7%	42.4%
11 - 12	158	-	120	64.7	0.5	114	70.3	0.6	158	95.0	0.6	158	100.6	0.6	158	107.2	0.7	11.5%	18.1%
13 - 16	109	-	78	69.1	0.9	74	72.2	1.0	109	108.9	1.0	109	115.4	1.1	109	123.0	1.1	13.8%	12.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on making transfers to provinces and municipalities under the human settlements development and urban settlement development conditional grants to accelerate the delivery of low income housing and basic services to households. These transfers are reflected in the *Housing Development Finance* programme, which is the main proponent of expenditure growth in the department and constitutes 97.4 per cent of the department's total budget in 2013/14. Making the transfers will allow the department to deliver an additional 409 143 low income houses and upgrade 198 779 sites in informal settlements over the medium term. The projected growth in the delivery of low income houses is slower than the projected growth in expenditure over the medium term due to increasing construction costs and a shift in focus towards providing access to secure tenure and basic services.

Additional allocations for social housing in the form of transfers to public entities reporting to the department are expected to increase significantly over the medium term. The increase is expected to result in the delivery of approximately 6 000 additional medium density rental housing units in designated restructuring zones in cities and large towns for households with a monthly income of between R1 500 and R7 500.

Spending on buildings and other fixed structures related to the rural sanitation programme ceased in 2012/13 after the rural household infrastructure grant was converted into a direct grant to rural municipalities in the 2013 Budget. The grant was converted to support the local government turnaround strategy to strengthen municipalities' ability to deliver basic services to households.

Spending on consultants is related to technical assistance to 49 municipalities with regard to upgrading informal settlements under the national upgrading support programme. The technical assistance includes rapid assessments of informal settlements, and detailed and transformational planning of settlements.

Cabinet approved reductions of R824.1 million are effected over the medium term. The department will therefore reduce spending mainly on the rural household infrastructure grant, which has underperformed, and the urban settlements development grant, which has been spent at a slower rate than expected. Further savings of R81.4 million over the medium term are also expected on spending on compensation of employees and non-core goods and services items, such as agency and support services, consultants, and computer services, as well as payments for capital assets, specifically on items related to the acquisition of machinery and equipment.

The number of filled posts is expected to grow to 860 over the medium term as the department continues to implement its organisational structure in line with its turnaround strategy, which came into effect in 2012/13 following a review of the department's institutional capacity and resources required to deliver on the outputs related to realising sustainable human settlements and improved quality of household life (outcome 8). Spending on compensation of employees is expected to increase mainly for the same reason.

As at 30 September 2012, there were 195 vacancies within the department, 160 of which were in salary levels 1 to 12 and 35 were in salary levels 13 to 16. Most of these vacancies are in the *Programme Delivery Support*

programme and are due to the organisational review completed in 2012/13. The department expects to fill these posts over the medium term. The ratio of the support staff to line staff is 1:1.

### Infrastructure spending

The department is not directly involved in the implementation of infrastructure projects. Its spending on infrastructure is through grants transferred to the provinces, municipalities and public entities that implement the infrastructure projects. This includes:

- R17 billion in 2013/14, R17.9 billion in 2014/15 and R19.7 billion in 2015/16 for the human settlements development grants
- R30.1 billion over the MTEF period for the urban settlements development grant
- R106.7 million in 2013/14, R113.1 million in 2014/15 and R118.3 million in 2015/16 for the rural household infrastructure grant
- R3 billion over the MTEF period for the capital transfer to the Social Housing Regulatory Authority for medium density rental housing.

## Departmental receipts

Table 31.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R thousand												
<b>Departmental receipts</b>	<b>749</b>	<b>2 826</b>	<b>610</b>	<b>1 270</b>	<b>910</b>	<b>6.7%</b>	<b>100.0%</b>	<b>595</b>	<b>630</b>	<b>652</b>	<b>-10.5%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>90</b>	<b>121</b>	<b>300</b>	<b>165</b>	<b>166</b>	<b>22.6%</b>	<b>13.3%</b>	<b>176</b>	<b>186</b>	<b>199</b>	<b>6.2%</b>	<b>26.1%</b>
Sales by market establishments	31	35	196	48	48	15.7%	6.1%	51	54	58	6.5%	7.6%
<i>of which:</i>												
Parking	31	35	196	48	48	15.7%	6.1%	51	54	58	6.5%	7.6%
Administration fees	59	86	104	116	117	25.6%	7.2%	124	131	139	5.9%	18.3%
<i>of which:</i>												
Commission on insurance	59	86	104	116	117	25.6%	7.2%	124	131	139	5.9%	18.3%
Other sales	-	-	-	1	1	-	-	1	1	2	26.0%	0.2%
<i>of which:</i>												
Replacement of security cards	-	-	-	1	1	-	-	1	1	2	26.0%	0.2%
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>44.2%</b>	<b>0.2%</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>-</b>	<b>0.4%</b>
<i>of which:</i>												
Paper	1	2	2	2	3	44.2%	0.2%	2	2	3	-	0.4%
<b>Interest, dividends and rent on land</b>	<b>46</b>	<b>23</b>	<b>23</b>	<b>55</b>	<b>31</b>	<b>-12.3%</b>	<b>2.4%</b>	<b>58</b>	<b>61</b>	<b>63</b>	<b>26.7%</b>	<b>7.6%</b>
Interest	46	23	23	55	31	-12.3%	2.4%	58	61	63	26.7%	7.6%
<b>Transactions in financial assets and liabilities</b>	<b>612</b>	<b>2 680</b>	<b>285</b>	<b>1 048</b>	<b>710</b>	<b>5.1%</b>	<b>84.1%</b>	<b>359</b>	<b>381</b>	<b>387</b>	<b>-18.3%</b>	<b>65.9%</b>
<b>Total</b>	<b>749</b>	<b>2 826</b>	<b>610</b>	<b>1 270</b>	<b>910</b>	<b>6.7%</b>	<b>100.0%</b>	<b>595</b>	<b>630</b>	<b>652</b>	<b>-10.5%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 31.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Ministry	32.8	24.4	25.9	30.5	-2.4%	9.2%	31.8	33.4	35.2	4.9%	7.6%
Departmental Management	39.5	88.5	77.3	110.7	41.0%	25.7%	108.8	104.4	110.4	-0.1%	25.2%
Corporate Services	146.8	122.0	124.1	206.5	12.0%	48.7%	205.9	208.3	216.2	1.5%	48.5%
Property Management	4.1	23.1	17.6	41.2	116.1%	7.0%	34.4	36.0	37.7	-2.9%	8.7%
Financial Management	20.8	25.1	29.7	41.5	25.9%	9.5%	41.5	44.9	45.7	3.3%	10.1%
<b>Total</b>	<b>243.9</b>	<b>283.2</b>	<b>274.5</b>	<b>430.3</b>	<b>20.8%</b>	<b>100.0%</b>	<b>422.4</b>	<b>426.9</b>	<b>445.1</b>	<b>1.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				15.5			(4.5)	(23.3)	445.1		
<b>Economic classification</b>											
<b>Current payments</b>	<b>238.6</b>	<b>273.7</b>	<b>271.7</b>	<b>416.6</b>	<b>20.4%</b>	<b>97.5%</b>	<b>420.0</b>	<b>424.4</b>	<b>440.3</b>	<b>1.9%</b>	<b>98.6%</b>
Compensation of employees	89.7	116.8	130.1	169.0	23.5%	41.0%	180.0	191.7	206.0	6.8%	43.3%
Goods and services	148.8	156.8	141.5	247.2	18.4%	56.4%	239.9	232.5	234.1	-1.8%	55.3%
of which:											
Computer services	58.4	26.8	7.7	51.6	-4.0%	11.7%	48.8	51.1	53.5	1.2%	11.9%
Consultants and professional services: Business and advisory services	15.3	54.8	40.4	55.8	54.1%	13.5%	53.0	45.5	40.6	-10.1%	11.3%
Operating leases	6.2	24.7	17.7	39.7	85.8%	7.2%	35.1	37.7	39.4	-0.3%	8.8%
Travel and subsistence	17.9	17.7	26.3	22.6	8.1%	6.9%	20.3	21.3	22.3	-0.5%	5.0%
Interest and rent on land	0.2	0.1	0.1	0.4	36.3%	0.1%	0.1	0.1	0.2	-13.9%	0.1%
<b>Transfers and subsidies</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>-55.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Households	0.2	0.0	0.1	0.0	-55.9%	-	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>4.9</b>	<b>9.4</b>	<b>2.8</b>	<b>13.7</b>	<b>40.8%</b>	<b>2.5%</b>	<b>2.4</b>	<b>2.6</b>	<b>4.8</b>	<b>-29.5%</b>	<b>1.4%</b>
Machinery and equipment	4.3	9.1	2.7	12.2	41.6%	2.3%	2.1	2.3	4.5	-27.9%	1.2%
Software and other intangible assets	0.6	0.4	0.0	1.5	34.7%	0.2%	0.2	0.2	0.3	-44.9%	0.1%
<b>Payments for financial assets</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>243.9</b>	<b>283.2</b>	<b>274.5</b>	<b>430.3</b>	<b>20.8%</b>	<b>100.0%</b>	<b>422.4</b>	<b>426.9</b>	<b>445.1</b>	<b>1.1%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	1.5%	1.5%	1.2%	1.7%			1.5%	1.4%	1.4%		

### Personnel information

Table 31.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	Unit		2012/13	Unit		2013/14		Unit		2014/15				Unit		2012/13 - 2015/16	
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
Administration																			
Salary Level	455	-	410	130.1	0.3	399	139.1	0.3	455	176.0	0.4	455	186.4	0.4	455	198.7	0.4	4.5%	100.0%
1-6	171	-	161	18.6	0.1	172	26.0	0.2	171	30.3	0.2	171	32.1	0.2	171	34.2	0.2	-0.2%	38.8%
7-10	169	-	151	42.2	0.3	137	41.8	0.3	169	52.5	0.3	169	55.6	0.3	169	59.3	0.4	7.2%	36.5%
11-12	61	-	53	28.3	0.5	47	28.8	0.6	61	36.7	0.6	61	38.9	0.6	61	41.4	0.7	9.1%	13.0%
13-16	54	-	45	41.0	0.9	43	42.4	1.0	54	56.5	1.0	54	59.9	1.1	54	63.8	1.2	7.9%	11.6%

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

2. Rand million.

3. As at 30 September 2012.



## Expenditure trends

The spending focus over the medium term will be on strengthening the management information services that maintain the housing subsidy system, expanding the scope of the investigations undertaken by the Special Investigating Unit, and strengthening the department's financial management capacity in relation to procurement and supply chain management.

Spending in the *Corporate Services* subprogramme, which takes up a significant portion of the programme's budget to provide all the administrative support to the department, declined between 2009/10 and 2010/11 due to the cancellation of the human settlements advertising campaign as part of departmental savings measures undertaken during that period. Spending in the *Departmental Management* subprogramme increased by 124.2 per cent between 2009/10 and 2010/11 as a result of spending on consultants and professional services, which increased due to allocations made for investigations undertaken by the Special Investigating Unit into fraudulent activities relating to the allocation of housing subsidies. Spending in the *Property Management* subprogramme increased significantly between 2009/10 and 2012/13 for the provision of office space to accommodate additional staff following the review of the department's organisational structure in 2012/13.

The decline in expenditure on computer services between 2010/11 and 2011/12 was due to the State Information Technology Agency being unable to invoice the department for the housing subsidy system and thus funding allocated could not be spent as planned. Expenditure is expected to increase over the medium term as the multi-year service level agreement between the State Information Technology Agency and the department was finalised.

As part of the Cabinet approved reductions, the programme will reduce spending by R37.4 million over the medium term on non-core goods and services items, such as computer services, consultants and advertising, as well as spending on payments for capital assets. The programme had a 12 per cent vacancy rate in 2012/13 following the organisational structuring. The vacancies are to be filled over the medium term.

## Programme 2: Human Settlements Policy, Strategy and Planning

### Objectives

- Ensure compliance with human settlements governance frameworks by developing and maintaining policies, and norms and standards for human settlements development on a continual basis.
- Promote sustainable human settlements development by drafting the human settlements macro strategy and related plan for the sector, as contained in the national development plan 2030, by 2014.
- Implement a national rollout of human settlements programmes and related projects by managing and monitoring programmes in terms of the human settlements planning frameworks and processes on an ongoing basis.
- Improve the development of sustainable human settlements by facilitating the accreditation of 27 municipalities by 2014 to administer national housing and human settlements programmes.
- Improve cooperation and collaboration in the sector by managing intergovernmental and sector relations with all stakeholders in the human settlements development value chain on an ongoing basis.

### Subprogrammes

- *Management for Policy, Strategy and Planning* provides strategic leadership to the programme. This subprogramme had a staff complement of 2 in 2012/13.
- *Human Settlements Policy Frameworks* manages the development of the National Housing Code, provides advisory services to provinces and municipalities in relation to the application of the code, and facilitates the accreditation of municipalities. Over the medium term, the focus will be on aligning policy with the broader human settlements mandate, and evaluating the norms and standards for low income housing delivery. This subprogramme had a staff complement of 20 in 2012/13.
- *Human Settlements Strategy and Planning* manages the research, development and evaluation of the human settlements macro strategy; manages the human settlements planning framework; and communicates the national human settlements development plan to sector stakeholders through the implementation of

international and intergovernmental programmes and plans. Contributions are made to support the work of the United Nations Human Settlements Programme, the Cities Alliance, and related regional and international support and assistance. This subprogramme had a staff complement of 54 in 2012/13.

## Expenditure estimates

**Table 31.7 Human Settlements Policy, Strategy and Planning**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Management for Policy, Strategy and Planning	1.7	2.4	2.0	2.5	14.2%	4.0%	5.8	6.2	6.5	37.5%	6.3%
Human Settlements Policy Frameworks	12.5	15.4	14.7	23.3	23.1%	30.6%	27.8	29.3	30.2	9.0%	33.1%
Human Settlements Strategy and Planning	26.2	28.3	44.2	42.1	17.0%	65.4%	50.5	53.8	56.3	10.2%	60.6%
<b>Total</b>	<b>40.4</b>	<b>46.2</b>	<b>60.9</b>	<b>67.9</b>	<b>18.9%</b>	<b>100.0%</b>	<b>84.1</b>	<b>89.3</b>	<b>93.0</b>	<b>11.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				-			14.2	15.6	93.0		
<b>Economic classification</b>											
<b>Current payments</b>	<b>39.1</b>	<b>44.8</b>	<b>60.0</b>	<b>65.5</b>	<b>18.8%</b>	<b>97.2%</b>	<b>82.7</b>	<b>87.8</b>	<b>91.5</b>	<b>11.8%</b>	<b>98.0%</b>
Compensation of employees	22.7	27.6	30.7	40.8	21.6%	56.5%	59.6	63.6	67.4	18.2%	69.2%
Goods and services	16.4	17.2	29.4	24.6	14.4%	40.6%	23.0	24.1	23.9	-0.9%	28.6%
<i>of which:</i>					-	-				-	-
Computer services	0.1	0.0	0.0	0.1	3.6%	0.1%	0.1	0.1	0.1	-5.5%	0.1%
Consultants and professional services: Business and advisory services	2.5	3.4	12.4	7.2	42.2%	11.8%	4.2	4.3	3.3	-23.0%	5.7%
Operating leases	0.1	0.1	0.1	0.1	-3.2%	0.2%	0.2	0.2	0.2	15.3%	0.2%
Travel and subsistence	5.7	6.7	10.4	6.3	3.3%	13.5%	8.0	8.4	8.8	11.7%	9.4%
Interest and rent on land	0.0	0.0	0.0	0.1	75.5%	0.1%	0.1	0.1	0.1	-7.6%	0.1%
<b>Transfers and subsidies</b>	<b>0.7</b>	<b>0.9</b>	<b>0.5</b>	<b>1.4</b>	<b>23.4%</b>	<b>1.6%</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>-6.3%</b>	<b>1.4%</b>
Foreign governments and international organisations	0.7	0.7	0.5	1.0	10.3%	1.3%	1.1	1.1	1.2	4.8%	1.3%
Non-profit institutions	-	-	-	0.4	-	0.2%	-	-	-	-100.0%	0.1%
Households	-	0.2	-	-	-	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.6</b>	<b>0.4</b>	<b>0.4</b>	<b>1.0</b>	<b>20.9%</b>	<b>1.1%</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>-29.1%</b>	<b>0.6%</b>
Machinery and equipment	0.6	0.4	0.4	1.0	20.9%	1.1%	0.3	0.3	0.4	-29.1%	0.6%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>40.4</b>	<b>46.2</b>	<b>60.9</b>	<b>67.9</b>	<b>18.9%</b>	<b>100.0%</b>	<b>84.1</b>	<b>89.3</b>	<b>93.0</b>	<b>11.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.3%</b>			<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>		

## Personnel information

**Table 31.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
		2011/12		Unit		2012/13		Unit		2013/14		Unit				2014/15		Unit		2015/16	
Human Settlements Policy, Strategy and Planning		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost		
Salary Level	120	–	78	35.7	0.5	76	38.0	0.5	120	61.5	0.5	120	65.1	0.5	120	69.4	0.6	16.4%	100.0%		
1–6	14	–	9	1.0	0.1	9	1.2	0.1	14	2.6	0.2	14	2.7	0.2	14	2.9	0.2	15.9%	11.7%		
7–10	48	–	30	8.9	0.3	30	9.4	0.3	48	15.7	0.3	48	16.6	0.3	48	17.7	0.4	17.0%	39.9%		
11–12	35	–	24	12.8	0.5	24	14.9	0.6	35	21.2	0.6	35	22.5	0.6	35	24.0	0.7	13.4%	29.6%		
13–16	23	–	15	13.0	0.9	13	12.5	1.0	23	22.0	1.0	23	23.3	1.0	23	24.8	1.1	20.9%	18.8%		

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on strengthening the planning processes in provinces and municipalities to develop a programmatic approach to human settlements development planning, and improving collaboration with stakeholders in the sector.

Spending on compensation of employees is the most significant contributor to expenditure growth in this programme. Expenditure on this item is expected to increase over the medium term as vacant posts are filled as the department implements its organisational structure following the completion of the organisational review in 2011/12. The number of additional municipalities being assessed for level 2 accreditation increased from 6 in 2010/11 to 10 in 2012/13 as part of the department's commitment to incrementally devolve the housing function from provinces to municipalities.

The increase in spending on consultants in 2011/12 can be attributed to an increase in the cost of consultancy services contracted to assess the capacity of 6 metropolitan municipalities to perform the housing function in terms of the municipal accreditation framework. Expenditure on travel and subsistence is expected to increase over the medium term due to department personnel visiting more housing projects and programmes across the country and attending international engagements.

As part of the Cabinet approved reductions, the programme will reduce spending by R15.6 million over the medium term on non-core goods and services, such as agency and support services. The programme had 120 funded posts on the approved establishment, 76 of which were filled as at 30 September 2012. The remainder are to be filled by 2013/14 as the department completes the implementation of its turnaround strategy.

## Programme 3: Programme Delivery Support

### Objectives

- Improve the delivery rate of housing projects, including blocked projects and informal settlement upgrading projects, by providing ongoing technical support to provinces and municipalities in the planning and implementation of strategic programmes and projects.
- Promote better human settlements outcomes in informal settlements through the progressive implementation of the national upgrading support programme in 49 municipalities.
- Ensure progress towards universal access to sanitation by improving access to household sanitation and regularly monitoring the implementation of the rural sanitation programme.
- Develop professional and institutional capacity to undertake roles and responsibilities at provincial and municipal levels by managing ongoing training and skills development programmes for officials and communities.

## Subprogrammes

- *Management for Programme Delivery Support* provides strategic leadership to the programme. This subprogramme had a staff complement of 2 in 2012/13.
- *Programme Implementation Facilitation* is discussed in more detail below.
- *Technical Capacity Development* manages the development of sector specific technical skills for the human settlements sector through human settlements skills development programmes, develops national technical skills development strategies, provides support to provincial departments and manages the scholarship programme. This subprogramme had a staff complement of 30 in 2012/13.
- *Programme and Project Planning Support* monitors and reports on progress of specific strategic projects and programmes, including progress on provincial delivery agreements in terms of outcome 8. This subprogramme had a staff complement of 6 in 2012/13.
- *National Sanitation Programme* is discussed in more detail below.

## Expenditure estimates

Table 31.9 Programme Delivery Support

	Audited outcome			Adjusted appropriation 2012/13	Average Growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average Growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Management for Programme Delivery Support	28.5	4.7	1.4	2.9	-53.4%	6.4%	3.5	3.7	3.9	10.7%	1.5%
Programme Implementation Facilitation	5.4	5.6	6.3	83.8	150.0%	17.3%	111.1	117.2	122.8	13.6%	47.6%
Technical Capacity Development	31.5	27.5	38.7	31.5	-0.1%	22.2%	25.1	26.4	27.8	-4.0%	12.1%
Programme and Project Planning Support	3.9	3.0	4.0	9.1	32.8%	3.4%	14.0	14.8	15.6	19.5%	5.9%
National Sanitation Programme	41.9	85.3	98.6	68.7	17.9%	50.6%	73.3	77.1	81.2	5.7%	32.9%
<b>Total</b>	<b>111.2</b>	<b>126.0</b>	<b>149.1</b>	<b>196.0</b>	<b>20.8%</b>	<b>100.0%</b>	<b>226.9</b>	<b>239.3</b>	<b>251.3</b>	<b>8.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				1.1			(3.5)	(3.9)	251.3		

### Economic classification

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
<b>Current payments</b>	<b>103.4</b>	<b>69.0</b>	<b>108.5</b>	<b>182.0</b>	<b>20.7%</b>	<b>79.5%</b>	<b>218.5</b>	<b>230.4</b>	<b>242.0</b>	<b>10.0%</b>	<b>95.5%</b>
Compensation of employees	24.1	37.5	44.4	63.9	38.5%	29.2%	69.9	74.0	81.7	8.5%	31.7%
Goods and services of which:	79.3	31.6	64.0	117.7	14.1%	50.3%	148.5	156.3	160.2	10.8%	63.8%
Computer services	–	–	–	0.1	–	–	0.2	0.3	0.3	26.0%	0.1%
Consultants and professional services: Business and advisory services	23.4	10.0	43.8	98.0	61.3%	30.1%	126.2	133.0	135.8	11.5%	54.0%
Operating leases	0.1	0.1	0.2	0.8	78.9%	0.2%	0.9	1.0	1.0	9.2%	0.4%
Travel and subsistence	24.0	12.1	14.6	9.0	-28.0%	10.2%	9.1	9.5	10.0	3.6%	4.1%
Interest and rent on land	0.0	0.0	0.0	0.3	138.8%	0.1%	0.1	0.1	0.1	-36.0%	0.1%
<b>Transfers and subsidies</b>	<b>7.0</b>	<b>9.6</b>	<b>8.0</b>	<b>12.1</b>	<b>20.0%</b>	<b>6.3%</b>	<b>7.5</b>	<b>7.9</b>	<b>8.3</b>	<b>-11.9%</b>	<b>3.9%</b>
Higher education institutions	–	–	–	3.1	–	0.5%	3.2	3.4	3.6	5.0%	1.5%
Households	7.0	9.6	8.0	9.0	8.8%	5.8%	4.2	4.5	4.7	-19.6%	2.5%

Table 31.9 Programme Delivery Support (continued)

	Audited outcome			Adjusted appropriation 2012/13	Average Growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average Growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Payments for capital assets</b>	<b>0.8</b>	<b>47.3</b>	<b>32.7</b>	<b>1.9</b>	<b>35.5%</b>	<b>14.2%</b>	<b>1.0</b>	<b>1.0</b>	<b>1.1</b>	<b>-18.0%</b>	<b>0.5%</b>
Buildings and other fixed structures	–	46.9	32.3	–	–	13.6%	–	–	–	–	–
Machinery and equipment	0.8	0.4	0.3	1.9	34.9%	0.6%	1.0	1.0	1.1	-17.6%	0.5%
Software and other intangible assets	–	–	–	0.0	–	–	–	–	–	-100.0%	–
<b>Total</b>	<b>111.2</b>	<b>126.0</b>	<b>149.1</b>	<b>196.0</b>	<b>20.8%</b>	<b>100.0%</b>	<b>226.9</b>	<b>239.3</b>	<b>251.3</b>	<b>8.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.7%</b>	<b>0.8%</b>			<b>0.8%</b>	<b>0.8%</b>	<b>0.8%</b>		

## Details of selected transfers and subsidies

Households											
Other transfers to households											
Current											
Bursaries non-employees	7.0	9.6	8.0	9.0	8.8%	5.8%	4.2	4.5	4.7	-19.6%	2.5%
Higher education institutions											
Current											
Nelson Mandela University	–	–	–	3.1	–	0.5%	3.2	3.4	3.6	5.0%	1.5%

## Personnel information

Table 31.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Average growth rate (%) 2012/13 - 2015/16	Number Salary level/total: Average (%)			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate											
2011/12			2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16									
Programme Delivery Support	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
Salary Level	165	–	–	115	43.5	0.4	115	47.8	0.4	165	69.9	0.4	165	74.0	0.4	165	78.9	0.5	12.8%	100.0%
1–6	35	–	–	21	2.6	0.1	21	3.2	0.2	35	6.8	0.2	35	7.2	0.2	35	7.7	0.2	18.6%	20.7%
7–10	77	–	–	54	16.2	0.3	54	16.3	0.3	77	25.1	0.3	77	26.6	0.3	77	28.3	0.4	12.6%	46.7%
11–12	35	–	–	30	16.4	0.5	30	18.7	0.6	35	20.9	0.6	35	22.1	0.6	35	23.6	0.7	5.3%	22.1%
13–16	18	–	–	10	8.3	0.8	10	9.6	1.0	18	17.2	1.0	18	18.2	1.0	18	19.4	1.1	21.6%	10.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing project level technical assistance to 49 municipalities through the national upgrading support programme, and monitoring and managing the implementation of the sanitation programme. This is reflected in spending in the *Programme Implementation Facilitation* and *National Sanitation Programme* subprogrammes, both of which are discussed in more detail in the sections that follow. The other major spending items in this programme relate to monitoring and reporting on the progress of specific strategic projects and providing skills development programmes to the human settlements sector.

The decline in expenditure on consultants, agency services, and travel and subsistence in 2010/11 was due to the conclusion of the intervention in Eastern Cape in terms of section 100(1)(b) of the Constitution. The administration of housing programmes was handed back to the province in 2010/11 when the intervention was concluded.

As part of the Cabinet approved reductions, the programme will reduce spending by R25.6 million over the medium term on compensation of employees due to vacant posts and on other non-core goods and services items, such as consultants. As at 30 September 2012, the programme had a vacancy rate of 30.3 per cent, mainly in levels 7 to 10 and at the senior management level, as a result of the organisational review completed in 2011/12. The department expects to fill these vacancies in 2013/14.

### Subprogramme: Programme Implementation Facilitation

This subprogramme manages the national upgrading support programme and provides support in the unblocking of blocked provincial housing projects that have stalled for different reasons. The upgrading support programme is designed to assist provinces and municipalities in taking a programmatic approach to upgrading informal settlements, and improve municipalities' technical capacity in dealing with upgrading informal settlements. Through establishing dedicated forums in all provinces and 49 prioritised municipalities, developing an informal settlement upgrading capacity building programme and providing technical support, the subprogramme enables provinces and municipalities to categorise informal settlements, prepare settlement upgrading plans and implement these plans.

### Expenditure estimates

Table 31.11 Programme Implementation Facilitation

Economic classification	Audited outcome			Adjusted appropriation	Average Growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>5.3</b>	<b>5.6</b>	<b>6.2</b>	<b>83.7</b>	<b>151.3%</b>	<b>99.8%</b>	<b>111.0</b>	<b>117.2</b>	<b>122.7</b>	<b>13.6%</b>	<b>99.9%</b>
Compensation of employees	3.8	4.8	5.1	10.1	38.5%	23.6%	10.9	11.5	15.5	15.4%	11.0%
Goods and services	1.5	0.8	1.1	73.6	267.9%	76.2%	100.1	105.6	107.2	13.3%	88.9%
<i>of which:</i>											
<i>Consultants and professional services: Business and advisory services</i>	0.4	–	0.3	70.5	473.0%	70.5%	97.0	102.4	103.8	13.8%	86.0%
<i>Operating leases</i>	–	–	–	0.2	–	0.2%	0.2	0.2	0.2	2.6%	0.2%
<i>Travel and subsistence</i>	0.6	0.4	0.5	1.2	26.8%	2.7%	1.3	1.3	1.4	3.8%	1.2%
<i>Interest and rent on land</i>	–	–	–	0.0	–	–	0.0	0.0	0.0	-18.1%	–
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-18.4%</b>	<b>0.2%</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>19.8%</b>	<b>0.1%</b>
Machinery and equipment	0.1	0.0	0.0	0.0	-18.4%	0.2%	0.1	0.1	0.1	19.8%	0.1%
<b>Total</b>	<b>5.4</b>	<b>5.6</b>	<b>6.3</b>	<b>83.8</b>	<b>150.0%</b>	<b>100.0%</b>	<b>111.1</b>	<b>117.2</b>	<b>122.8</b>	<b>13.6%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>4.8%</b>	<b>4.4%</b>	<b>4.2%</b>	<b>42.8%</b>			<b>48.9%</b>	<b>49.0%</b>	<b>48.9%</b>		

## Personnel information

**Table 31.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14			2014/15			2015/16					2012/13 - 2015/16
Programme Implementation Facilitation		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary Level	20	–	8	4.9	0.6	8	6.0	0.8	20	10.9	0.5	20	11.5	0.6	20	12.3	0.6	35.7%	100.0%
1 – 6	2	–	–	–	–	–	–	2	0.4	0.2	2	0.4	0.2	2	0.4	0.2	–	–	8.8%
7 – 10	8	–	2	0.5	0.3	2	0.5	0.3	8	2.6	0.3	8	2.8	0.4	8	3.0	0.4	58.7%	38.2%
11 – 12	6	–	3	1.8	0.6	3	2.2	0.7	6	3.6	0.6	6	3.9	0.6	6	4.1	0.7	26.0%	30.9%
13 – 16	4	–	3	2.6	0.9	3	3.2	1.1	4	4.2	1.1	4	4.5	1.1	4	4.8	1.2	10.1%	22.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on implementing the national upgrading support programme, which provides technical assistance for informal settlements upgrading to prioritised municipalities. Over the medium term, expenditure is expected to increase due to the rollout of the informal settlements capacity building programme and the increased provision of project level technical support to municipalities. This is reflected in spending on consultants and professional services, which is expected to increase to R103.8 million over the medium term.

Between 2009/10 and 2012/13, expenditure in this subprogramme increased significantly to allow the national upgrading support programme to provide project level technical support for 19 priority projects and conduct an assessment of informal settlements in 20 municipalities. Given the policy priority to upgrade informal settlements, savings of R205 000 are to be effected over the medium term, largely from spending on compensation of employees and various non-core goods and services items.

## Subprogramme: National Sanitation Programme

This subprogramme manages the rural household infrastructure grant, that provides funding for on site water and sanitation facilities in rural municipalities and monitors the quality of sanitation provided through other programmes, such as the municipal infrastructure grant and the delivery of free basic services. Since the inception of the rural household infrastructure grant in 2010/11, 39 356 toilet facilities have been provided to rural households in 57 municipalities. An additional 36 742 toilet facilities are projected to be provided over the medium term.

## Expenditure estimates

**Table 31.13 National Sanitation Programme**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R million						2012/13	2009/10 - 2012/13			
<b>Current payments</b>	<b>41.6</b>	<b>38.2</b>	<b>66.2</b>	<b>67.3</b>	<b>17.4%</b>	<b>72.4%</b>	<b>72.6</b>	<b>76.5</b>	<b>80.5</b>	<b>6.1%</b>	<b>98.9%</b>
Compensation of employees	10.4	21.9	26.6	35.0	49.7%	31.9%	35.9	38.0	40.3	4.7%	49.7%
Goods and services	31.1	16.3	39.6	32.1	1.0%	40.5%	36.7	38.4	40.2	7.8%	49.1%
<i>of which:</i>											
Computer services	–	–	–	0.1	–	–	0.2	0.2	0.2	45.6%	0.2%
Consultants and professional services: Business and advisory services	16.1	6.2	28.4	23.7	13.6%	25.3%	26.9	28.2	29.5	7.6%	36.1%
Operating leases	–	0.0	0.0	0.4	–	0.1%	0.4	0.4	0.4	5.4%	0.5%
Travel and subsistence	10.0	7.4	8.4	4.1	-25.5%	10.2%	4.0	4.2	4.4	2.2%	5.6%
Interest and rent on land	–	0.0	–	0.2	–	0.1%	0.0	0.0	0.0	-52.0%	0.1%

**Table 31.13 National Sanitation Programme (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	0.0	-	-	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.3</b>	<b>47.0</b>	<b>32.4</b>	<b>1.4</b>	<b>64.7%</b>	<b>27.6%</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>-19.8%</b>	<b>1.1%</b>
Buildings and other fixed structures	-	46.9	32.3	-	-	26.9%	-	-	-	-	-
Machinery and equipment	0.3	0.1	0.1	1.4	63.7%	0.6%	0.6	0.7	0.7	-19.3%	1.1%
Software and other intangible assets	-	-	-	0.0	-	-	-	-	-	-100.0%	-
<b>Total</b>	<b>41.9</b>	<b>85.3</b>	<b>98.6</b>	<b>68.7</b>	<b>17.9%</b>	<b>100.0%</b>	<b>73.3</b>	<b>77.1</b>	<b>81.2</b>	<b>5.7%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>37.7%</b>	<b>67.7%</b>	<b>66.2%</b>	<b>35.1%</b>			<b>32.3%</b>	<b>32.2%</b>	<b>32.3%</b>		

## Personnel information

**Table 31.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
<b>National Sanitation Programme</b>																			
<b>Salary Level</b>	<b>93</b>	<b>-</b>	<b>71</b>	<b>26.4</b>	<b>0.4</b>	<b>71</b>	<b>28.3</b>	<b>0.4</b>	<b>93</b>	<b>35.9</b>	<b>0.4</b>	<b>93</b>	<b>38.0</b>	<b>0.4</b>	<b>93</b>	<b>40.5</b>	<b>0.4</b>	<b>9.4%</b>	<b>100.0%</b>
1-6	21	-	9	1.3	0.1	9	1.7	0.2	21	4.3	0.2	21	4.5	0.2	21	4.8	0.2	32.6%	20.6%
7-10	50	-	39	11.9	0.3	39	11.9	0.3	50	16.6	0.3	50	17.5	0.4	50	18.7	0.4	8.6%	54.0%
11-12	18	-	21	11.6	0.6	21	13.0	0.6	18	11.4	0.6	18	12.1	0.7	18	12.9	0.7	-5.0%	21.4%
13-16	4	-	2	1.6	0.8	2	1.7	0.9	4	3.6	0.9	4	3.8	1.0	4	4.1	1.0	26.0%	4.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing planning and implementation support to rural municipalities and strengthening the department's capacity to monitor the delivery of basic household sanitation. The main items of expenditure where this is reflected are compensation of employees and consultants, which account for the increase in spending in the subprogramme over the seven-year period.

Spending on goods and services increased to R32.1 million in 2012/13 to accommodate the continuing support of the provision of on site sanitation in rural areas, the increased agency support and the contracting of service providers for the implementation of the rural household infrastructure programme. The subprogramme implemented savings of R10.5 million over the medium term, mainly from savings in spending on compensation of employees due to vacant positions. The department expects to fill all vacancies by 2013/14 as it implements the new organisational structure.

The decrease in expenditure on payments for capital assets in 2012/13 relates to the completion of the accelerated community infrastructure programme, which provided for a two-year period of accelerated delivery of sanitation to poor households. The decrease in spending on consultants in the same year is related to grant funding for toilet facilities being moved to the municipal level, thus reducing the department's dependency on consultants' services.



## Programme 4: Housing Development Finance

### Objectives

- Manage the accountability of public entities, provinces and municipalities by monitoring expenditure and performance of human settlements development and housing programmes on a quarterly basis.
- Accelerate the delivery of housing and human settlements by providing funding from the human settlements development grant, the urban settlements development grant, the rural household infrastructure grant and transfers to public entities.
- Improve access to housing finance by collaborating with the private sector and related entities to develop mechanisms to increase market penetration and provide loans to low and middle income households.
- Ensure equal access to housing finance through monitoring the lending practices of the financial sector by publishing an annual report on mortgage finance.

### Subprogrammes

- *Management for Housing Development Finance* provides strategic leadership to the programme. This subprogramme had a staff complement of 1 in 2012/13.
- *Chief Investment Officer* monitors the spending and performance of provinces and municipalities implementing housing and human settlements programmes, mobilises the financial sector in providing financial resources to human settlements development, and monitors and reports on the lending patterns by financial institutions through the Office of Disclosure. In 2012/13, the unit produced a report on lending practices of banks in terms of the Home Loan and Mortgage Disclosure Act (2000). This subprogramme had a staff complement of 21 in 2012/13.
- *Regulatory Compliance Services* provides regulatory, strategic and policy oversight to the public entities reporting to the department on an ongoing basis. This subprogramme examines the budget, strategic plans and annual performance plans of public entities and had a staff complement of 21 in 2012/13.
- *Human Settlements Development Grant* reflects the conditional grant allocation that is transferred to all provinces. Funding to provinces is based on an allocation formula that takes housing needs, migration and development potential into account.
- *Contributions* makes transfers to public entities reporting to the department, such as the Social Housing Regulatory Authority and the Housing Development Agency. Funds are transferred on the basis of ministerial approval of strategic and business plans.
- *Rural Households Infrastructure Grant* reflects the conditional grant allocation to rural municipalities' on site water and sanitation solutions in rural areas.
- *Urban Settlements Development Grant* reflects the conditional grant transferred to municipalities for infrastructure development to support the upgrading of informal settlements and increase the provision of serviced land in metropolitan municipalities.
- *Programme Monitoring and Evaluation* manages the monitoring, evaluation and assessment of the performance of human settlements projects, policies and programmes. Over the medium term, reviews will be conducted relating to priority programmes and projects undertaken by the department to assess their effectiveness in achieving policy imperatives. This subprogramme had a staff complement of 31 in 2012/13.

## Expenditure estimates

Table 31.15 Housing Development Finance

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Management for Housing Development Finance	2.4	0.6	1.2	3.0	8.0%	-	3.2	3.3	3.5	5.4%	-
Chief Investment Officer	18.2	15.9	14.8	24.0	9.6%	0.1%	20.9	24.4	22.6	-1.9%	0.1%
Regulatory Compliance Services	20.4	22.0	22.3	24.2	5.7%	0.1%	21.6	22.8	24.1	-0.1%	0.1%
Human Settlements Development Grant	10 819.3	13 032.1	15 121.5	15 726.0	13.3%	67.5%	16 983.9	17 918.3	19 667.2	7.7%	62.1%
Contributions	352.6	346.2	484.1	912.8	37.3%	2.6%	1 133.8	1 002.1	1 388.0	15.0%	3.9%
Rural Households Infrastructure Grant	-	61.6	187.4	340.6	-	0.7%	106.7	113.1	118.3	-29.7%	0.6%
Backlogs in Water and Sanitation at Schools and Clinics Grant	350.0	-	-	-	-100.0%	0.4%	-	-	-	-	-
Urban Settlements Development Grant	4 418.2	4 968.0	6 267.0	7 392.2	18.7%	28.4%	9 076.9	10 334.7	10 699.8	13.1%	33.1%
Programme Monitoring and Evaluation	30.8	14.8	16.2	20.9	-12.1%	0.1%	30.2	31.9	33.6	17.2%	0.1%
<b>Total</b>	<b>16 011.9</b>	<b>18 461.2</b>	<b>22 114.4</b>	<b>24 443.7</b>	<b>15.1%</b>	<b>100.0%</b>	<b>27 377.1</b>	<b>29 450.6</b>	<b>31 957.2</b>	<b>9.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(142.0)			(123.6)	101.2	31 957.2		

## Economic classification

<b>Current payments</b>	<b>71.4</b>	<b>51.6</b>	<b>54.1</b>	<b>70.1</b>	<b>-0.6%</b>	<b>0.3%</b>	<b>75.6</b>	<b>82.1</b>	<b>83.6</b>	<b>6.0%</b>	<b>0.3%</b>
Compensation of employees	30.4	34.6	37.6	46.3	15.0%	0.2%	56.5	60.6	62.7	10.7%	0.2%
Goods and services	40.9	16.9	16.4	23.7	-16.6%	0.1%	19.0	21.5	20.8	-4.3%	0.1%
<i>of which:</i>											
Computer services	0.0	1.0	5.1	1.3	329.4%	-	2.2	2.3	2.4	24.3%	-
Consultants and professional services: Business and advisory services	21.1	6.7	3.4	5.6	-35.7%	-	1.4	3.0	1.5	-36.1%	-
Operating leases	0.2	0.3	0.1	(0.0)	-158.9%	-	0.3	0.3	0.3	-292.1%	-
Travel and subsistence	5.6	4.2	5.2	6.8	6.7%	-	6.0	6.3	6.5	-1.3%	-
Interest and rent on land	0.1	0.0	0.0	0.1	39.2%	-	0.0	0.0	0.0	-29.7%	-
<b>Transfers and subsidies</b>	<b>15 940.1</b>	<b>18 347.4</b>	<b>21 872.6</b>	<b>24 031.0</b>	<b>14.7%</b>	<b>99.0%</b>	<b>27 301.3</b>	<b>29 368.2</b>	<b>31 873.3</b>	<b>9.9%</b>	<b>99.4%</b>
Provinces and municipalities	15 237.4	18 000.1	21 388.5	23 118.2	14.9%	95.9%	26 167.5	28 366.1	30 485.3	9.7%	95.5%
Departmental agencies and accounts	352.6	346.2	484.1	912.8	37.3%	2.6%	1 133.8	1 002.1	1 388.0	15.0%	3.9%
Households	350.0	1.1	-	0.1	-94.8%	0.4%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>0.4</b>	<b>62.2</b>	<b>187.7</b>	<b>342.5</b>	<b>832.0%</b>	<b>0.7%</b>	<b>0.3</b>	<b>0.3</b>	<b>0.3</b>	<b>-90.7%</b>	<b>0.3%</b>
Buildings and other fixed structures	-	61.6	187.4	340.6	-	0.7%	-	-	-	-100.0%	0.3%
Machinery and equipment	0.4	0.6	0.4	1.9	63.9%	-	0.3	0.3	0.3	-46.9%	-
<b>Total</b>	<b>16 011.9</b>	<b>18 461.2</b>	<b>22 114.4</b>	<b>24 443.7</b>	<b>15.1%</b>	<b>100.0%</b>	<b>27 377.1</b>	<b>29 450.6</b>	<b>31 957.2</b>	<b>9.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>97.6%</b>	<b>97.6%</b>	<b>97.9%</b>	<b>97.2%</b>			<b>97.4%</b>	<b>97.5%</b>	<b>97.6%</b>		

Table 31.15 Housing Development Finance (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Capital</b>	350.0	-	-	-	-100.0%	0.4%	-	-	-	-	-
Backlogs in water and sanitation at schools and clinics grant	350.0	-	-	-	-100.0%	0.4%	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	352.6	213.9	257.9	265.4	-9.0%	1.3%	229.6	134.5	139.2	-19.4%	0.7%
Social Housing Regulatory Authority	-	54.5	19.3	21.1	-	0.1%	32.2	33.5	34.6	17.9%	0.1%
Rural Housing Loan Fund	-	49.5	49.5	52.0	-	0.2%	-	-	-	-100.0%	-
Housing Development Agency	62.7	69.3	89.1	92.3	13.8%	0.4%	97.5	101.0	104.6	4.2%	0.3%
National Urban Reconstruction and Housing Agency	3.5	-	100.0	100.0	205.7%	0.3%	100.0	-	-	-100.0%	0.2%
Social Housing Foundation	263.0	6.6	-	-	-100.0%	0.3%	-	-	-	-	-
Thubelisha Homes	23.5	-	-	-	-100.0%	-	-	-	-	-	-
Servcon	-	34.0	-	-	-	-	-	-	-	-	-
<b>Capital</b>	-	132.3	226.2	647.4	-	1.2%	904.1	867.5	1 248.9	24.5%	3.2%
Social Housing Regulatory Authority: Restructuring Capital Grant	-	132.3	226.2	647.4	-	1.2%	904.1	867.5	1 248.9	24.5%	3.2%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Capital</b>	4 418.2	4 968.0	6 267.0	7 392.2	18.7%	28.4%	9 183.6	10 447.8	10 818.1	13.5%	33.4%
Urban settlements development grant	4 418.2	4 968.0	6 267.0	7 392.2	18.7%	28.4%	9 076.9	10 334.7	10 699.8	13.1%	33.1%
Rural households infrastructure grant	-	-	-	-	-	-	106.7	113.1	118.3	-	0.3%
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Capital</b>	10 819.3	13 032.1	15 121.5	15 726.0	13.3%	67.5%	16 983.9	17 918.3	19 667.2	7.7%	62.1%
Human settlements development grant	10 819.3	13 032.1	15 121.5	15 726.0	13.3%	67.5%	16 983.9	17 918.3	19 667.2	7.7%	62.1%

## Personnel information

Table 31.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment									Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate			Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16									
		Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost			
<b>Housing Development Finance</b>																
<b>Salary Level</b>	120	-	78	31.3	0.4	75	31.6	0.4	120	59.9	0.5	120	59.2	0.5	17.0%	100.0%
1-6	5	-	5	0.7	0.1	4	0.5	0.1	5	0.9	0.2	5	1.0	0.2	7.7%	4.4%
7-10	74	-	52	16.6	0.3	50	15.6	0.3	74	27.1	0.4	74	28.9	0.4	14.0%	62.5%

Table 31.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup> (continued)

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment									Number							
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost		Unit Cost	
Housing	Development	Finance																	
11-12	27	-	13	7.1	0.5	13	7.9	0.6	27	16.2	0.6	27	17.1	0.6	27	18.3	0.7	27.6%	21.6%
13-16	14	-	8	6.9	0.9	8	7.6	1.0	14	13.3	0.9	14	14.0	1.0	14	15.0	1.1	20.5%	11.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on making transfers to provinces and municipalities to fund the delivery of low income housing, the purchase of land for informal settlement upgrading and the upgrade of informal settlements. This is reflected in the growth in expenditure in the *Human Settlements Development Grant* and the *Urban Settlements Development Grant* subprogrammes over the medium term. This is expected to result in the delivery of 409 143 houses and the servicing of 198 779 sites in informal settlements during this period.

The *Rural Household Infrastructure Grant* subprogramme is to be converted to a direct grant to municipalities in 2013/14 to strengthen the accountability of municipalities in the delivery of basic water and sanitation services to households. Initially designed to end in 2013/14, this grant continues over the medium term to accelerate universal access to water and sanitation in rural areas. The decline in spending on consultants in 2010/11 is due to the cancellation of the beneficiary occupancy audit. As a result, spending in the *Programme Monitoring and Evaluation* subprogramme decreased by 52 per cent between 2009/10 and 2010/11. The 62.1 per cent increase in spending in the *Chief Investment Officer* subprogramme between 2011/12 and 2012/13 is due to the appointment of the members of the Office of Disclosure, which monitors the lending practices of the financial sector in terms of the Home Loan and Mortgage Disclosure Act (2000).

As part of the Cabinet approved budget reductions, the department will reduce spending as follows:

- R12.7 million from the operational budget over the medium term, primarily from spending on compensation of employees
- R5.3 million over the medium term in the transfer to the Housing Development Agency
- R282.3 million in 2013/14 in the *Rural Households Infrastructure Grant* subprogramme
- R541.8 million over the medium term in the *Urban Settlements Development Grant* subprogramme.

As at 30 September 2012, the programme had a vacancy rate of 37.5 per cent. The vacancies are to be filled over the medium term as the department implements its new organisational structure.

## Public entities and other agencies

### National Home Builders Registration Council

#### Mandate and goals

The National Home Builders Registration Council was established in terms of the Housing Consumers Protection Measures Act (1998), as amended, to represent the interests of housing consumers by providing warranty protection against defined defects in new homes, and to regulate the homebuilding industry. The council provides training and capacity building to promote and ensure compliance with technical standards in the home building environment.

The council's strategic goals over the medium term are to:

- enhance building standards and promote the building of quality homes

- increase homebuilders' compliance with the provisions of the act
- grow, protect and sustain the warranty fund
- provide innovative quality products and services to builders
- strengthen operating processes, systems and procedures to deliver value added products and services to the home building industry.

## Selected performance indicators

Table 31.17 National Home Builders Registration Council

Indicator	Programme/ Activity/Objective	Past <sup>1</sup>			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new builders registered per year	Grow and protect the warranty fund	3 616	3 650	2 686	3 335	2 975	3 124	3 280
Number of builders membership renewed per year	Grow and protect the warranty fund	10 366	11 115	11 220	11 431	10 480	11 004	11 554
Number of additional home enrolments in the non-subsidy sector per year	Grow and protect the warranty fund	26 903	31 458	37 671	33 919	40 094	42 099	44 204
Number of additional late home enrolments per year	Grow and protect the warranty fund	2 130	966	980	1 696	1 002	1 052	1 105
Number of additional homes enrolled in the subsidy sector per year	Grow and protect the warranty fund	41 616	94 000	138 883	181 800	211 300	221 865	232 958
Number of inspections carried out per year (subsidy and non-subsidy)	Enhance building standards	237 400	270 693	514 175	797 840	1 027 602	1 078 982	1 132 931
Percentage of non-subsidy home enrolments processed within 24 hours from receipt	Grow and protect the warranty fund	-	-	-	90%	90%	90%	90%
Percentage subsidy project enrolments assessed within 15 days of receipt	Grow and protect the warranty fund	-	-	-	90%	90%	90%	90%
Percentage subsidy project enrolments assessed within 15 days of application	Grow and protect the warranty fund	-	-	-	90%	90%	90%	90%
Percentage of registrations certified or rejected within 5 days of application	Grow and protect the warranty fund	-	-	-	70%	75%	80%	80%
Percentage of registrations certified or rejected within 3 days of application	Grow and protect the warranty fund	-	-	-	70%	75%	80%	80%
Percentage of home builders prosecuted within 180 days of receipt	Grow and protect the warranty fund	-	-	-	70%	75%	80%	80%

1. No past data, as the indicators are new.

## Programmes/activities/objectives

Table 31.18 National Home Builders Registration Council

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R million												
Warranty fund administration	18.1	21.7	36.3	29.0	17.0%	5.0%	37.5	39.0	40.5	11.8%	4.9%	
Customer service and administration	163.1	175.5	98.5	142.2	-4.5%	29.3%	170.3	177.0	184.0	9.0%	22.9%	
Information technology and technical support	59.9	54.5	255.4	71.6	6.1%	20.1%	191.7	205.9	214.0	44.0%	22.0%	
Legislative framework review and legal services	12.7	8.9	8.8	13.6	2.3%	2.2%	23.1	24.0	24.9	22.5%	2.8%	
Home builder training and development	1.8	2.1	7.8	2.9	17.3%	0.7%	8.1	8.4	8.7	43.6%	0.9%	
Staff training and development	8.3	10.1	28.2	14.3	19.7%	2.8%	15.9	16.5	17.2	6.3%	2.2%	
Marketing and communications	23.0	11.2	24.5	16.6	-10.3%	3.6%	21.6	22.5	23.4	12.1%	2.8%	
Quality assurance	194.6	153.6	148.0	237.9	6.9%	36.2%	315.4	327.9	340.7	12.7%	41.3%	
<b>Total expense</b>	<b>481.5</b>	<b>437.7</b>	<b>607.6</b>	<b>528.1</b>	<b>3.1%</b>	<b>100.0%</b>	<b>783.7</b>	<b>821.1</b>	<b>853.4</b>	<b>17.4%</b>	<b>100.0%</b>	

## Expenditure estimates

Table 31.19 National Home Builders Registration Council

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>692.6</b>	<b>799.4</b>	<b>741.0</b>	<b>742.8</b>	2.4%	100.0%	<b>803.5</b>	<b>975.9</b>	<b>1 022.5</b>	11.2%	100.0%
Sale of goods and services other than capital assets <i>of which:</i>	425.8	468.9	467.3	529.1	7.5%	63.6%	598.8	764.0	802.2	14.9%	75.6%
<i>Sales by market establishment</i>	425.8	468.9	467.3	529.1	7.5%	63.6%	598.8	764.0	802.2	14.9%	75.6%
<i>Insurance premium revenue</i>					7.4%	44.6%	524.3	550.5	578.1	12.2%	58.3%
<i>Fee revenue</i>					12.1%	7.1%	74.3	78.0	81.9	5.2%	8.7%
<i>Technical services revenue</i>					2.8%	12.0%	0.1	135.5	142.2	42.6%	8.6%
<i>Other non-tax revenue</i>	266.8	330.5	273.7	213.7	-7.1%	36.4%	204.7	211.9	220.3	1.0%	24.4%
<b>Total revenue</b>	<b>692.6</b>	<b>799.4</b>	<b>741.0</b>	<b>742.8</b>	<b>2.4%</b>	<b>100.0%</b>	<b>803.5</b>	<b>975.9</b>	<b>1 022.5</b>	<b>11.2%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>479.9</b>	<b>436.0</b>	<b>605.6</b>	<b>524.9</b>	<b>3.0%</b>	<b>99.6%</b>	<b>812.6</b>	<b>831.8</b>	<b>859.2</b>	<b>17.8%</b>	<b>99.6%</b>
Compensation of employees	147.7	162.4	174.7	257.0	20.3%	36.3%	294.3	307.3	320.9	7.7%	39.7%
Goods and services	313.3	256.9	415.8	247.7	-7.5%	59.8%	491.1	483.5	497.7	26.2%	55.7%
Depreciation	18.8	16.7	15.1	20.2	2.4%	3.5%	27.2	41.0	40.6	26.2%	4.2%
<b>Transfers and subsidies</b>	<b>1.7</b>	<b>1.7</b>	<b>2.0</b>	<b>3.2</b>	<b>23.9%</b>	<b>0.4%</b>	<b>2.5</b>	<b>2.6</b>	<b>2.7</b>	<b>-4.5%</b>	<b>0.4%</b>
<b>Total expenses</b>	<b>481.5</b>	<b>437.7</b>	<b>607.6</b>	<b>528.1</b>	<b>3.1%</b>	<b>100.0%</b>	<b>815.1</b>	<b>834.5</b>	<b>861.9</b>	<b>17.7%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>211.0</b>	<b>362.0</b>	<b>133.0</b>	<b>215.0</b>	<b>0.6%</b>		<b>(12.0)</b>	<b>141.0</b>	<b>161.0</b>	<b>-9.2%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	71.8	58.5	48.1	92.2	8.7%	1.9%	331.7	301.0	267.1	42.6%	6.1%
<i>of which:</i>											
<i>Acquisition of assets</i>	10.9	3.4	5.3	64.4	80.9%	0.6%	249.4	7.8	7.8	-50.6%	2.1%
Investments	2 934.9	3 118.8	3 693.6	3 684.3	7.9%	93.6%	3 576.4	3 728.2	3 894.1	1.9%	92.5%
Inventory	0.1	0.1	0.4	0.4	62.0%	0.0%	0.5	0.5	0.5	7.0%	0.0%
Receivables and prepayments	51.2	35.6	59.1	38.8	-8.8%	1.3%	27.2	27.3	27.5	-10.8%	0.8%
Cash and cash equivalents	30.7	354.3	43.1	25.0	-6.5%	3.2%	25.0	25.0	25.0	0.0%	0.6%
<b>Total assets</b>	<b>3 088.7</b>	<b>3 567.3</b>	<b>3 844.3</b>	<b>3 840.7</b>	<b>7.5%</b>	<b>100.0%</b>	<b>3 960.8</b>	<b>4 082.1</b>	<b>4 214.3</b>	<b>3.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	2 039.0	2 407.9	2 546.9	2 761.7	10.6%	67.9%	2 870.6	2 995.0	3 128.9	4.2%	73.0%
Capital and reserves	106.0	42.4	55.6	55.6	-19.3%	1.9%	50.6	45.1	40.1	-10.3%	1.2%
Trade and other payables	120.6	328.0	251.8	46.8	-27.1%	5.2%	62.8	65.3	68.6	13.6%	1.5%
Provisions	823.1	789.0	990.0	976.6	5.9%	25.0%	976.6	976.6	976.6	-	24.3%
<b>Total equity and liabilities</b>	<b>3 088.7</b>	<b>3 567.3</b>	<b>3 844.3</b>	<b>3 840.7</b>	<b>7.5%</b>	<b>100.0%</b>	<b>3 960.8</b>	<b>4 082.1</b>	<b>4 214.3</b>	<b>3.1%</b>	<b>100.0%</b>

## Personnel information

**Table 31.20 National Home Builders Registration Council**

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/ total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	352	-	349	167.3	0.5	424	257.0	0.6	482	287.9	0.6	484	303.7	0.6	484	320.5	0.7	4.5%	100.0%
1-6	14	-	31	2.1	0.1	19	2.4	0.1	24	2.8	0.1	24	3.0	0.1	24	3.1	0.1	8.1%	4.8%
7-10	136	-	140	45.1	0.3	147	56.4	0.4	166	62.4	0.4	169	65.9	0.4	169	69.5	0.4	4.8%	34.7%
11-12	59	-	59	30.0	0.5	75	44.3	0.6	83	48.7	0.6	82	51.3	0.6	82	54.2	0.7	3.0%	17.2%
13-16	139	-	115	82.7	0.7	176	140.3	0.8	200	156.6	0.8	200	165.2	0.8	200	174.3	0.9	4.4%	41.4%
17-22	4	-	4	7.4	1.9	7	13.6	1.9	9	17.4	1.9	9	18.4	2.0	9	19.4	2.2	8.7%	1.8%

1. Rand million.

## Expenditure trends

The National Home Builders Registration Council's main source of revenue is derived from fees charged to enrol new homes to be covered for structural defects by the warranty fund. Other revenue sources include registration and renewal fees paid by builders and technical services provided by the council to provinces. Insurance premium revenue decreased in 2011/12 due to the slowdown in the construction of new houses due to adverse economic conditions. Over this period, revenue for technical services provided to provinces for the rectification of subsidised houses increased to R183.7 million in 2011/12. Over the medium term, revenue is expected to increase, reaching R1 billion in 2015/16, mainly due to the increase in the number of homes enrolled in both the non-subsidy and subsidy sector.

The spending focus over the medium term will be on increasing the quality assurance of the home building industry. Quality assurance consumes the greatest proportion of expenditure in 2012/13, which reflects the strategic intent to improve the regulatory functions of the council relating to all subsidy houses delivered by government.

Spending on goods and services is the main reason for the overall increase in spending over the medium term. This is as a result of the consumer awareness campaigns and the expansion of the training and development of builders programme to improve the quality of home builders in the construction industry. As a result, the number of home builders trained is expected to increase from 2 948 in 2012/13 to 8 730 in 2015/16. Given the expected growth in the warranty fund, the administrative costs to manage the fund are also expected to increase over this period.

The anticipated growth in spending on compensation of employees over the medium term is related to the strengthening of the legal and enforcement unit in the council to improve compliance with the building norms and standards in the built environment and to improve the levels of legal services delivered. Over the medium term, more capacity will be added to the inspectorate unit for subsidised housing to meet the requirement that all new subsidy houses are inspected.

The number of filled posts is expected to increase to 482 in 2013/14, and 484 in 2014/15 and 2015/16 to provide for a project management unit, the capacitation of the subsidy housing inspectorate unit, and the capacitation of the IT unit and the compliance section. The ratio of line function to support staff is 1.43:1.

## National Housing Finance Corporation

### Mandate and goals

The National Housing Finance Corporation was established in 1996 as a development finance institution with the principal mandate of broadening and deepening access to affordable housing finance for low to middle

income households by facilitating private sector lending for housing purposes. The corporation also acts as a fund and risk manager in the affordable housing market.

The corporation's strategic goals over the medium term are to:

- expand housing finance activities through the effective provision of housing finance solutions
- facilitate the increased and sustained lending by financial institutions to the lower end of the housing market
- mobilise funding into the human settlements space on a sustainable basis, in partnership with the broadest range of institutions
- conduct the corporation's business activities in a way that ensures its continued economic sustainability, while promoting lasting social, ethical and environmental development.

## Selected performance indicators

### National Housing Finance Corporation

Table 31.21 National Housing Finance Corporation

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new loans disbursed through project finance activities per year	Project finance	7 869	5 757	5 604	4 722	5 174	6 147	7 397
Number of new loans disbursed through retail finance activities per year <sup>1</sup>	Retail finance	1 073	709	361	29	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Number of additional housing finance opportunities created through commercial finance activities per year	Commercial finance	2 218	3 073	5 717	8 063	5 080	7 434	8 210
Number of additional housing opportunities created through strategic partnerships per year <sup>2</sup>	Strategic partnerships and investments	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	1 000	2 178	2 388	2 794

1. No targets as there will be no new retail finance activities in future.

2. No past data, as the indicator is new.

## Programmes/activities/objectives

Table 31.22 National Housing Finance Corporation

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/ total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/ total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Retail finance	28.1	20.5	28.6	16.6	-16.0%	10.8%	-	-	-	-100.0%	1.6%
Commercial finance	56.1	40.9	26.4	69.5	7.4%	21.0%	120.1	91.8	62.1	-3.7%	22.4%
Project finance	170.9	124.6	135.4	134.0	-7.8%	63.6%	273.9	205.7	348.9	37.6%	59.3%
Strategic partnerships and investments	-	-	3.8	44.7	-	4.7%	86.5	66.1	66.9	14.4%	16.8%
<b>Total expense</b>	<b>255.0</b>	<b>185.9</b>	<b>194.1</b>	<b>264.7</b>	<b>1.3%</b>	<b>100.0%</b>	<b>480.6</b>	<b>363.7</b>	<b>477.9</b>	<b>21.8%</b>	<b>100.0%</b>



## Expenditure estimates

Table 31.23 National Housing Finance Corporation

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Revenue</b>	<b>301.7</b>	<b>245.8</b>	<b>215.3</b>	<b>277.4</b>	<b>-2.8%</b>	<b>99.1%</b>	<b>502.7</b>	<b>363.7</b>	<b>491.4</b>	<b>21.0%</b>	<b>100.0%</b>
<b>Non-tax revenue</b>	<b>301.7</b>	<b>245.8</b>	<b>215.3</b>	<b>277.4</b>	<b>-2.8%</b>	<b>99.1%</b>	<b>502.7</b>	<b>363.7</b>	<b>491.4</b>	<b>21.0%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets of which:	178.7	179.0	173.1	232.0	9.1%	73.5%	468.3	327.6	438.6	23.7%	89.0%
Administrative fees	0.0	0.2	-	-	-100.0%	0.0%	-	-	-	-	-
Sales by market establishment	178.7	178.8	173.1	232.0	9.1%	73.5%	468.3	327.6	438.6	23.7%	89.0%
Sale of Houses	61.2	118.9	146.2	176.1	42.2%	49.8%	215.2	-	-	-100.0%	26.6%
Interest on Advances	160.5	5.4	6.0	4.4	-69.9%	14.5%	245.5	322.9	433.4	362.4%	56.9%
Rental Income	6.4	5.4	6.0	5.8	-3.4%	-	7.5	4.7	5.2	-3.4%	1.5%
Other non-tax revenue	123.0	66.8	42.2	45.4	-28.3%	25.6%	34.4	36.1	52.7	5.1%	11.0%
<b>Total revenue</b>	<b>312.8</b>	<b>245.8</b>	<b>215.3</b>	<b>277.4</b>	<b>-3.9%</b>	<b>100.0%</b>	<b>502.7</b>	<b>363.7</b>	<b>491.4</b>	<b>21.0%</b>	<b>100.0%</b>
<b>Expenses</b>	<b>239.4</b>	<b>170.2</b>	<b>181.1</b>	<b>262.3</b>	<b>3.1%</b>	<b>94.5%</b>	<b>480.6</b>	<b>363.7</b>	<b>477.9</b>	<b>22.1%</b>	<b>99.8%</b>
<b>Current expenses</b>	<b>239.4</b>	<b>170.2</b>	<b>181.1</b>	<b>262.3</b>	<b>3.1%</b>	<b>94.5%</b>	<b>480.6</b>	<b>363.7</b>	<b>477.9</b>	<b>22.1%</b>	<b>99.8%</b>
Compensation of employees	47.6	70.0	78.0	83.6	20.6%	32.0%	90.9	83.4	88.1	1.8%	23.0%
Goods and services	189.8	98.2	87.9	151.3	-7.3%	57.4%	318.3	146.6	178.7	5.7%	50.3%
Depreciation	0.9	0.9	0.9	1.4	15.5%	0.5%	3.5	4.4	3.8	38.1%	0.8%
Interest, dividends and rent on land	1.0	1.2	14.2	25.9	194.6%	4.5%	67.9	129.3	207.3	99.9%	25.7%
<b>Total expenses</b>	<b>255.0</b>	<b>185.9</b>	<b>194.1</b>	<b>264.7</b>	<b>1.3%</b>	<b>100.0%</b>	<b>480.6</b>	<b>363.7</b>	<b>477.9</b>	<b>21.8%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>58.0</b>	<b>60.0</b>	<b>21.0</b>	<b>13.0</b>	<b>-39.3%</b>		<b>22.0</b>	<b>-</b>	<b>13.0</b>	<b>-</b>	
<b>Statement of financial position</b>											
Carrying value of assets	61.0	73.2	74.6	79.5	9.2%	2.3%	81.4	55.4	55.6	-11.3%	1.6%
of which:											
Acquisition of assets	1.3	1.1	1.6	3.8	41.2%	0.1%	5.6	3.4	4.0	1.7%	0.1%
Investments	1 113.0	979.7	1 180.8	915.3	-6.3%	33.0%	872.9	994.5	1 045.1	4.5%	21.6%
Inventory	54.3	64.0	63.9	137.6	36.3%	2.5%	184.1	-	-	-100.0%	2.1%
Loans	1 330.9	1 562.8	1 831.1	2 058.2	15.6%	52.6%	2 601.2	3 581.7	4 360.0	28.4%	68.0%
Receivables and prepayments	36.4	66.4	16.1	32.1	-4.1%	1.2%	33.2	22.0	23.4	-10.0%	0.6%
Cash and cash equivalents	263.0	215.8	282.0	196.0	-9.3%	7.5%	189.4	206.9	215.7	3.2%	4.6%
Taxation	27.2	28.6	9.2	9.2	-30.2%	0.6%	9.2	9.2	9.2	-	0.2%
Derivatives financial instruments	-	-	4.4	41.3	-	0.3%	166.3	-	-	-100.0%	1.3%
<b>Total assets</b>	<b>2 885.9</b>	<b>2 990.5</b>	<b>3 462.1</b>	<b>3 469.3</b>	<b>6.3%</b>	<b>100.0%</b>	<b>4 138.0</b>	<b>4 869.7</b>	<b>5 709.0</b>	<b>18.1%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	1 136.6	1 196.6	1 217.1	1 229.7	2.7%	37.5%	1 251.8	1 248.1	1 261.6	0.9%	28.4%
Capital and reserves	1 080.0	1 080.0	1 080.0	1 080.0	-	34.0%	1 080.0	1 080.0	1 080.0	-	24.6%
Borrowings	16.2	65.3	438.3	521.4	217.9%	7.6%	1 094.5	1 861.8	2 651.7	72.0%	31.5%
Trade and other payables	23.2	9.7	7.8	22.9	-0.5%	0.5%	65.5	0.7	0.8	-67.4%	0.6%
Provisions	14.0	12.9	17.1	8.2	-16.6%	0.4%	8.6	8.8	9.4	4.7%	0.2%
Managed funds (e.g. poverty alleviation fund)	615.8	626.0	697.5	607.1	-0.5%	20.0%	637.5	670.2	705.5	5.1%	14.8%
<b>Total equity and liabilities</b>	<b>2 885.9</b>	<b>2 990.5</b>	<b>3 457.8</b>	<b>3 469.3</b>	<b>6.3%</b>	<b>100.0%</b>	<b>4 138.0</b>	<b>4 869.7</b>	<b>5 709.0</b>	<b>18.1%</b>	<b>100.0%</b>

## Personnel information

**Table 31.24 National Housing Finance Corporation**

Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	124	3	118	78.0	0.7	121	83.6	0.7	121	90.9	0.8	91	83.4	0.9	91	88.1	1.0	-9.1%	100.0%
1-6	2	-	2	0.1	0.1	2	0.1	0.1	2	0.2	0.1	-	-	-	-	-	-	-00.0%	0.8%
7-10	7	-	7	1.4	0.2	7	1.6	0.2	7	2.1	0.3	-	1.5	-	-	2.3	-	-100.0%	2.9%
11-12	65	1	63	21.8	0.3	64	21.3	0.3	64	23.3	0.4	48	19.3	0.4	48	20.0	0.4	-9.1%	52.8%
13-16	35	2	31	25.7	0.8	33	28.7	0.9	33	31.5	1.0	28	27.5	1.0	28	29.5	1.1	-5.3%	29.0%
17-22	15	-	15	29.0	1.9	15	31.9	2.1	15	33.8	2.3	15	35.2	2.3	15	36.3	2.4	-	14.4%

1. Rand million.

## Expenditure trends

The National Housing Finance Corporation mainly generates revenue from interest on loans disbursed. Between 2009/10 and 2011/12, revenue decreased as a result of the slowdown in the housing market following the global financial crisis of 2009. Revenue increased in 2012/13 as the housing finance market recovered to increase the value of loans issued. The expected decline in revenue in 2014/15 is due to the higher than normal sale of properties by the Cape Town Community Housing Company in 2013/14 and the sale of the majority shareholding in the company in the same year.

The corporation's spending focus over the medium term will be on growing the lending business, and increasing the provision of housing finance options and the availability of funding in the human settlements sector through strategic partnerships. Project finance expenditure in 2013/14 is expected to grow significantly as the entity scales up operations to finance the growing social housing sector. This is expected to increase the number of loans disbursed through project finance and strategic partnerships from 4 722 in 2012/13 to an expected 7 397 in 2015/16. As a result, expenditure is expected to increase significantly over the medium term. The decrease in the expenditure on goods and services in 2010/11 was a result of the reversal of an impairment charge following the conclusion of a settlement agreement with one of the corporation's borrowers. Spending is expected to increase in 2013/14 mainly due to costs associated to the sale of houses by the Cape Town Community Housing Company.

The growth in expenditure on compensation of employees between 2009/10 and 2012/13 was a result of new initiatives introduced into the low income housing market, including the expansion of funding for social housing. Expenditure on compensation of employees is expected to increase further in 2013/14 due to the inflationary adjustment of wages and the filling of vacant posts. Due to the disposal of majority shareholding in the Cape Town Community Housing Company and the associated recognition of employee costs, expenditure on compensation of employees is expected to decrease in 2014/15.

The approved establishment of the corporation provides for 124 posts, all of which are funded. The corporation had 121 staff members and 3 vacant positions in 2012/13. The number of funded posts is expected to decrease over the medium term due to the fact that the Cape Town Community Housing Company will no longer be a subsidiary of the corporation.

## National Urban Reconstruction and Housing Agency

### Mandate and goals

The National Urban Reconstruction and Housing Agency is a non-profit public entity established in 1995 as a joint venture between the South African government and the Open Society Institute of New York. The agency

ensures the availability of bridging finance to small, medium sized and established contractors building low to moderate income housing and related community facilities and infrastructure.

The agency's strategic goals over the medium term are to:

- maximise access to bridging finance for contractors and developers
- facilitate the delivery of subsidised and affordable housing, as well as human settlement infrastructure, at scale
- improve client, market and stakeholder relations.

## Selected performance indicators

**Table 31.25 National Urban Reconstruction and Housing Agency**

Indicator	Programme/ Activity/Objective	Past			Current <sup>1</sup>	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of new loans signed: Subsidy housing and sites per year (R thousand)	Loans for subsidy housing	R149 485	R83 316	R134 883	R35 300	R124 000	R136 000	R164 500
Value of new loans signed: Affordable housing and sites per year (R thousand)	Loans for affordable housing	R240 922	R84 983	R299 476	R113 322	R363 000	R400 000	R450 000
Value of new loans signed: Infrastructure projects per year (R thousand)	Loans for infrastructure projects	R164 407	R99 614	R62 630	R12 428	R79 000	R87 000	R112 000
Number of fully subsidised new houses/sites completed per year	Loans for subsidiary housing	18 702	10 668	7 066	7 648	5 082	5 590	6 841
Number of new infrastructure projects completed per year	Loans for infrastructure projects	41	33	25	16	10	12	17

1. As at 31 December 2012.

## Programmes/activities/objectives

**Table 31.26 National Urban Reconstruction and Housing Agency**

	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R million											
Loans for affordable housing	30.0	41.5	6.2	11.8	-26.7%	22.3%	8.4	8.9	10.0	-5.5%	11.0%
Loans for subsidiary housing	12.8	17.8	5.8	2.2	-44.1%	9.4%	1.7	1.2	1.4	-14.3%	1.9%
Loans for infrastructure projects	25.7	35.6	3.5	2.1	-56.3%	16.4%	1.9	1.7	2.2	1.2%	2.2%
Programme management	17.1	23.7	0.6	27.9	17.7%	18.3%	59.1	30.8	33.1	5.9%	42.9%
Other Shared services	-	-	104.1	41.1	-	33.7%	12.2	48.1	51.2	7.6%	42.0%
<b>Total expense</b>	<b>85.6</b>	<b>118.6</b>	<b>120.2</b>	<b>85.2</b>	<b>-0.2%</b>	<b>100.0%</b>	<b>83.3</b>	<b>90.7</b>	<b>97.9</b>	<b>4.7%</b>	<b>100.0%</b>

## Expenditure estimates

Table 31.27 National Urban Reconstruction and Housing Agency

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2013/14		2014/15	2015/16	2012/13 - 2015/16		
R million												
<b>Revenue</b>												
<b>Non-tax revenue</b>	<b>63.3</b>	<b>52.2</b>	<b>76.1</b>	<b>77.5</b>	7.0%	98.7%	<b>104.3</b>	<b>117.2</b>	<b>114.8</b>	14.0%	100.0%	
Sale of goods and services other than capital assets	56.9	46.2	61.0	60.9	2.3%	83.1%	84.0	86.2	83.2	11.0%	76.3%	
<i>of which:</i>												
<i>Administrative fees</i>	–	–	15.9	24.0	–	13.0%	39.3	40.1	35.7	14.2%	33.5%	
<i>Sales by market establishment</i>	56.9	46.2	45.2	36.9	-13.4%	70.2%	44.7	46.1	47.5	8.8%	42.8%	
<i>Interest on loans for construction projects</i>	47.3	41.0	37.9	31.1	-13.1%	59.8%	39.0	40.2	41.5	10.1%	37.0%	
<i>Fees on loans for construction projects</i>	9.6	5.2	7.3	5.9	-15.2%	10.3%	5.7	5.9	6.1	1.1%	5.8%	
<i>Other non-tax revenue</i>	6.4	6.0	15.1	16.5	37.3%	15.5%	20.4	31.0	31.5	24.0%	23.7%	
<b>Transfers received</b>	<b>3.5</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>1.3%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Total revenue</b>	<b>66.8</b>	<b>52.2</b>	<b>76.1</b>	<b>77.5</b>	<b>5.1%</b>	<b>100.0%</b>	<b>104.3</b>	<b>117.2</b>	<b>114.8</b>	<b>14.0%</b>	<b>100.0%</b>	
<b>Expenses</b>												
<b>Current expenses</b>	<b>85.6</b>	<b>118.6</b>	<b>120.2</b>	<b>85.2</b>	<b>-0.2%</b>	<b>100.0%</b>	<b>83.3</b>	<b>90.7</b>	<b>97.9</b>	<b>4.7%</b>	<b>100.0%</b>	
Compensation of employees	26.0	23.4	28.1	25.8	-0.2%	25.9%	27.3	28.7	30.4	5.6%	31.4%	
Goods and services	39.1	77.6	76.9	45.9	5.5%	57.2%	40.8	46.1	51.9	4.2%	51.7%	
Depreciation	0.5	1.1	1.5	1.5	40.2%	1.1%	1.5	1.6	1.7	4.3%	1.7%	
Interest, dividends and rent on land	20.0	16.6	13.7	12.1	-15.5%	15.7%	13.7	14.3	14.0	5.2%	15.2%	
<b>Total expenses</b>	<b>85.6</b>	<b>118.6</b>	<b>120.2</b>	<b>85.2</b>	<b>-0.2%</b>	<b>100.0%</b>	<b>83.3</b>	<b>90.7</b>	<b>97.9</b>	<b>4.7%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>(19.0)</b>	<b>(66.0)</b>	<b>(44.0)</b>	<b>(8.0)</b>	<b>-25.0%</b>		<b>21.0</b>	<b>26.0</b>	<b>17.0</b>	<b>-228.6%</b>		
<b>Statement of financial position</b>												
Carrying value of assets	2.6	4.1	3.6	2.9	4.0%	0.7%	2.1	1.6	1.3	-22.9%	0.3%	
<i>of which:</i>												
<i>Acquisition of assets</i>	1.8	2.5	1.1	1.4	-7.5%	0.4%	0.3	0.3	0.3	-37.6%	0.1%	
Investments	4.4	–	1.4	1.4	-31.9%	0.4%	1.4	1.4	1.4	–	0.2%	
Loans	352.1	272.3	190.9	261.2	-9.5%	57.5%	271.5	282.2	293.5	4.0%	39.7%	
Receivables and prepayments	1.1	1.0	22.2	19.3	159.2%	2.0%	19.6	19.7	19.7	0.6%	2.8%	
Cash and cash equivalents	133.8	71.2	292.5	316.9	33.3%	39.4%	441.7	448.2	397.9	7.9%	57.0%	
<b>Total assets</b>	<b>494.1</b>	<b>348.5</b>	<b>510.6</b>	<b>601.8</b>	<b>6.8%</b>	<b>100.0%</b>	<b>736.3</b>	<b>753.1</b>	<b>713.8</b>	<b>5.9%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	228.5	162.1	218.0	310.3	10.7%	46.8%	430.5	455.1	468.9	14.8%	59.1%	
Capital and reserves	38.3	38.3	38.3	38.3	–	8.2%	38.3	38.3	38.3	–	5.5%	
Borrowings	219.7	142.1	138.0	242.8	3.4%	38.2%	159.9	168.5	115.1	-22.0%	25.2%	
Trade and other payables	7.6	6.0	116.3	7.4	-0.6%	6.8%	107.6	91.2	91.5	130.9%	10.2%	
Taxation	–	–	0.1	–	–	0.0%	–	–	–	–	–	
<b>Total equity and liabilities</b>	<b>494.1</b>	<b>348.5</b>	<b>510.6</b>	<b>598.8</b>	<b>6.6%</b>	<b>100.0%</b>	<b>736.3</b>	<b>753.1</b>	<b>713.8</b>	<b>6.0%</b>	<b>100.0%</b>	

## Personnel information

**Table 31.28 National Urban Reconstruction and Housing Agency**

Post status estimated for 31 March 2013			Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
	Number of funded posts	Number of vacant posts	Actual					Revised estimate			Medium-term expenditure estimate							Average growth rate (%)	Salary level/ total: Average (%)
			2011/12		2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost			
Salary level	48	19	39	23.3	0.6	49	25.8	0.5	48	27.3	0.6	49	28.7	0.6	49	30.4	0.6	-	100.0%
7 – 10	14	7	16	4.3	0.3	12	1.7	0.1	11	1.8	0.2	12	2.0	0.2	12	2.1	0.2	-	24.1%
11 – 12	19	-	10	5.7	0.6	30	15.8	0.5	30	16.9	0.6	30	18.0	0.6	30	19.0	0.6	-	61.5%
13 – 16	13	10	12	7.7	0.6	7	8.3	1.2	7	8.5	1.2	7	8.7	1.2	7	9.3	1.3	-	14.4%
17 – 22	2	2	1	5.6	5.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Rand million.

## Expenditure trends

The National Urban Reconstruction and Housing Agency generates revenue from interest on loans disbursed and programme management fees in assisting emerging contractors in project development and execution to minimise the risk of these contractors defaulting on their loans. Revenue is expected to increase to R114.8 million in 2015/16 mainly due to an increase in interest earned on loans disbursed as the loan book expands.

The spending focus over the medium term will be on providing affordable loans to housing contractors, as well as providing project management assistance to emerging contractors. Expenditure over the medium term is focused on extending the contractor finance through the agency's three finance programmes. The most significant growth in the value of loans is projected for the affordable housing programme, which is expected to increase from R330 million in 2012/13 to R450 million in 2015/16. However, costs related to the affordable housing programme are projected to decrease from R11.8 million in 2012/13 to R10 million in 2015/16. The value of loans in the subsidy housing programme is projected to increase from R112.8 million in 2012/13 to R164.5 million in 2015/16, which will have a moderate impact on the costs related to this programme. The growth in the programme is supported by the implementation of the contractor finance and development programme, which provides financial and project management support to emerging contractors, enabling them to grow their business and improve their grading in terms of the Construction Industry Development Board.

Expenditure related to the programme management objective is expected to increase from R27.9 million in 2012/13 to R33.1 million due to the appointment of temporary staff while the programmes are managed on behalf of provinces. The expenditure on shared services is expected to increase from R12.2 million in 2013/14 to R48.1 million in 2014/15 and to R51.2 million in 2015/16 and reflects the entity's increased focus over the medium term on fee based initiatives, such as the contractor finance and development programme.

The agency expects to appoint 16 temporary staff members over the medium term in support of the programme management objective, which provides project management to provinces. The ratio of line function to support staff is 0.53:1.

## Social Housing Regulatory Authority

### Mandate and goals

The Social Housing Act (2008) provides for the establishment of the Social Housing Regulatory Authority. The authority is mandated to regulate the social housing sector and support the restructuring of urban spaces through investments in social housing.

The authority's strategic goal over the medium term is to develop a transparent, effective, efficient and legislatively compliant operating, regulatory and investment environment for the social housing sector.

## Selected performance indicators

**Table 31.29 The Social Housing Regulatory Authority**

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new social housing units invested in per year	Investment in social housing sector	- <sup>1</sup>	1 685	4 127	5 593	5 561	5 422	7 805
Number of additional social housing projects receiving the project feasibility grant per year	Investment in social housing sector	- <sup>1</sup>	14	6	14	20	20	30
Number of additional social housing institutions supported through start-up/ gearing grant per year	Investment in social housing sector	- <sup>1</sup>	- <sup>2</sup>	13	15	20	25	30
Number of additional social housing institutions supported through specific intervention grants per year	Investment in social housing sector	- <sup>1</sup>	50	3	15	20	15	20
Number of new inspections and audits per year	Investment in social housing sector	- <sup>1</sup>	- <sup>3</sup>	2	12	20	30	30

1. The Social Housing Regulatory Authority was formally established in 2010/11, hence indicators only begin from 2010/11.

2. This grant did not begin until 2011/12.

3. As the Social Housing Regulatory Authority was established in 2010/11, it would take a year for applications to be received and processed before the inspections and audits can be performed.

## Programmes/activities/objectives

**Table 31.30 Social Housing Regulatory Authority**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Investment in social housing sector	-	-	226.2	640.9	-	-	813.7	867.5	1 124.0	20.6%	91.7%
Regulation in social housing sector	-	-	-	-	-	-	63.3	-	87.4	-	3.4%
Administration	-	59.3	19.3	27.6	-	-	32.2	33.5	35.0	8.3%	3.5%
Intervention management	-	-	-	-	-	-	27.1	-	37.0	-	1.4%
Other objectives	-	-	293.7	-	-	-	-	-	-	-	-
<b>Total expense</b>	<b>-</b>	<b>59.3</b>	<b>539.2</b>	<b>668.5</b>	<b>-</b>	<b>-</b>	<b>936.3</b>	<b>901.0</b>	<b>1 283.4</b>	<b>24.3%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 31.31 Social Housing Regulatory Authority**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Revenue</b>											
<b>Non-tax revenue</b>	-	0.8	7.3	-	-	-	-	-	-	-	-
<i>Other non-tax revenue</i>	-	0.8	7.3	-	-	-	-	-	-	-	-
<b>Transfers received</b>	-	186.8	463.2	668.5	-	-	936.3	901.0	1 283.4	24.3%	100.0%
<b>Total revenue</b>	-	187.6	470.5	668.5	-	-	936.3	901.0	1 283.4	24.3%	100.0%
<b>Expenses</b>											
<b>Current expenses</b>	-	59.3	539.2	49.8	-	-	49.4	46.4	48.5	- 0.8%	5.4%
Compensation of employees	-	0.8	10.9	14.8	-	-	23.3	25.4	27.7	23.2%	2.4%
Goods and services	-	58.5	527.3	34.0	-	-	24.9	20.0	20.6	- 15.4%	2.9%
Depreciation	-	0.1	0.9	1.0	-	-	1.1	1.0	0.2	- 37.9%	0.1%
<b>Transfers and subsidies</b>	-	-	-	618.7	-	-	886.9	854.6	1 234.9	25.9%	94.6%
<b>Total expenses</b>	-	59.3	539.2	668.5	-	-	936.3	901.0	1 283.4	24.3%	100.0%
<b>Surplus/(Deficit)</b>	-	128.0	(69.0)	-	-	-	-	-	-	-	-

## Personnel information

Table 31.32 Social Housing Regulatory Authority

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment																Number		
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	24	-	19	10.9	0.6	24	14.8	0.6	38	23.3	0.6	38	25.4	0.7	38	27.7	0.7	16.6%	100.0%
1-6	3	-	3	0.5	0.2	3	0.4	0.1	3	0.5	0.2	3	0.5	0.2	3	0.6	0.2	-	9.0%
7-10	9	-	7	1.3	0.2	9	3.6	0.4	20	9.1	0.5	20	9.9	0.5	20	10.8	0.5	30.5%	48.8%
11-12	6	-	3	2.8	0.9	6	4.1	0.7	9	6.6	0.7	9	7.1	0.8	9	7.8	0.9	14.5%	24.0%
13-16	4	-	4	3.4	0.9	4	3.6	0.9	4	3.9	1.0	4	4.2	1.1	4	4.6	1.2	-	12.1%
17-22	2	-	2	3.0	1.5	2	3.1	1.5	2	3.3	1.7	2	3.6	1.8	2	4.0	2.0	-	6.0%

1. Rand million.

## Expenditure trends

The Social Housing Regulatory Authority's spending over the medium term will focus on investing in social housing through the restructuring capital grant paid to accredited social housing institutions. As a result, total expenditure is expected to increase significantly over the medium term. The increased investment in social housing will allow for the delivery of an additional 6 000 medium density rental housing units per year in designated restructuring zones.

The additional investment in social housing requires more capacity to regulate the social housing sector. To support the improved regulation of the growing sector, the authority expects to increase its personnel from 24 in 2012/13 to 38 over the medium term. As a result, spending on compensation of employees is expected to increase over the medium term.

The authority had an approved establishment of 24 funded posts in 2012/13 and relied on consultants to perform the regulation function due to the lack of in-house capacity. Over the medium term, the authority will appoint additional staff members to perform the regulatory work and related functions.

## Other public entities

Comprehensive coverage of the following public entities is provided with the more detailed information of the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Housing Development Agency** is mandated to identify, acquire, hold, develop and release state and privately owned land for residential and community purposes and for the creation of sustainable human settlements. The agency's total expenditure for 2013/14 is R169.2 million.
- The **Rural Housing Loan Fund** is a wholesale lending institution. Its main business is to raise money and lend it on to retail credit intermediaries to provide repeat access to housing credit to low income rural households. The fund's total expenditure for 2013/14 is R39.7 million.
- The **Estate Agency Affairs Board** regulates, maintains and promotes the standard of conduct of estate agents, issues Estate Agents Fidelity Fund certificates, prescribes the standard of training of estate agents, investigates complaints lodged against estate agents, and manages and controls the Estate Agents Fidelity Fund. The board's total expenditure for 2013/14 is R89.5 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11		2011/12	2013/14	2014/15
<b>R million</b>									
<b>Departmental infrastructure</b>									
Rural households infrastructure grant	Basic water and sanitation infrastructure provided	Various	-	-	61.6	340.6	-	-	-
Accelerated community infrastructure programme	Basic water and sanitation infrastructure provided	Various	-	-	46.9	-	-	-	-
<b>Infrastructure transfers to other spheres, agencies and departments</b>									
Human settlements development grant	Houses completed and sites serviced	Various	-	10 819.3	13 032.1	15 726.0	16 983.9	17 918.3	19 667.2
Urban settlements development grant	Bulk infrastructure installed	Identification	-	4 418.2	4 968.0	7 392.2	9 076.9	10 334.7	10 699.8
Rural households infrastructure grant	Basic water and sanitation infrastructure provided	Various	-	-	-	-	106.7	113.1	118.3
<b>Total</b>			-	<b>15 237.4</b>	<b>18 108.7</b>	<b>23 458.8</b>	<b>26 167.5</b>	<b>28 366.1</b>	<b>30 485.3</b>



# Vote 32

## Mineral Resources

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	271.5	257.4	1.2	12.9	276.7	289.9
Promotion of Mine Safety and Health	163.7	157.7	5.0	1.0	171.4	179.8
Mineral Regulation	222.7	177.4	44.8	0.5	234.8	249.1
Mineral Policy and Promotion	735.9	155.4	579.0	1.5	808.4	900.5
<b>Total expenditure estimates</b>	<b>1 393.8</b>	<b>747.9</b>	<b>630.1</b>	<b>15.9</b>	<b>1 491.3</b>	<b>1 619.2</b>
Executive authority	Minister of Mineral Resources					
Accounting officer	Director General of Mineral Resources					
Website address	www.dmr.gov.za					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

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

### Mandate

The mandate of the Department of Mineral Resources is broadly informed by the following:

- the Minerals and Petroleum Resources Development Act (2002), which provides the regulatory framework for equitable access to and the sustainable development of mineral resources and related matters
- the Mine Health and Safety Act (1996), which governs mine health and safety
- the 1998 White Paper on the Minerals and Mining Policy for South Africa, which provides the framework for the transparent and efficient regulation of the mineral resources and mineral industry.

### Strategic goals

The department's strategic goals over the medium term are to:

- promote the sustainable use and management of resources, contribute to skills development, and create meaningful and sustainable jobs
- provide a framework for managing health and safety risks, enforcing compliance and promoting best practice in the mining sector
- redress past imbalances through broader participation in the minerals sector by: directly intervening in communities; and increasing black economic empowerment and the participation of small, medium and micro enterprises (SMMEs) as well as women, youth and the disabled
- contribute to the reduction of the adverse environmental impacts of mining
- promote and facilitate an increase in mining activity and in value added to mineral resources extracted in South Africa

- attract, develop and retain appropriate skills and ensure the optimal use of resources by implementing risk management strategies and promoting sound corporate governance.

## Programme purposes

### Programme 1: Administration

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

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

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

### Programme 3: Mineral Regulation

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

### Programme 4: Mineral Policy and Promotion

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

## Selected performance indicators

**Table 32.1 Mineral Resources**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of occupational health and safety inspections and mine audits conducted per year	Promotion of Mine Safety and Health	Outcome 4: Decent employment through inclusive economic growth	7 164	7 566	8 020	8 396	8 396	8 396	8 396
Number of mining rights granted to historically disadvantaged South Africans per year <sup>1</sup>	Mineral Regulation		300	198	82	90	200	200	250
Number of industry workshops on compliance issues per year	Mineral Regulation		9	32	34	27	9	9	9
Number of mining charter inspections per year	Mineral Regulation		171	100	259	180	210	250	300
Number of environment inspections per year	Mineral Regulation	Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced	1 907	2 853	1 898	1 800	1 700	1 700	1 700
Number of publications per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive economic growth	11	15	12	12	11	11	11
Number of policies developed or reviewed per year	Mineral Policy and Promotion		3	1	2	4	2	2	2
Number of derelict and ownerless mines rehabilitated per year	Mineral Policy and Promotion	Outcome 10: Environmental assets and natural resources that are valued, protected and continually enhanced	0	5	3	12	30	40	50
Number of sustainable SMMEs supported (new and established) per year	Mineral Policy and Promotion	Outcome 4: Decent employment through inclusive economic growth	49	82	85	67	67	67	67

1. The department does not have control over the number of eligible applications submitted, hence the year-to-year fluctuations. The target over the medium term has been adjusted to include the number of women led companies to avoid double counting, since women are also included in the definition of historically disadvantaged South Africans.

## The national development plan

Despite the contraction in the mining industry over the past decade, the national development plan proposes that the sector could expand by 3 to 4 per cent per year to 2020, creating a further 100 000 jobs, and that 300 000 direct and indirect jobs could be generated by 2030. The interventions recommended by the plan include ensuring a stable regulatory framework, conducting research on improving energy and water efficient extraction methods, developing links with supplier industries and downstream producers, identifying resource based products for manufacture to improve beneficiation, and improving the alignment of the mining charter requirements to stimulate development in local communities.

The department will continue to develop the strategy for sustainable growth and meaningful transformation of South Africa's mining industry. This will include the amendment of the regulatory framework to clarify the Mineral and Petroleum Resources Development Act (2002) and the Mine Health and Safety Act (1996), as promoted by the plan. The department will also continue to contribute to the national industrialisation programme through the beneficiation strategy and its key implementation plan, and the determination of mining and beneficiation infrastructure.

## Expenditure estimates

**Table 32.2 Mineral Resources**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
Administration	159.3	226.7	257.6	257.3	274.0	19.8%	22.7%	271.5	276.7	289.9	1.9%	19.6%
Promotion of Mine Safety and Health	132.0	137.1	141.3	150.6	147.4	3.7%	13.8%	163.7	171.4	179.8	6.8%	11.7%
Mineral Regulation	179.5	188.6	184.4	187.8	185.3	1.1%	18.3%	222.7	234.8	249.1	10.4%	15.7%
Mineral Policy and Promotion	382.9	442.3	446.2	579.9	556.3	13.3%	45.2%	735.9	808.4	900.5	17.4%	53.0%
<b>Total</b>	<b>853.8</b>	<b>994.7</b>	<b>1 029.4</b>	<b>1 175.5</b>	<b>1 163.0</b>	<b>10.8%</b>	<b>100.0%</b>	<b>1 393.8</b>	<b>1 491.3</b>	<b>1 619.2</b>	<b>11.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				6.5	(6.1)			94.8	130.1	195.5		
<b>Economic classification</b>												
<b>Current payments</b>	<b>425.4</b>	<b>533.0</b>	<b>589.8</b>	<b>613.6</b>	<b>617.9</b>	<b>13.3%</b>	<b>53.6%</b>	<b>747.9</b>	<b>797.3</b>	<b>844.3</b>	<b>11.0%</b>	<b>53.1%</b>
Compensation of employees	275.1	326.5	364.6	402.3	398.5	13.2%	33.8%	435.0	462.8	490.8	7.2%	31.5%
Goods and services	150.3	206.5	222.6	211.2	218.8	13.3%	19.8%	312.9	334.5	353.5	17.4%	21.5%
<i>of which:</i>												
Computer services	8.6	19.6	21.4	17.5	22.3	37.2%	1.8%	27.9	31.4	32.4	13.3%	2.0%
Contractors	11.3	1.7	1.3	2.9	1.8	-45.8%	0.4%	75.9	95.4	105.2	288.5%	4.9%
Operating leases	13.9	71.0	82.3	42.0	66.7	68.6%	5.8%	51.3	40.9	36.3	-18.4%	3.4%
Travel and subsistence	30.4	54.7	57.6	62.8	62.4	27.1%	5.1%	73.8	75.8	80.1	8.6%	5.2%
Interest and rent on land	-	-	2.6	0.2	0.6		0.1%	-	-	-	-100.0%	0.0%
<b>Transfers and subsidies</b>	<b>395.8</b>	<b>438.1</b>	<b>420.8</b>	<b>541.8</b>	<b>527.1</b>	<b>10.0%</b>	<b>44.1%</b>	<b>630.1</b>	<b>682.9</b>	<b>763.3</b>	<b>13.1%</b>	<b>45.9%</b>
Departmental agencies and accounts	178.2	215.2	199.1	269.1	266.5	14.4%	21.3%	315.1	350.8	375.2	12.1%	23.1%
Public corporations and private enterprises	217.3	222.4	220.3	271.5	259.1	6.0%	22.7%	313.7	330.8	386.8	14.3%	22.8%
Households	0.4	0.5	1.5	1.2	1.6	63.3%	0.1%	1.2	1.3	1.4	-4.1%	0.1%
<b>Payments for capital assets</b>	<b>32.0</b>	<b>23.6</b>	<b>18.6</b>	<b>20.1</b>	<b>17.8</b>	<b>-17.8%</b>	<b>2.3%</b>	<b>15.9</b>	<b>11.1</b>	<b>11.6</b>	<b>-13.2%</b>	<b>1.0%</b>
Buildings and other fixed structures	12.8	17.1	0.9	3.4	2.0	-46.5%	0.8%	3.2	3.4	3.5	22.0%	0.2%
Machinery and equipment	18.3	5.4	17.1	15.9	15.5	-5.4%	1.4%	12.7	7.7	8.1	-19.5%	0.8%
Software and other intangible assets	0.9	1.1	0.6	0.8	0.3	-28.8%	0.1%	-	-	-	-100.0%	0.0%
<b>Payments for financial assets</b>	<b>0.7</b>	<b>0.1</b>	<b>0.2</b>	<b>-</b>	<b>0.2</b>	<b>-37.7%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>
<b>Total</b>	<b>853.8</b>	<b>994.7</b>	<b>1 029.4</b>	<b>1 175.5</b>	<b>1 163.0</b>	<b>10.8%</b>	<b>100.0%</b>	<b>1 393.8</b>	<b>1 491.3</b>	<b>1 619.2</b>	<b>11.7%</b>	<b>100.0%</b>

## Personnel information

**Table 32.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)	
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16				
Mineral Resources		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost
Salary level	1 200	45	1 099 364.6	0.3	1 126 402.3	0.4	1 198 435.0	0.4	1 198 462.8	0.4	1 198 490.8	0.4				
1 – 6	306	16	336 51.1	0.2	335 44.6	0.1	304 46.6	0.2	304 49.6	0.2	304 52.2	0.2				
7 – 10	470	23	467 134.1	0.3	490 147.6	0.3	473 145.6	0.3	473 155.5	0.3	473 165.4	0.3				
11 – 12	330	3	217 113.4	0.5	219 127.4	0.6	328 160.9	0.5	328 169.8	0.5	328 178.5	0.5				
13 – 16	94	3	79 66.0	0.8	82 82.7	1.0	93 82.0	0.9	93 87.8	0.9	93 94.8	1.0				

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on implementing the beneficiation strategy, reviewing the mining charter, and rehabilitating derelict and ownerless mines to ensure that the country's mineral wealth contributes to socioeconomic imperatives, including job creation, technology development, economic diversification and transformation. The department plans to rehabilitate 120 derelict and ownerless mines at a cost of R327.6 million over the medium term.

The department was formed in 2010/11, following the splitting of the former Department of Minerals and Energy into two separate departments, one for energy and one for minerals. As a result, expenditure in the *Administration* and *Mineral Policy and Promotion* programmes increased significantly from 2010/11, as additional personnel were appointed to enhance the capacity to provide strategic support and management services to the ministry and the department.

Transfers to the Council for Geoscience and the Council for Mineral Technology over the medium term constitute 46.1 per cent of the total budget. The former receives R882 million and the latter R926 million over this period. Expenditure on goods and services over the MTEF period is expected to increase in line with the number of mining sites scheduled to undergo rehabilitation. Transfer payments to departmental agencies and accounts increased significantly in 2012/13, due to an additional allocation provided for the economic competitiveness and support package.

Over the medium term, spending on contractors is expected to increase due to additional funding received for the rehabilitation of derelict and ownerless mines. Spending on consultants decreased in 2010/11 as a result of the use of the Council for Mineral Technology and the Council for Geoscience for the rehabilitation of mines. Other than augmenting scarce skills for this rehabilitation work, consultants are mainly used for strategic planning sessions, work on the performance information system, and translations and transcripts.

The 2013 Budget sets out additional allocations of R420.2 million over the medium term as follows:

- R102.2 million for improved conditions of service for the department and public entities
- R81 million to the Council for Mineral Technology for waste scrap reprocessing and sensor based sorting projects
- R160 million for the rehabilitation of derelict and ownerless mines
- R59 million for the implementation of the National Environmental Management Act (1998) and upgrading of the South African mineral resources administration system
- R18 million in 2015/16 for the economic competitiveness and support package, of which R12 million is for the Council for Mineral Technology and R6 million for the Council for Geoscience.

The department has a funded establishment of 1 200, with 45 posts additional to the establishment. There were 119 vacancies as at 30 September 2012 due to the department's inability to attract the required skilled personnel. The department plans to fill the vacancies in 2013/14 by focusing on internal skills development initiatives, and offering bursary schemes and inspector learnerships. The ratio of support staff to line function staff is 1:2.

## Departmental receipts

Table 32.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15			2015/16
R thousand													
<b>Departmental receipts</b>	<b>212 715</b>	<b>30 302</b>	<b>93 185</b>	<b>99 036</b>	<b>48 847</b>	<b>-38.8%</b>	<b>100.0%</b>	<b>51 100</b>	<b>54 679</b>	<b>57 193</b>	<b>5.4%</b>	<b>100.0%</b>	
<b>Sales of goods and services produced by department</b>	<b>1 056</b>	<b>2 159</b>	<b>2 559</b>	<b>2 124</b>	<b>3 289</b>	<b>46.0%</b>	<b>2.4%</b>	<b>3 172</b>	<b>3 394</b>	<b>3 549</b>	<b>2.6%</b>	<b>6.3%</b>	
Sales by market establishments	–	309	392	438	453	–	0.3%	492	527	551	6.7%	1.0%	
<i>of which:</i>													
Market establishment: Rental parking: Covered and open Administration fees	–	309	392	438	453	–	0.3%	492	527	551	6.7%	1.0%	
<i>of which:</i>													
Minerals and Petroleum Resources Development Act (2002) application fees	920	1 328	1 586	1 074	2 292	35.6%	1.6%	1 976	2 114	2 211	-1.2%	4.1%	
Requested information: Access to information act	22	25	22	36	33	14.5%	–	30	32	33	–	0.1%	
Other sales	114	497	559	576	511	64.9%	0.4%	674	721	754	13.8%	1.3%	
<i>of which:</i>													
Services rendered: Commission on insurance and garnishee	84	123	139	152	155	22.7%	0.1%	165	176	184	5.9%	0.3%	
Services rendered: Marking of exam paper	6	353	395	402	330	280.3%	0.3%	478	512	536	17.5%	0.9%	
Services rendered: Photocopies and faxes	20	17	21	20	24	6.3%	–	25	27	28	5.3%	–	
Replacement of security cards	4	4	4	2	2	-20.6%	–	6	6	6	44.2%	–	
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>27</b>	<b>8</b>	<b>1</b>	<b>–</b>	<b>1</b>	<b>-66.7%</b>	<b>–</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>91.3%</b>	<b>–</b>	
<i>of which:</i>													
Scrap	25	1	–	–	–	-100.0%	–	1	1	1	–	–	
Waste paper	2	7	1	–	1	-20.6%	–	5	6	6	81.7%	–	
<b>Fines, penalties and forfeits</b>	<b>382</b>	<b>531</b>	<b>665</b>	<b>1 476</b>	<b>1 284</b>	<b>49.8%</b>	<b>0.7%</b>	<b>884</b>	<b>947</b>	<b>991</b>	<b>-8.3%</b>	<b>1.9%</b>	
<b>Interest, dividends and rent on land</b>	<b>210 791</b>	<b>26 978</b>	<b>89 388</b>	<b>93 920</b>	<b>43 198</b>	<b>-41.0%</b>	<b>96.2%</b>	<b>46 285</b>	<b>49 525</b>	<b>51 803</b>	<b>6.2%</b>	<b>90.1%</b>	
Interest	516	170	195	204	180	-29.6%	0.3%	207	222	232	8.8%	0.4%	
Rent on land	210 275	26 808	89 193	93 716	43 018	-41.1%	95.9%	46 078	49 303	51 571	6.2%	89.7%	
<b>Sales of capital assets</b>	<b>–</b>	<b>–</b>	<b>8</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Transactions in financial assets and liabilities</b>	<b>459</b>	<b>626</b>	<b>564</b>	<b>1 516</b>	<b>1 075</b>	<b>32.8%</b>	<b>0.7%</b>	<b>753</b>	<b>806</b>	<b>843</b>	<b>-7.8%</b>	<b>1.6%</b>	
<b>Total</b>	<b>212 715</b>	<b>30 302</b>	<b>93 185</b>	<b>99 036</b>	<b>48 847</b>	<b>-38.8%</b>	<b>100.0%</b>	<b>51 100</b>	<b>54 679</b>	<b>57 193</b>	<b>5.4%</b>	<b>100.0%</b>	

## Programme 1: Administration

### Expenditure estimates

Table 32.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Ministry	15.6	15.8	23.2	21.2	10.7%	8.4%	20.6	21.7	23.0	2.6%	7.9%
Corporate Services	64.1	97.3	86.3	97.5	15.0%	38.3%	111.6	103.8	107.3	3.2%	38.4%
Department Management	7.0	12.9	15.5	18.0	37.0%	5.9%	19.7	20.7	21.9	6.8%	7.3%
Financial Administration	67.6	75.9	88.9	81.5	6.4%	34.8%	79.3	88.1	93.1	4.6%	31.2%
Internal Audit	5.0	6.9	9.7	13.7	40.0%	3.9%	13.5	14.0	14.9	2.9%	5.1%
Office Accommodation	0.0	18.0	34.0	25.4	892.6%	8.6%	26.8	28.4	29.7	5.4%	10.1%
<b>Total</b>	<b>159.3</b>	<b>226.7</b>	<b>257.6</b>	<b>257.3</b>	<b>17.3%</b>	<b>100.0%</b>	<b>271.5</b>	<b>276.7</b>	<b>289.9</b>	<b>4.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				18.3			16.9	5.9	5.9		

#### Economic classification

<b>Current payments</b>	<b>141.2</b>	<b>204.6</b>	<b>238.3</b>	<b>241.2</b>	<b>19.6%</b>	<b>91.6%</b>	<b>257.4</b>	<b>265.0</b>	<b>277.7</b>	<b>4.8%</b>	<b>95.1%</b>
Compensation of employees	73.7	90.7	115.2	129.4	20.7%	45.4%	136.2	145.1	154.8	6.2%	51.6%
Goods and services	67.5	113.8	120.6	111.7	18.3%	45.9%	121.2	120.0	122.9	3.2%	43.4%
<i>of which:</i>											
Computer services	7.2	14.9	17.0	12.2	19.0%	5.7%	15.0	18.2	19.0	16.0%	5.9%
Contractors	0.9	1.4	1.0	2.2	35.9%	0.6%	2.2	2.4	2.5	5.2%	0.9%
Operating leases	8.5	45.1	51.8	34.6	59.5%	15.5%	42.6	31.7	31.1	-3.5%	12.8%
Travel and subsistence	11.6	18.5	18.8	20.8	21.5%	7.7%	22.0	23.5	24.6	5.8%	8.3%
Interest and rent on land	-	-	2.6	0.2	-	0.3%	-	-	-	-100.0%	-
<b>Transfers and subsidies</b>	<b>0.3</b>	<b>0.5</b>	<b>1.5</b>	<b>1.2</b>	<b>55.0%</b>	<b>0.4%</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>5.4%</b>	<b>0.5%</b>
Households	0.3	0.5	1.5	1.2	55.0%	0.4%	1.2	1.3	1.4	5.4%	0.5%
<b>Payments for capital assets</b>	<b>17.3</b>	<b>21.7</b>	<b>17.6</b>	<b>14.8</b>	<b>-5.0%</b>	<b>7.9%</b>	<b>12.9</b>	<b>10.3</b>	<b>10.8</b>	<b>-10.0%</b>	<b>4.5%</b>
Buildings and other fixed structures	3.7	17.1	0.9	3.4	-3.0%	2.8%	3.2	3.4	3.5	1.7%	1.2%
Machinery and equipment	12.7	4.6	16.1	10.7	-5.5%	4.9%	9.7	7.0	7.3	-12.1%	3.2%
Software and other intangible assets	0.9	-	0.6	0.8	-6.3%	0.3%	-	-	-	-100.0%	0.1%
<b>Payments for financial assets</b>	<b>0.5</b>	<b>0.0</b>	<b>0.2</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>159.3</b>	<b>226.7</b>	<b>257.6</b>	<b>257.3</b>	<b>17.3%</b>	<b>100.0%</b>	<b>271.5</b>	<b>276.7</b>	<b>289.9</b>	<b>4.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>18.7%</b>	<b>22.8%</b>	<b>25.0%</b>	<b>21.9%</b>			<b>19.5%</b>	<b>18.6%</b>	<b>17.9%</b>		

#### Details of selected transfers and subsidies

<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>0.3</b>	<b>0.5</b>	<b>1.5</b>	<b>1.2</b>	<b>55.0%</b>	<b>0.4%</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>5.4%</b>	<b>0.5%</b>
Employee social benefits	0.3	0.4	1.4	1.2	55.0%	0.4%	1.2	1.3	1.4	5.4%	0.5%

## Personnel information

Table 32.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16									
		Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost	Number	Unit Cost	Cost					
Administration		405		27	372	115.2	0.3	396	129.4	0.3	406	136.2	0.3	406	145.1	0.4	406	154.8	0.4	0.8%	100.0%
Salary level																					
1 – 6	147	4	153	24.2	0.2	153	23.3	0.2	144	23.8	0.2	144	25.3	0.2	144	26.5	0.2			-2.0%	36.2%
7 – 10	175	21	149	40.7	0.3	167	47.2	0.3	178	53.0	0.3	178	56.5	0.3	178	60.4	0.3			2.1%	43.4%
11 – 12	47	–	39	19.7	0.5	41	23.6	0.6	46	23.8	0.5	46	25.3	0.6	46	26.6	0.6			3.9%	11.1%
13 – 16	36	2	31	30.5	1.0	35	35.3	1.0	38	35.5	0.9	38	37.9	1.0	38	41.4	1.1			2.8%	9.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on training and staff development in the *Corporate Services* subprogramme in order to attract and retain skilled workers, especially in the mine inspection directorates. The spending focus will also be on compensation of employees, which increases over the medium term due to additional funding provided for improved conditions of service.

Between 2009/10 and 2012/13, the significant increases in expenditure in the *Office Accommodation* subprogramme were a result of the increased staff complement. Spending on goods and services and compensation of employees also increased over the same period due to the appointment of additional administrative staff in 2010/11, after the former Department of Minerals and Energy was divided into two separate departments.

Expenditure on operating leases increased in 2011/12 due to the finalisation of building lease costs, to reconcile with the department and the Department of Public Works, and the payment of invoices from 2010/11 and 2011/12. The growth in expenditure on travel and subsistence in 2012/13 is due to an increase in the number of national and international trips undertaken by the department due to the review and amendments to the Mineral and Petroleum Resources Development Act (2002) and the Mine Health and Safety Act (1996).

The programme has a funded establishment of 405 posts and 27 posts are filled in addition to the establishment. There are 36 vacancies in the programme as a result of resignations and promotions. These posts are in the process of being filled. Consultants are mainly used for disaster recovery management projects, specialised information technologies and the verification of qualifications of new employees due to a lack of capacity within the department.

## Programme 2: Promotion of Mine Safety and Health

### Objectives

- Promote mine health and safety by:
  - reducing occupational injuries by 20 per cent, fatalities by 20 per cent, and dangerous occurrences by 20 per cent, over the medium term
  - reducing, over the medium term, the number of mine workers exposed to dust containing silica by 10 per cent and noise occupational exposure by 10 per cent
  - conducting ongoing investigations, inspections and audits
  - implementing the occupational health and safety strategy and enforcement of guidelines over the medium term.
- Contribute to skills development in the mining sector by:

- reviewing and implementing a certificate of competency model developed with the mining qualification authority and universities by the December 2014.
- Improve health care in the mining sector by:
  - An 80 per cent adherence to prescribed timeframes for resolving medical appeals, Chief Inspector of Mines appeals, and applications in terms of the Mineral and Petroleum Resources Development Act (2002).
- Attract, develop and retain skills by reducing the staff turnover rate by 1 per cent from 3 per cent, and identifying employment equity categories to increase the number of previously disadvantaged employees by 2013/14.

## Subprogrammes

- *Governance Policy and Oversight* develops mine health and safety strategies; makes inputs to policy development; provides technical support to regions; develops capacity and process improvements by putting strategies in place with the Mining Qualification Authority to address the skills shortage in the mining industry; and contributes to the review of health and safety legislation. The safety performance of mines is evaluated monthly, problem areas are identified and corrective measures are developed. In 2012/13, R6 million was transferred to the Mine Health and Safety Council. This subprogramme had a staff complement of 71 in 2012/13.
- *Mine Health and Safety Regions* is responsible for monitoring and evaluating occupational health and safety programmes in mines to improve health surveillance and monitoring at mine sites. Compliance with the Mine Health and Safety Act (1996), and related legislation, is monitored through audits, inspections, investigations and inquiries. In 2012/13, 8 000 inspections and 396 audits were commissioned. This subprogramme had a staff complement of 192 in 2012/13.

## Expenditure estimates

Table 32.7 Promotion of Mine Safety and Health

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Governance Policy and Oversight	59.3	52.1	46.2	50.3	-5.3%	37.1%	49.8	52.0	54.6	2.7%	31.1%
Mine Health and Safety Regions	72.8	85.0	95.0	100.3	11.3%	62.9%	114.0	119.4	125.2	7.7%	68.9%
<b>Total</b>	<b>132.0</b>	<b>137.1</b>	<b>141.3</b>	<b>150.6</b>	<b>4.5%</b>	<b>100.0%</b>	<b>163.7</b>	<b>171.4</b>	<b>179.8</b>	<b>6.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(3.9)			(2.3)	(4.5)	0.7		
<b>Economic classification</b>											
<b>Current payments</b>	<b>126.8</b>	<b>131.7</b>	<b>135.8</b>	<b>144.5</b>	<b>4.4%</b>	<b>96.0%</b>	<b>157.7</b>	<b>165.6</b>	<b>173.6</b>	<b>6.3%</b>	<b>96.4%</b>
Compensation of employees	92.1	102.6	100.4	112.5	6.9%	72.6%	125.1	131.3	137.7	7.0%	76.1%
Goods and services	34.7	29.1	35.4	31.9	-2.7%	23.4%	32.6	34.3	35.9	4.0%	20.2%
of which:											
Computer services	1.4	0.8	0.9	1.2	-4.3%	0.8%	1.3	1.4	1.4	5.4%	0.8%
Contractors	5.4	0.1	0.2	0.6	-51.8%	1.1%	0.4	0.4	0.4	-11.8%	0.3%
Operating leases	3.6	8.5	12.6	2.2	-15.2%	4.8%	0.2	0.2	0.2	-55.2%	0.4%
Travel and subsistence	11.0	14.0	16.7	16.7	14.9%	10.4%	17.0	17.7	18.6	3.6%	10.5%
<b>Transfers and subsidies</b>	<b>5.1</b>	<b>5.4</b>	<b>5.3</b>	<b>4.5</b>	<b>-4.0%</b>	<b>3.6%</b>	<b>5.0</b>	<b>5.2</b>	<b>5.6</b>	<b>7.1%</b>	<b>3.1%</b>
Departmental agencies and accounts	5.1	5.4	5.3	4.5	-4.0%	3.6%	5.0	5.2	5.6	7.1%	3.1%
<b>Payments for capital assets</b>	<b>–</b>	<b>0.0</b>	<b>0.1</b>	<b>1.6</b>	<b>–</b>	<b>0.3%</b>	<b>1.0</b>	<b>0.6</b>	<b>0.6</b>	<b>-27.2%</b>	<b>0.6%</b>
Machinery and equipment	–	0.0	0.1	1.6	–	0.3%	1.0	0.6	0.6	-27.2%	0.6%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>132.0</b>	<b>137.1</b>	<b>141.3</b>	<b>150.6</b>	<b>4.5%</b>	<b>100.0%</b>	<b>163.7</b>	<b>171.4</b>	<b>179.8</b>	<b>6.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>15.5%</b>	<b>13.8%</b>	<b>13.7%</b>	<b>12.8%</b>			<b>11.7%</b>	<b>11.5%</b>	<b>11.1%</b>		



Table 32.7 Promotion of Mine Safety and Health (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
Details of selected transfers and subsidies											
Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	5.1	5.4	5.3	4.5	-4.0%	3.6%	5.0	5.2	5.6	7.1%	3.1%
Mine health and safety council	5.1	5.4	5.3	4.5	-4.0%	3.6%	5.0	5.2	5.6	7.1%	3.1%

## Personnel information

Table 32.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
Promotion of Mine Safety and Health			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	313	6	267	100.4	0.4	263	112.5	0.4	311	125.1	0.4	311	131.3	0.4	311	137.7	0.4	5.7%	100.0%
1 – 6	54	1	62	9.2	0.1	63	6.3	0.1	54	6.9	0.1	54	7.3	0.1	54	7.6	0.1	-5.0%	18.8%
7 – 10	38	2	87	25.2	0.3	84	27.2	0.3	35	11.5	0.3	35	12.1	0.3	35	12.6	0.4	-25.3%	15.8%
11 – 12	199	3	98	51.3	0.5	97	61.4	0.6	200	90.3	0.5	200	94.8	0.5	200	99.3	0.5	27.3%	58.3%
13 – 16	22	–	20	14.7	0.7	19	17.6	0.9	22	16.4	0.7	22	17.2	0.8	22	18.1	0.8	5.0%	7.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on enabling inspectors to conduct inspections, audits and investigations, which accounts for the significant spending on compensation of employees, and travel and subsistence over the period. Spending on travel and subsistence allows inspectors to monitor compliance with the Mine Health and Safety Act (1996) and related legislation through audits, inspections, investigations and examining matters likely to impact on the health and safety of mine employees and surrounding communities. The programme will also focus on skills development, which includes training courses for inspectors at the University of the Witwatersrand, increasing the number of learnership inspectors, and a bursary scheme. 25 188 inspections and audits are scheduled to be conducted with the allocated budget over the medium term.

Between 2009/10 and 2012/13, inspectors conducted 22 750 health and safety inspections with a budget allocation of R410 million. Over this period, cost saving measures included reducing traveling and subsistence for inspectors through the use of cheaper accommodation and travelling methods. As a result, spending on goods and services decreased in 2012/13. R13 million of the savings realised was reprioritised to the *Mineral Regulation* and *Mineral Policy and Promotion* programmes in order to provide for additional capacity over the medium term.

Over the MTEF period, expenditure on compensation of employees and goods and services is expected to increase as a result of the opening of the Rustenburg provincial office, which became fully operational in 2012/13 with a total budget that year of R11.5 million.

The programme has 313 funded posts and 6 posts additional to the establishment. 56 of these posts were vacant owing to the difficulty experienced in attracting suitably skilled personnel. These vacancies are to be filled in 2013/14. Consultants provide translation and transcription services, which do not form part of the programme's core purpose.

## Programme 3: Mineral Regulation

### Objectives

- Improve the participation of historically disadvantaged South Africans in the mining sector by increasing the number of rights issued by granting 650 rights to historically disadvantaged South Africans over the medium term.
- Contribute to the transformation of the mining sector by monitoring and enforcing compliance with procurement requirements that relate to historically disadvantaged South Africans, as prescribed by the mining charter, on an ongoing basis.
- Promote job creation through the development of SMMEs by supporting 201 such enterprises and local development projects, through income generating projects over the medium term.
- Promote sustainable resource use and mine environmental management by supporting approved and evaluated work programmes, social and labour plans, and environmental management plans by conducting 27 industry workshops over the medium term.
- Monitor and enforce compliance with the statutory obligations of the Mineral and Petroleum Resources Development Act (2002) and the Broad Based Socioeconomic Charter for the South African Mining Industry by conducting 760 mining charter inspections and 5 100 environmental management inspections over the medium term.

### Subprogrammes

- *Mineral Regulation and Administration* administers prospecting and mining rights, and licensing and compliance with the Mineral and Petroleum Resources Development Act (2002), including the compliance of mines with environmental protection requirements. The issued prospecting and mining rights and permits contain terms and conditions that the mine rights holders must comply with, which include the social labour plan and environmental protections. In 2012/13, 1 800 environmental inspections and 180 mining charter inspections were commissioned. This subprogramme had a staff complement of 346 in 2012/13.
- *Management Mineral Regulation* provides overall management of the programme. Over the medium term, the focus will be on finalising the South African mineral resources administration system and implementing the National Environmental Management Act (1998). This subprogramme had a staff complement of 11 in 2012/13.
- *South African Diamond and Precious Metals Regulator* transfers funds to the South African Diamond and Precious Metals Regulator, which issues licences and permits related to the trade in diamonds, gold and platinum; and monitors activities in the diamond, platinum and gold sectors. This subprogramme's total budget is transferred to the regulator on an annual basis. Over the medium term, the focus will be on contractual obligations and expansion of the Diamond Exchange and Export Centre, and overseeing inspections of diamond and precious metals licenses, with 4 500 diamond and precious metals inspections planned over this period. This subprogramme has no staff complement.

### Expenditure estimates

Table 32.9 Mineral Regulation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Mineral Regulation and Administration	119.7	139.0	132.1	136.2	4.4%	71.2%	134.6	144.6	153.2	4.0%	63.6%
Management Mineral Regulation	20.5	9.0	13.0	10.0	-21.2%	7.1%	43.3	42.4	45.4	65.5%	15.8%
South African Diamond and Precious Metal Regulator	39.4	40.6	39.4	41.6	1.8%	21.8%	44.8	47.8	50.5	6.7%	20.7%
<b>Total</b>	<b>179.5</b>	<b>188.6</b>	<b>184.4</b>	<b>187.8</b>	<b>1.5%</b>	<b>100.0%</b>	<b>222.7</b>	<b>234.8</b>	<b>249.1</b>	<b>9.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				7.7			38.3	40.0	37.1		

Table 32.9 Mineral Regulation (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>125.4</b>	<b>146.1</b>	<b>144.2</b>	<b>145.0</b>	<b>4.9%</b>	<b>75.7%</b>	<b>177.4</b>	<b>187.0</b>	<b>198.6</b>	<b>11.1%</b>	<b>79.1%</b>
Compensation of employees	88.1	98.4	105.0	111.7	8.2%	54.5%	118.6	128.5	136.5	6.9%	55.4%
Goods and services	37.3	47.7	39.1	33.3	-3.7%	21.3%	58.8	58.5	62.0	23.0%	23.8%
<i>of which:</i>											
Computer services	–	3.6	3.0	3.3	–	1.3%	11.1	11.2	11.4	50.4%	4.1%
Contractors	2.9	0.1	0.0	0.1	-73.9%	0.4%	0.1	0.1	0.1	7.7%	–
Operating leases	1.8	10.5	13.1	1.5	-4.9%	3.6%	7.7	8.0	4.0	37.8%	2.4%
Travel and subsistence	6.0	16.8	15.5	14.8	35.6%	7.2%	23.2	22.0	23.8	17.1%	9.4%
<b>Transfers and subsidies</b>	<b>39.4</b>	<b>40.7</b>	<b>39.4</b>	<b>41.6</b>	<b>1.8%</b>	<b>21.8%</b>	<b>44.8</b>	<b>47.8</b>	<b>50.5</b>	<b>6.7%</b>	<b>20.7%</b>
Departmental agencies and accounts	39.4	40.6	39.4	41.6	1.8%	21.8%	44.8	47.8	50.5	6.7%	20.7%
<b>Payments for capital assets</b>	<b>14.7</b>	<b>1.9</b>	<b>0.8</b>	<b>1.2</b>	<b>-56.4%</b>	<b>2.5%</b>	<b>0.5</b>	<b>0.0</b>	<b>0.0</b>	<b>-69.3%</b>	<b>0.2%</b>
Buildings and other fixed structures	9.1	–	–	–	-100.0%	1.2%	–	–	–	–	–
Machinery and equipment	5.6	0.7	0.8	1.2	-39.9%	1.1%	0.5	0.0	0.0	-69.3%	0.2%
Software and other intangible assets	–	1.1	–	–	–	0.2%	–	–	–	–	–
<b>Total</b>	<b>179.5</b>	<b>188.6</b>	<b>184.4</b>	<b>187.8</b>	<b>1.5%</b>	<b>100.0%</b>	<b>222.7</b>	<b>234.8</b>	<b>249.1</b>	<b>9.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>21.0%</b>	<b>19.0%</b>	<b>17.9%</b>	<b>16.0%</b>			<b>16.0%</b>	<b>15.7%</b>	<b>15.4%</b>		

## Details of selected transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	39.4	40.6	39.4	41.6	1.8%	21.8%	44.8	47.8	50.5	6.7%	20.7%
South African diamond and precious metal regulator	39.4	40.6	39.4	41.6	1.8%	21.8%	44.8	47.8	50.5	6.7%	20.7%

## Personnel information

Table 32.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Mineral Regulation		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	357	7	347	105.0	0.3	352	111.7	0.3	357	118.6	0.3	357	128.5	0.4	357	136.5	0.4	0.5%	100.0%
1 – 6	89	6	102	14.6	0.1	102	12.6	0.1	89	13.5	0.2	89	14.6	0.2	89	15.5	0.2	-4.4%	25.9%
7 – 10	200	–	180	52.7	0.3	185	57.4	0.3	200	63.2	0.3	200	68.1	0.3	200	72.4	0.4	2.6%	55.2%
11 – 12	50	–	49	26.2	0.5	49	26.0	0.5	50	27.3	0.5	50	29.5	0.6	50	31.3	0.6	0.7%	14.0%
13 – 16	18	1	16	11.7	0.7	16	15.8	1.0	18	14.6	0.8	18	16.3	0.9	18	17.4	1.0	4.0%	4.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on implementing the revised mining charter, administering prospecting and mining rights, and carrying out licensing and compliance in terms of the Mineral and Petroleum Resources Development Act (2002). Over the medium term, R563 million is allocated for processing and issuing 650 mining rights, and conducting 27 industry workshops, 760 mining charter inspections and 5 100 environmental inspections.

Expenditure on travel and subsistence, and goods and services increased significantly in 2010/11 due to an increase in the number of mine inspections. Between 2009/10 and 2011/12, the programme issued 580 mining rights to historically disadvantaged South Africans, and conducted 75 industry workshops on compliance, 530 mining charter inspections and 6 658 environment inspections. Spending in the *Management Mineral Regulation* subprogramme decreased in 2012/13 as a result of the mine rehabilitation function moving to the *Mineral Policy and Promotion* programme.

Over the medium term, spending on goods and services is expected to increase as a result of additional funding of R59 million allocated for the implementation of the National Environmental Management Act (1998), an activity that has been transferred to the department from the Department of Environmental Affairs, and the enhancement of the South African mineral resources administration system in the *Management Mineral Regulation* subprogramme. R10.5 million has been reprioritised to this programme over the medium term to cater for increased spending on compensation of employees due to lack of capacity in the programme.

The programme has 357 funded posts and 7 posts additional to the establishment. There were 12 vacancies as at 30 September 2012 as a result of resignations. These posts are in the process of being filled. Spending on consultants, most of whom provide legal advice, is expected to increase over the medium term due to an increase in the volume of litigation against the department. This increase in litigation is due to better enforcement of compliance with the Mineral and Petroleum Resources Development Act (2002).

## **Programme 4: Mineral Policy and Promotion**

### **Objectives**

- Promote investment in the mining sector by:
  - growing the mining industry through local and foreign investment and creating sustainable jobs throughout the mining value chain from exploration to mineral beneficiation
  - implementing the sector strategy through the mining industry growth development and employment task team subcommittees by continuously identifying barriers and intervening to ensure transformation and competitiveness
  - finalising the beneficiation implementation plan during 2013/14 and implementing it over the medium term
  - encouraging small scale mining by supporting 67 new and existing small scale mining projects by 2013/14, and continuing to support existing small scale mining projects over the medium term
  - promoting South Africa's mining sector through 6 promotional conferences, exhibitions and ministerial road shows in 2013/14
  - developing 11 strategic publications on the mining and minerals industry that will be completed in 2013/14.
- Promote sustainable resource use and management by:
  - developing a guideline for financial provision and other tools for sustainable mining, as and when required
  - rehabilitating 120 derelict and ownerless mine sites over the medium term
  - implementing strategic partnerships as and when required.
- Ensure transformation in the mining and minerals sector by:
  - ensuring that previously disadvantaged South Africans participate in the economy through mining, while ensuring that mining and workers' health and safety issues are respected at all times
  - drafting and certifying 2 mineral bills or policies each year over the medium term
  - reviewing and amending, on an ongoing basis, mining and minerals legislation regulations which promote transformation in the mining sector
  - developing 1 policy impact study report annually over the medium term.

## Subprogrammes

- *Management* provides overall management for the programme. This subprogramme had a staff complement of 20 in 2012/13.
- *Mineral Policy* develops new policies, reviews existing policies and amends legislation to promote investment growth and achieve transformation in the minerals and mining industry. This entails conducting research for developing and revising policies; organising consultations with stakeholders; attending parliamentary hearings on related bills, and gazetting the bills once they are assented to; and representing the department in international and regional forums, such as the Kimberley Process Certification Scheme, the African Diamond Producers Association and the Pan African Mining and Development Company. In 2013/14, the focus will be on promulgating amendments to the Mineral and Petroleum Resources Development Act (2002) and the Mine Health and Safety Act (1996), and hosting Kimberley Process Certification Scheme events. This subprogramme had a staff complement of 17 in 2012/13.
- *Assistance to Mines* transfers funds to prevent the uncontrolled movement of water into and out of underground mine openings and holdings. This entails providing subsidies to marginal mines to pump extraneous water from underground mine openings; and researching, developing and implementing strategic solutions for mine water management, including managing the decanting of contaminated water. In 2012/13, R18 million was transferred to the Council for Geoscience to assist with the research, development and implementation of strategic solutions for mine water management. Portions of this subprogramme's total budget are transferred to marginalised mining companies on a needs basis according to conditions set out by the department.
- *Mineral Promotion* is discussed in more detail below.
- *Council for Geoscience* transfers funds to the Council for Geoscience, a national agency tasked with developing and maintaining geosciences knowledge infrastructure for both land and ocean environments. This subprogramme's total budget is transferred in full to the council. This subprogramme has no staff complement.
- *Council for Mineral Technology* transfers funds to the Council for Mineral Technology and Research, which provides research, development and technology that fosters the development of business in the mineral and mineral products industries. This subprogramme's total budget is transferred in full to the council. This subprogramme has no staff complement.
- *Economic Advisory Services* undertakes research analysis and produces departmental reports; and participates in activities regarding the transformation of the mining and minerals industry, and the enhancement of the competitiveness of the industry. This entails leading and convening the meetings of the mining industry growth, development and employment task team stakeholder forum, which has been tasked with researching and analysing the economic impact of the regulatory and legislative framework of the mining and minerals sector using regulatory impact assessments. Over the medium term, the focus will be on monitoring and evaluating major global economic events and developments that have an impact on the South African economy, and the mining and minerals sector in particular. This subprogramme had a staff complement of 9 in 2012/13.
- *Mine Environmental Management* provides strategic guidance on mine environmental management and mine closure. This entails managing the rehabilitation of derelict and ownerless mines. In 2012/13, 2 mine rehabilitation projects were completed. From the R59 million allocated for the rehabilitation of derelict and ownerless mines in 2012/13, R30 million was transferred to the Council for Mineral Technology and Research and R20 million to the Council for Geoscience, as the service providers who carry out the actual rehabilitation of mines. This subprogramme had a staff complement of 9 in 2012/13.

## Expenditure estimates

Table 32.11 Mineral Policy and Promotion

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Management	13.2	17.4	13.4	12.1	-2.9%	3.0%	13.9	14.2	15.1	7.7%	1.8%
Mineral Policy	8.4	4.9	10.6	13.8	17.9%	2.0%	16.8	17.6	18.6	10.6%	2.2%
Mineral Promotion	36.5	48.9	50.4	38.5	1.9%	9.4%	44.3	60.1	70.4	22.2%	7.1%
Assistance to Mines	31.1	3.0	-	18.0	-16.7%	2.8%	18.0	19.1	20.0	3.5%	2.5%
Council for Geoscience	132.7	169.2	154.4	223.0	18.9%	36.7%	265.2	297.8	319.1	12.7%	36.5%
Council for Mineral Technology	161.1	195.8	197.0	253.5	16.3%	43.6%	291.5	293.5	340.7	10.4%	39.0%
Economic Advisory Services	-	-	2.7	4.1	-	0.4%	4.6	4.8	5.1	8.1%	0.6%
Mine Environmental Management	-	3.0	17.6	16.9	-	2.0%	81.7	101.2	111.4	87.5%	10.3%
<b>Total</b>	<b>382.9</b>	<b>442.3</b>	<b>446.2</b>	<b>579.9</b>	<b>14.8%</b>	<b>100.0%</b>	<b>735.9</b>	<b>808.4</b>	<b>900.5</b>	<b>15.8%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(15.7)			41.9	88.6	151.7		

## Economic classification

<b>Current payments</b>	<b>32.0</b>	<b>50.6</b>	<b>71.5</b>	<b>82.9</b>	<b>37.4%</b>	<b>12.8%</b>	<b>155.4</b>	<b>179.6</b>	<b>194.5</b>	<b>32.9%</b>	<b>20.2%</b>
Compensation of employees	21.2	34.8	44.0	48.7	31.9%	8.0%	55.0	57.9	61.7	8.2%	7.4%
Goods and services	10.8	15.9	27.5	34.3	47.0%	4.8%	100.4	121.7	132.8	57.1%	12.9%
<i>of which:</i>											
Computer services	-	0.3	0.5	0.8	-	0.1%	0.5	0.6	0.6	-7.0%	0.1%
Contractors	2.1	0.1	0.0	0.1	-67.8%	0.1%	73.3	92.5	102.2	1039.8%	8.9%
Operating leases	-	6.9	4.8	3.6	-	0.8%	0.9	0.9	1.0	-35.2%	0.2%
Travel and subsistence	1.8	5.3	6.7	10.5	78.5%	1.3%	11.6	12.5	13.1	7.5%	1.6%
<b>Transfers and subsidies</b>	<b>350.9</b>	<b>391.6</b>	<b>374.7</b>	<b>494.5</b>	<b>12.1%</b>	<b>87.1%</b>	<b>579.0</b>	<b>628.6</b>	<b>705.9</b>	<b>12.6%</b>	<b>79.6%</b>
Departmental agencies and accounts	133.7	169.2	154.4	223.0	18.6%	36.7%	265.2	297.8	319.1	12.7%	36.5%
Public corporations and private enterprises	217.3	222.4	220.3	271.5	7.7%	50.3%	313.7	330.8	386.8	12.5%	43.1%
<b>Payments for capital assets</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>2.4</b>	<b>-</b>	<b>0.1%</b>	<b>1.5</b>	<b>0.1</b>	<b>0.1</b>	<b>-61.2%</b>	<b>0.1%</b>
Machinery and equipment	-	0.0	-	2.4	-	0.1%	1.5	0.1	0.1	-61.2%	0.1%
<b>Total</b>	<b>382.9</b>	<b>442.3</b>	<b>446.2</b>	<b>579.9</b>	<b>14.8%</b>	<b>100.0%</b>	<b>735.9</b>	<b>808.4</b>	<b>900.5</b>	<b>15.8%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>44.8%</b>	<b>44.5%</b>	<b>43.3%</b>	<b>49.3%</b>			<b>52.8%</b>	<b>54.2%</b>	<b>55.6%</b>		

## Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>115.6</b>	<b>154.1</b>	<b>152.9</b>	<b>210.5</b>	<b>22.1%</b>	<b>34.2%</b>	<b>242.6</b>	<b>270.1</b>	<b>284.1</b>	<b>10.5%</b>	<b>33.3%</b>
State Diamond Trader	1.0	-	-	-	-100.0%	0.1%	-	-	-	-	-
Council for Geoscience	114.6	154.1	152.9	210.5	22.5%	34.1%	242.6	270.1	284.1	10.5%	33.3%
<b>Capital</b>	<b>18.1</b>	<b>15.0</b>	<b>1.5</b>	<b>12.5</b>	<b>-11.6%</b>	<b>2.5%</b>	<b>22.6</b>	<b>27.8</b>	<b>35.0</b>	<b>41.0%</b>	<b>3.2%</b>
Council for Geoscience	18.1	15.0	1.5	12.5	-11.6%	2.5%	22.6	27.8	35.0	41.0%	3.2%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Public corporations – subsidiaries on products and production</b>											
<b>Current</b>	<b>163.4</b>	<b>202.2</b>	<b>200.6</b>	<b>204.1</b>	<b>7.7%</b>	<b>41.6%</b>	<b>239.8</b>	<b>261.6</b>	<b>302.4</b>	<b>14.0%</b>	<b>33.3%</b>
Industrial Development Corporation of South Africa	25.1	23.6	23.3	-	-100.0%	3.9%	4.2	18.2	26.1	-	1.6%
Council for Mineral Technology	138.3	178.6	177.3	204.1	13.9%	37.7%	235.6	243.4	276.4	10.6%	31.7%
<b>Capital</b>	<b>22.8</b>	<b>17.2</b>	<b>19.7</b>	<b>49.4</b>	<b>29.4%</b>	<b>5.9%</b>	<b>55.9</b>	<b>50.1</b>	<b>64.4</b>	<b>9.2%</b>	<b>7.3%</b>
Council for Mineral Technology	22.8	17.2	19.7	49.4	29.4%	5.9%	55.9	50.1	64.4	9.2%	7.3%
<b>Private enterprises</b>											
<b>Private enterprises – subsidiaries on products and production</b>											
<b>Current</b>	<b>31.1</b>	<b>3.0</b>	<b>-</b>	<b>18.0</b>	<b>-16.7%</b>	<b>2.8%</b>	<b>18.0</b>	<b>19.1</b>	<b>20.0</b>	<b>3.5%</b>	<b>2.5%</b>
Subsidies to mines	31.1	3.0	-	18.0	-16.7%	2.8%	18.0	19.1	20.0	3.5%	2.5%

## Personnel information

**Table 32.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Mineral Policy and Promotion		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	125	5	113	44.0	0.4	115	48.7	0.4	124	55.0	0.4	124	57.9	0.5	124	61.7	0.5	2.5%	100.0%
1 – 6	16	5	19	3.1	0.2	17	2.4	0.1	17	2.3	0.1	17	2.4	0.1	17	2.5	0.1	–	14.0%
7 – 10	57	–	51	15.5	0.3	54	15.9	0.3	60	17.9	0.3	60	18.8	0.3	60	20.0	0.3	3.6%	48.0%
11 – 12	34	–	31	16.3	0.5	32	16.5	0.5	32	19.4	0.6	32	20.3	0.6	32	21.3	0.7	–	26.3%
13 – 16	18	–	12	9.2	0.8	12	13.9	1.2	15	15.4	1.0	15	16.4	1.1	15	17.9	1.2	7.7%	11.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on rehabilitating derelict and ownerless mines, conducting research for amendments to the Precious Metals Act (2005) and the Diamonds Act (2005), drafting policies, organising consultations with stakeholders, and attending parliamentary hearings. Allocations over this period provide for the rehabilitation of 120 sites, as well as for hosting the intercessional and plenary meetings of the Kimberley Process Certification Scheme in 2013/14 at an estimated cost of R30 million.

Expenditure on transfers and subsidies increased in 2012/13, mainly due to an additional allocation of R75 million through the economic support and competitiveness package for the Council for Geoscience and the Council for Mineral Technology. Expenditure on transfers and subsidies constitutes 79.6 per cent of the programme's total budget over the medium term.

Expenditure on the *Mine Environmental Management* subprogramme over the MTEF period is expected to increase due to additional funding of R160 million for the rehabilitation of mines, R81 million to the Council for Mineral Technology for waste scrap reprocessing and sensor based sorting projects, and R18 million for the revised economic competitiveness and support package, of which R12 million is for the Council for Mineral Technology and R6 million for the Council for Geoscience. R2.5 million was reprioritised to this programme to cater for increased expenditure on compensation of employees due to lack of capacity.

The programme has 125 funded posts and 5 posts additional to the establishment. There are 15 vacant posts as a result of resignations and the movement of staff to higher positions. However, these posts are in the process of being filled. Spending on contractors is expected to grow over the medium term as a result of additional funding received for the rehabilitation of derelict and ownerless mines. The department will continue to use service providers, as the necessary skills are difficult to source from within the department.

## Subprogramme: Mineral Promotion

This subprogramme is responsible for promoting mineral development, advising on trends in the mining industry to attract investment, and promoting small scale mining through subsidies that are managed by the Industrial Development Corporation of South Africa. In 2011/12, a beneficiation strategy was developed for the South African minerals industry. Subsequently, 2 value chain implementation plans for iron and steel and for energy commodities were developed and approved. Current activities include working towards finalising the remaining implementation plans. This subprogramme leads various working committees of the mining industry growth, development and employment task team. This team is working to resolve issues, such as job creation and retention in the sector, constraints on exploration and on research and development, infrastructure constraints, skills development, and sustainable development in the mining sector, as part of implementing the mining sector strategy towards a competitive and transformed sector.

## Expenditure estimates

**Table 32.13 Mineral Promotion**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)			
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15	2015/16	2012/13 - 2015/16
	R million													
<b>Current payments</b>	<b>11.4</b>	<b>25.3</b>	<b>27.1</b>	<b>37.2</b>	<b>48.2%</b>	<b>57.9%</b>	<b>39.3</b>	<b>41.9</b>	<b>44.4</b>	<b>6.0%</b>	<b>76.3%</b>			
Compensation of employees	11.4	21.5	21.3	23.5	27.2%	44.6%	26.8	28.2	30.1	8.6%	50.9%			
Goods and services	–	3.8	5.9	13.7	–	13.4%	12.5	13.7	14.3	1.4%	25.4%			
<i>of which:</i>														
Computer services	–	0.3	0.5	0.7	–	0.9%	0.5	0.5	0.5	-9.1%	1.0%			
Contractors	–	–	0.0	0.0	–	–	0.0	0.0	0.0	13.6%	–			
Operating leases	–	–	0.2	2.0	–	1.3%	0.5	0.5	0.5	-35.5%	1.7%			
Travel and subsistence	–	1.7	3.3	5.1	–	5.8%	5.1	5.6	5.9	4.7%	10.2%			
<b>Payments for capital assets</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1.3</b>	<b>–</b>	<b>0.8%</b>	<b>0.7</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>1.0%</b>			
Machinery and equipment	–	–	–	1.3	–	0.8%	0.7	–	–	-100.0%	1.0%			
<b>Total</b>	<b>36.5</b>	<b>48.9</b>	<b>50.4</b>	<b>38.5</b>	<b>1.9%</b>	<b>100.0%</b>	<b>44.3</b>	<b>60.1</b>	<b>70.4</b>	<b>22.2%</b>	<b>100.0%</b>			
Proportion of total subprogramme expenditure to programme expenditure	9.5%	11.1%	11.3%	6.6%			6.0%	7.4%	7.8%					

## Personnel information

**Table 32.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Mineral Promotion		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	63	1	113	44.0	0.4	60	23.5	0.4	63	26.8	0.4	63	28.2	0.4	63	30.1	0.5	1.6%	100.0%
1 – 6	8	1	19	3.1	0.2	9	1.4	0.2	8	1.4	0.2	8	1.4	0.2	8	1.5	0.2	-3.9%	13.3%
7 – 10	34	–	51	15.5	0.3	33	9.6	0.3	34	10.9	0.3	34	11.4	0.3	34	12.2	0.4	1.0%	54.2%
11 – 12	14	–	31	16.3	0.5	14	7.5	0.5	14	8.6	0.6	14	9.0	0.6	14	9.4	0.7	–	22.5%
13 – 16	7	–	12	9.2	0.8	4	5.0	1.2	7	6.0	0.9	7	6.4	0.9	7	7.0	1.0	20.5%	10.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus will be on the implementation of the beneficiation strategy, and promotion of the Mineral and Petroleum Resources Development Act (2002) and the Mine Health and Safety Act (1996). The subprogramme plans to produce 11 publications for the mining industry in 2013/14 in order to assure investors and promote investment in the mining sector.

The increased expenditure in goods and services and compensation of employees between 2009/10 and 2012/13 was due to an increase of 33 in the number of small scale mining projects supported. The subprogramme supported a total of 216 small scale mining projects between 2009/10 and 2011/12. Over the medium term, expenditure on these items is projected to increase further due to the finalisation of the beneficiation implementation plan, the start of advocacy programmes nationally and internationally in 2013/14, and the provision of assistance to 201 small scale mining projects.

The subprogramme had a funded establishment of 63 and 1 post additional to the establishment. There were 4 vacant posts due to resignations and promotions. These posts are to be filled in 2013/14.



## Public entities and other agencies

### Council for Geoscience

#### Mandate and goals

In terms of the Geoscience Act (1993), the Council for Geoscience is mandated to develop and publish world class geoscience knowledge products and provide geoscience related services to the South African public and industry. In addition, the act requires the council to:

- conduct systematic reconnaissance and documentation of the geology of the earth's surface and continental crust
- compile all geoscience data and information that is in the public domain
- carry out basic geoscience research, and publish research findings nationally and internationally to contribute to the understanding of the earth, its evolution and its resources
- collect and curate all geoscience data and knowledge on South Africa in the national geoscience data repository
- provide geoscience related services and advice to the state to enable informed and scientifically based decisions on the use of the earth's surface and the earth's resources within the territory of South Africa
- manage a number of national geoscience facilities on behalf of the country
- provide commercial geoscience services and products to national and international clients.

The council is structured and geared to support national priorities, such as economic growth and empowerment, sustainable development, rural development, and development on the continent.

The council's strategic goals over the medium term are to:

- broaden the scientific expertise of the council
- provide more direct top level management expertise and scientific leadership in the organisation
- prioritise engineering, geology and physical geohazards, environmental and chemical geohazards, and water resource assessment and protection
- facilitate investment into the mining industry
- focus on initiatives that contribute to rural development and poverty eradication
- develop innovative products, systems and services
- build scientific, managerial and administrative skills and capacity
- contribute to socioeconomic transformation.

### Selected performance indicators

**Table 32.15 Council for Geoscience**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Annual technical programme performance index	Statutory projects	84%	85%	85%	85%	85%	85%	85%
Number of mineral maps, map explanations and mineral related publications published per year <sup>1</sup>	Statutory projects	-1	-1	5	6	7	8	8
Number of maps and publications published each year	Statutory projects	48	42	40	40	40	40	40
Number of papers and articles published per year	Statutory projects	92	121	35	70	70	70	75
Number of rural development projects finished per year	Statutory projects	33	33	30	10	12	14	14
Number of regional and African development projects in progress per year	Statutory projects	31	29	22	22	25	27	28
Number of projects with external collaborators completed each year	Statutory projects	61	77	45	58	60	62	62
Percentage satisfied customers (of total customers completing satisfaction questionnaire)	Statutory projects	90%	89%	89%	85%	85%	85%	85%

<sup>1</sup> No historical data available, as measurement of this indicator started in 2011/12.

## Programmes/activities/objectives

Table 32.16 Council for Geoscience

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Commercial projects: Local	111.5	65.2	75.2	98.8	-3.9%	37.5%	114.8	71.7	119.6	6.6%	28.2%
Commercial projects: Foreign	14.0	65.1	75.2	98.8	91.6%	26.9%	114.8	71.7	119.6	6.6%	28.2%
Statutory projects	103.0	65.3	64.4	101.5	-0.5%	35.6%	119.2	246.4	179.6	21.0%	43.5%
<b>Total expense</b>	<b>228.6</b>	<b>195.7</b>	<b>214.9</b>	<b>299.1</b>	<b>9.4%</b>	<b>100.0%</b>	<b>348.8</b>	<b>389.8</b>	<b>418.8</b>	<b>11.9%</b>	<b>100.0%</b>

## Expenditure estimates

Table 32.17 Council for Geoscience

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>71.1</b>	<b>71.9</b>	<b>94.0</b>	<b>78.0</b>	3.1%	33.4%	<b>83.5</b>	<b>92.0</b>	<b>99.7</b>	8.6%	24.4%
Sale of goods and services other than capital assets	63.2	61.9	79.4	74.5	5.6%	29.4%	79.9	87.9	96.5	9.0%	23.4%
<i>of which:</i>											
<i>Sales by market establishment</i>	63.2	61.9	79.4	74.5	5.6%	29.4%	79.9	87.9	96.5	9.0%	23.4%
<i>Other non-tax revenue</i>	7.9	10.0	14.7	3.5	-23.6%	3.9%	3.7	4.1	3.2	-3.1%	1.0%
<b>Transfers received</b>	<b>135.3</b>	<b>139.2</b>	<b>147.4</b>	<b>221.2</b>	<b>17.8%</b>	<b>66.6%</b>	<b>265.2</b>	<b>297.8</b>	<b>319.1</b>	<b>13.0%</b>	<b>75.6%</b>
<b>Total revenue</b>	<b>206.5</b>	<b>211.0</b>	<b>241.4</b>	<b>299.1</b>	<b>13.2%</b>	<b>100.0%</b>	<b>348.8</b>	<b>389.9</b>	<b>418.8</b>	<b>11.9%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>228.6</b>	<b>195.7</b>	<b>214.9</b>	<b>299.1</b>	<b>9.4%</b>	<b>100.0%</b>	<b>348.8</b>	<b>382.9</b>	<b>418.8</b>	<b>11.9%</b>	<b>99.6%</b>
Compensation of employees	130.8	122.8	128.4	147.4	4.0%	57.2%	160.3	172.8	186.1	8.1%	46.0%
Goods and services	83.5	57.6	71.2	136.4	17.8%	36.2%	173.3	195.1	217.8	16.9%	49.3%
Depreciation	14.2	15.3	15.4	15.3	2.5%	6.6%	15.2	15.0	14.9	-1.0%	4.2%
Interest, dividends and rent on land	0.0	0.0	0.0	0.0	-4.4%	0.0%	0.0	0.0	0.0	8.7%	0.0%
<b>Transfers and subsidies</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.0</b>	<b>-</b>	<b>-</b>	<b>0.4%</b>
<b>Total expenses</b>	<b>228.6</b>	<b>195.7</b>	<b>214.9</b>	<b>299.1</b>	<b>9.4%</b>	<b>100.0%</b>	<b>348.8</b>	<b>389.9</b>	<b>418.8</b>	<b>11.9%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(22.0)</b>	<b>15.0</b>	<b>27.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statement of financial position</b>											
Carrying value of assets	212.2	197.3	188.4	169.9	-7.1%	53.7%	156.1	142.8	138.5	-6.6%	49.7%
<i>of which:</i>											
<i>Acquisition of assets</i>	31.3	2.0	9.8	21.0	-12.5%	4.6%	40.1	46.1	32.0	15.1%	11.4%
Receivables and prepayments	56.1	27.6	33.9	37.0	-12.9%	10.9%	43.8	44.2	46.9	8.2%	14.1%
Cash and cash equivalents	93.0	138.9	173.4	106.2	4.5%	35.4%	118.9	113.5	103.5	-0.9%	36.2%
<b>Total assets</b>	<b>361.3</b>	<b>363.8</b>	<b>395.7</b>	<b>313.1</b>	<b>-4.7%</b>	<b>100.0%</b>	<b>318.8</b>	<b>300.5</b>	<b>288.8</b>	<b>-2.7%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	185.9	201.2	227.8	190.9	0.9%	56.3%	190.9	190.9	190.9	-	62.6%
Capital reserve fund	88.3	85.7	83.0	80.3	-3.1%	23.7%	77.7	75.0	72.3	-3.4%	25.0%
Deferred income	45.2	53.9	58.3	-	-100.0%	10.5%	-	-	-	-	-
Trade and other payables	15.6	6.8	9.1	23.0	13.9%	4.0%	23.1	18.4	9.9	-24.4%	6.0%
Provisions	26.3	16.3	17.5	18.9	-10.4%	5.6%	27.1	16.1	15.6	-6.1%	6.3%
<b>Total equity and liabilities</b>	<b>361.3</b>	<b>363.8</b>	<b>395.7</b>	<b>313.1</b>	<b>-4.7%</b>	<b>100.0%</b>	<b>318.8</b>	<b>300.5</b>	<b>288.8</b>	<b>-2.7%</b>	<b>100.0%</b>

## Personnel information

Table 32.18 Council for Geoscience

Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number					
Salary level	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost					
	325	27	307	128.4	0.4	299	147.4	0.5	336	160.3	0.5	348	172.8	0.5	368	186.1	0.5	7.2%	100.0%
1-6	11	2	11	1.4	0.1	9	1.5	0.2	12	1.6	0.1	12	1.8	0.1	12	1.9	0.2	7.0%	3.3%
7-10	135	3	135	43.2	0.3	132	46.2	0.3	140	49.4	0.4	149	54.1	0.4	161	59.2	0.4	8.6%	43.1%
11-12	171	21	154	73.2	0.5	151	88.3	0.6	174	97.1	0.6	177	103.9	0.6	185	111.2	0.6	8.0%	50.9%
13-16	8	1	7	10.6	1.5	7	11.3	1.6	10	12.1	1.2	10	13.0	1.3	10	13.9	1.4	7.0%	2.7%

1. Rand million.

## Expenditure trends

Revenue for the Council for Geoscience is generated mainly from fees for geological service contracts, as well as transfer payments from the department.

The spending focus over the medium term will be on: increasing investment in the industry and working for substantial growth and meaningful transformation, ensuring compliance with legislative requirements, contributing to rural development and poverty eradication, and contributing to the development of Africa by helping to upgrade the continent's geoscience infrastructure.

Over the medium term, spending on goods and services is expected to increase as the council is expected to spend an estimated R20 million in 2013/14, R21 million in 2014/15 and R22 million in 2015/16 for the Witwatersrand water ingress project. The project is intended to provide solutions for decanting and ingressing acid mine drainage water. Expenditure on derelict and ownerless mines is R20 million in 2013/14, R20 million in 2014/15 and R21 million in 2015/16. This expenditure will help in closing old mine holes and rehabilitating old abandoned mines.

The council's other major item of expenditure is the stimulation of investment in the mineral sector, estimated at R50 million in 2013/14, R65 million in 2014/15 and R74 million in 2015/16. This expenditure will be incurred to produce maps targeting mineral potential in South Africa. An additional allocation of R6 million in 2015/16 is for the economic competitiveness support package. The increase in expenditure on transfers received over the seven-year period is due to additional allocations received by the council for improved conditions of service, various projects and the economic competitiveness support package.

In 2010/11, the council reduced spending on overheads by R1 million by putting on hold or freezing spending on items, such as training and bursaries, travel and entertainment, and conferences. Efficiency savings of R2.9 million in 2012/13, R3.6 million in 2013/14 and R3 million in 2014/15 have been identified in expenditure on entertainment and on travel and subsistence. These savings will be reprioritised to other areas and will not impact negatively on service delivery.

The council has a funded establishment of 325 posts, of which 27 are vacant. These vacancies are a result of the council's salary scales being lower than industry's, which means the council struggles to retain and attract personnel. Personnel numbers are expected to increase to 368 over the medium term as vacancies are filled. R47 million was spent on consultants in 2012/13. The consultants assisted in research and development in areas where the council did not have these skills, such as civil constructions for the water canal projects and survey. The ratio of support to line function staff is 1:4.

## Council for Mineral Technology

### Mandate and goals

The mandate of the Council for Mineral Technology, as set out in the Mineral Technology Act (1989), is to promote mineral technology and foster the establishment and expansion of industries in the field of minerals. The council develops appropriate, innovative technology for transfer to the industry, and provides the industry with test work, and consultancy, analytical and mineralogical services.

The council's strategic goals over the medium term are to:

- maximise the use of finite ore resources
- alleviate poverty and create employment
- add value to mineral and metal products
- promote the transition from a resource dominated to a knowledge based economy
- focus on strategic areas of research and development to keep the council and South Africa at the forefront of technological innovation
- operate effectively in the global environment
- satisfy the demands of a knowledgeable customer base
- generate high economic returns for the national and regional economies through technical programmes
- focus on skills development and educational initiatives through social programmes
- nurture self-sustaining local economies in areas of South Africa where smaller mineral extraction and beneficiation enterprises have the capability to generate broad based employment and wealth
- attract and retain crucial skills.

### Selected performance indicators

**Table 32.19 Council for Mineral Technology**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new or improved technologies developed per year	Research and develop efficient mineral processing technologies and value added products and services	5	5	4	3	3	4	4
Number of reports on new or improved mining and minerals processing products and services developed per year	Research and develop efficient mineral processing technologies and value added products and services	14	14	13	17	17	17	17
Number of analytical and mineralogical methods and services developed per year, evidenced by reports	Research and develop efficient mineral processing technologies and value added products and services	3	3	13	11	9	10	9
Number of external reports on water and energy efficient flow sheets developed per year	Research and develop efficient mineral processing technologies and value added products and services	2	1	3	3	3	3	3
Number of technologies adapted or developed relevant to SMMEs per year	Promote the mineral based economies of rural and marginalised communities through technical assistance and skills development	2	3	2	2	2	2	2
Number of undergraduate bursars granted bursaries per year	Build world class research and development excellence	85	85	72	45	45	45	45
Number of candidates employed per year	Build world class research and development excellence	53	58	48	45	50	50	50

## Programmes/activities/objectives

Table 32.20 Council for Mineral Technology

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Enhance visibility and credibility to all stakeholders	–	–	22.5	55.5	–	4.3%	58.3	61.2	63.1	4.3%	11.5%
Research and develop efficient mineral processing technologies and value added products and services	227.5	207.8	189.5	252.4	3.5%	54.3%	270.4	273.8	282.0	3.8%	51.9%
Research and develop green technologies and processes to mitigate the impact of mineral development on the environment	–	–	19.4	12.6	–	1.9%	13.2	13.9	14.3	4.3%	2.6%
Promote the mineral based economies of rural and marginalised communities through technical assistance and skills development	18.1	10.9	16.6	18.9	1.5%	4.0%	18.1	17.3	16.1	-5.3%	3.4%
Ensure the short-term viability and long-term sustainability	–	–	10.6	18.7	–	1.6%	19.2	20.2	20.8	3.7%	3.8%
Uphold good governance practices	76.8	111.4	112.4	105.9	11.3%	25.3%	111.6	112.2	115.5	2.9%	21.4%
Build world class research and development excellence	26.2	23.7	21.1	26.4	0.2%	6.1%	27.7	29.1	30.0	4.3%	5.4%
Old objectives	24.8	13.1	–	–	-100.0%	2.6%	–	–	–	–	–
<b>Total expense</b>	<b>373.5</b>	<b>366.9</b>	<b>392.3</b>	<b>490.5</b>	<b>9.5%</b>	<b>100.0%</b>	<b>518.6</b>	<b>527.6</b>	<b>541.8</b>	<b>3.4%</b>	<b>100.0%</b>

## Expenditure estimates

Table 32.21 Council for Mineral Technology

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>251.7</b>	<b>260.0</b>	<b>309.4</b>	<b>347.3</b>	11.3%	68.8%	<b>354.5</b>	<b>342.7</b>	<b>323.0</b>	-2.4%	62.6%
Sale of goods and services other than capital assets	223.2	208.5	272.7	328.7	13.8%	60.6%	335.4	323.2	303.0	-2.7%	59.1%
<i>of which:</i>											
<i>Sales by market establishment</i>	223.2	208.5	272.7	328.7	13.8%	60.6%	335.4	323.2	303.0	-2.7%	59.1%
<i>Other non-tax revenue</i>	28.4	51.5	36.7	18.6	-13.2%	8.3%	19.1	19.5	20.0	2.5%	3.5%
<b>Transfers received</b>	<b>123.6</b>	<b>128.7</b>	<b>126.3</b>	<b>146.0</b>	<b>5.7%</b>	<b>31.1%</b>	<b>200.4</b>	<b>221.8</b>	<b>260.2</b>	<b>21.2%</b>	<b>37.4%</b>
<b>Total revenue</b>	<b>375.2</b>	<b>389.4</b>	<b>435.7</b>	<b>493.3</b>	<b>9.5%</b>	<b>100.0%</b>	<b>554.9</b>	<b>564.5</b>	<b>583.3</b>	<b>5.7%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>373.4</b>	<b>366.9</b>	<b>392.3</b>	<b>490.5</b>	<b>9.5%</b>	<b>100.0%</b>	<b>518.6</b>	<b>527.6</b>	<b>541.8</b>	<b>3.4%</b>	<b>100.0%</b>
Compensation of employees	228.7	227.2	248.1	247.6	2.7%	59.2%	252.5	257.5	265.3	2.3%	49.2%
Goods and services	127.2	123.8	128.4	230.1	21.8%	36.9%	254.5	259.6	261.9	4.4%	48.4%
Depreciation	14.2	12.4	13.0	12.8	-3.2%	3.3%	11.7	10.6	14.6	4.3%	2.4%
Interest, dividends and rent on land	3.3	3.5	2.7	–	-100.0%	0.6%	–	–	–	–	–
<b>Total expenses</b>	<b>373.5</b>	<b>366.9</b>	<b>392.3</b>	<b>490.5</b>	<b>9.5%</b>	<b>100.0%</b>	<b>518.6</b>	<b>527.6</b>	<b>541.8</b>	<b>3.4%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>2.0</b>	<b>22.0</b>	<b>43.0</b>	<b>3.0</b>	<b>14.5%</b>		<b>36.0</b>	<b>37.0</b>	<b>41.0</b>	<b>139.1%</b>	

Table 32.21 Council for Mineral Technology (continued)

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Carrying value of assets	195.3	211.6	260.4	265.3	10.7%	41.2%	270.4	275.8	285.8	2.5%	41.3%
<i>of which:</i>											
Acquisition of assets	25.7	63.8	70.5	73.2	41.9%	10.1%	81.2	69.9	69.9	-1.5%	11.1%
Investments	222.9	246.8	274.5	300.4	10.5%	46.2%	324.2	343.9	364.2	6.6%	50.0%
Inventory	6.5	5.7	5.5	5.7	-4.2%	1.1%	5.7	5.7	5.7	-	0.9%
Receivables and prepayments	60.2	43.9	45.7	45.7	-8.8%	8.8%	45.7	45.7	45.7	-	6.9%
Cash and cash equivalents	3.8	20.7	30.8	5.5	13.7%	2.6%	5.5	5.5	5.5	-	0.8%
Taxation	-	0.5	0.5	0.5	-	0.1%	0.5	0.5	0.5	-	0.1%
Derivatives financial instruments	-	-	0.5	-	-	0.0%	-	-	-	-	-
<b>Total assets</b>	<b>488.7</b>	<b>529.2</b>	<b>617.9</b>	<b>623.2</b>	<b>8.4%</b>	<b>100.0%</b>	<b>652.1</b>	<b>677.2</b>	<b>707.5</b>	<b>4.3%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	232.7	231.5	276.3	301.2	9.0%	46.1%	337.4	370.7	406.7	10.5%	53.1%
Capital and reserves	109.4	132.9	131.6	130.2	6.0%	22.4%	128.9	127.5	126.2	-1.1%	19.3%
Finance lease	0.4	-	-	-	-100.0%	0.0%	-	-	-	-	-
Deferred income	76.4	100.9	116.8	126.8	18.4%	18.5%	119.3	111.0	104.9	-6.1%	17.5%
Trade and other payables	38.8	35.0	64.1	35.0	-3.4%	7.6%	35.0	35.0	35.0	-	5.3%
Taxation	0.2	-	-	-	-100.0%	0.0%	-	-	-	-	-
Provisions	30.9	28.9	28.6	30.0	-1.0%	5.3%	31.5	33.1	34.7	5.0%	4.9%
<b>Total equity and liabilities</b>	<b>488.7</b>	<b>529.2</b>	<b>617.4</b>	<b>623.2</b>	<b>8.4%</b>	<b>100.0%</b>	<b>652.1</b>	<b>677.2</b>	<b>707.5</b>	<b>4.3%</b>	<b>100.0%</b>

## Personnel information

Table 32.22 Council for Mineral Technology

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
2011/12			Unit	20 n12/13		Unit	2013/14		2014/15		2015/16		2012/13 - 2015/16						
Salary level			Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number		Cost	Cost	Number	Cost	Cost	
	765	64	670	248.1	0.4	705	247.6	0.4	709	252.5	0.4	718	257.5	0.4	717	265.3	0.4	0.6%	100.0%
1 - 6	107	21	82	38.8	0.5	86	17.9	0.2	90	15.3	0.2	95	10.0	0.1	95	10.6	0.1	3.3%	12.9%
7 - 10	319	1	306	62.1	0.2	321	68.4	0.2	316	69.1	0.2	316	71.2	0.2	315	73.0	0.2	-0.7%	44.5%
11 - 12	203	13	181	69.7	0.4	190	76.8	0.4	195	81.2	0.4	195	83.6	0.4	195	86.1	0.4	0.9%	27.2%
13 - 16	135	29	100	75.7	0.8	106	82.5	0.8	107	84.9	0.8	111	90.7	0.8	111	93.4	0.8	1.5%	15.3%
17 - 22	1	-	1	1.8	1.8	1	1.9	1.9	1	2.0	2.0	1	2.1	2.1	1	2.1	2.1	-	0.1%

1. Rand million.

## Expenditure trends

The Council for Mineral Technology generates revenue mainly from commercial companies that purchase products, services and contracted research from the council, as well as transfer payments from the department. The growth in revenue in 2012/13 was due to an increase in commercial work obtained from external customers as the economy recovered from the recession of 2009/10.

The spending focus over the medium term will be on further research into water treatment; enhancing extraction techniques involving hydrometallurgy, pyrometallurgy and biotechnology; and accessing and processing low grade and complex ore bodies, residues and exposed rocks facility.

Expenditure on compensation of employees accounts for 50.5 per cent of the council's total expenditure in 2012/13. Over the medium term, expenditure is expected to increase due to an additional allocation of R81 million for waste and sensor scrap reprocessing, as well as sensor based sorting projects and R12 million in 2015/16 for the economic competitiveness support package. Allocations in this period have been linked to specific projects, the largest of which, the rehabilitation of derelict and ownerless mine sites, will have completed the rehabilitation of 14 mines by the end of March 2013. The council has developed proven industrial technologies, one for treating South Africa's low grade uranium resources, which is under consideration for use by certain mining companies, and another for water treatment, which is currently under joint venture development with the world's largest water treatment company.

Efficiency savings of R7.7 million have been identified over the medium term from cost saving measures, which include using energy saving lights, printing documents double sided, and encouraging the use of black and white print copies instead of colour. The council also identified savings from a moratorium on filling vacant non-critical positions, which saved R12 million in salary costs.

The council had a funded establishment of 765 posts, of which 64 were vacant as at 30 September 2012. The number of permanent employees decreased between 2009/10 and 2012/13 due to natural attrition and the retrenchment of 44 employees. 20 of the 44 retrenched employees were reemployed in 2012 due to a change in the operational needs of the council. Personnel numbers are expected to increase to 717 over the medium term. The ratio of support staff to line function staff was 1:2.9. R75 million in 2012/13 was spent on consultants, who are used where there is a lack of suitably qualified engineers and scientists within the council.

### **Other public entities and agencies**

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Mine Health and Safety Council** is mandated to advise the Minister of Mineral Resources on all occupational health and safety issues in the mining industry, and to develop legislation, conduct research, promote mine health and safety issues, and liaise with other bodies. The council's total budget for 2013/14 is R73.5 million.
- The **South African Diamond and Precious Metals Regulator** is mandated to regulate the diamond, platinum and gold industries, and accelerate beneficiation in the jewellery industry. The regulator's total budget for 2013/14 is R68.7 million.
- The **State Diamond Trader** is mandated to promote equitable access to diamonds and local beneficiation. Revenue is generated by selling rough diamonds to clients, who consist mainly of diamond polishers and cutters. The entity's total budget for 2013/14 is R569.6 million.





# Vote 33

## Rural Development and Land Reform

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	940.7	916.9	15.2	8.6	893.0	947.4
Geospatial and Cadastral Services	508.5	482.8	18.0	7.7	542.5	580.0
Rural Development	1 227.4	867.1	360.3	–	1 278.7	1 328.2
Restitution	3 388.0	361.4	3 026.7	–	3 717.3	3 888.9
Land Reform	3 395.1	423.9	2 971.2	–	3 473.8	3 530.1
<b>Total expenditure estimates</b>	<b>9 459.7</b>	<b>3 052.1</b>	<b>6 391.4</b>	<b>16.3</b>	<b>9 905.3</b>	<b>10 274.5</b>

Executive authority: Minister of Rural Development and Land Reform  
 Accounting officer: Director General of Rural Development and Land Reform  
 Website address: [www.ruraldevelopment.gov.za](http://www.ruraldevelopment.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Create and maintain an equitable and sustainable land dispensation and act as a catalyst in rural development that ensures sustainable rural livelihoods, decent work and continued social and economic advancement for all South Africans.*

### Mandate

The Department of Rural Development and Land Reform executes its legislative mandate around the following legislation:

- The Restitution of Land Rights Act (1994) provides for the restitution of rights in land to persons or communities dispossessed of such rights after 19 June 1913. The act established a Commission on Restitution of Land Rights and a Land Claims Court. The minister is authorised to purchase, acquire and expropriate land or rights in land for the purpose of restitution awards
- The Provision of Land and Assistance Act (1993) provides for the designation of certain land, the regulation of the subdivision of such land and the settlement of persons thereon. It also provides for the acquisition, maintenance, planning, development, improvement and disposal of property and the provision of financial assistance for land reform purposes
- The Communal Property Associations Act (1996) enables communities to form juristic persons, to be known as communal property associations, in order to acquire, hold and manage property on a basis agreed to by members of a community in terms of a written constitution
- The Transformation of Certain Rural Areas Act (1998) provides for the transfer of certain land to municipalities and certain other legal entities, as well as for the removal of restrictions on the alienation of land
- The Physical Planning Act (1991) promotes the orderly physical development of South Africa, and for that purpose, makes provisions for the division of the country into regions, and for the preparation of national development plans, regional development plans, regional structure plans and urban structure plans

- The Deeds Registries Act (1997) provides for the administration of the land registration system and the registration of land rights.

In addition to overseeing land restitution, the department is also mandated to initiate, facilitate, coordinate, catalyse and implement an integrated rural development programme, which is linked to the need to create vibrant, equitable and sustainable rural communities (outcome 7).

## Strategic goals

The department's strategic goals over the medium term are to:

- foster effective land reform and land restitution programmes
- implement sustainable agrarian reform through increased access to and productive use of land
- ensure spatial equity through effective land planning and administration
- reform the policy, legislative and institutional environment
- improve food production and access to affordable and diverse food
- improve rural services to support sustainable rural livelihoods
- improve access to sustainable employment and skills development
- improve institutional arrangements for effective cooperative governance, stakeholder participation and service excellence.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide strategic and logistical support in the form of executive services, corporate services, and the acquisition of vehicles for departmental use. Oversee departmental capital works. Provide bursaries to non-employees.

### Programme 2: Geospatial and Cadastral Services

**Purpose:** Provide geospatial information, cadastral surveys, deeds registration and spatial planning, as well as technical services in support of sustainable land development.

### Programme 3: Rural Development

**Purpose:** Initiate, facilitate, coordinate and act as a catalyst for the implementation of a comprehensive rural development programme leading to sustainable and vibrant rural communities.

### Programme 4: Restitution

**Purpose:** Settle land restitution claims under the Restitution of Land Rights Act (1994) and provide settlement support to beneficiaries.

### Programme 5: Land Reform

**Purpose:** Initiate sustainable land reform programmes in South Africa.

## Selected performance indicators

Table 33.1 Rural Development and Land Reform

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of spatial plans formulated per year <sup>1</sup>	Geospatial and Cadastral Services	Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all	- <sup>1</sup>	25	25	25	37	50	60
Number of households producing their own food per year <sup>1</sup>	Rural Development		- <sup>1</sup>	- <sup>1</sup>	3 488	3 265	2 200	2 400	2 500

Table 33.1 Rural Development and Land Reform (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of households with basic services infrastructure per year <sup>1</sup>	Rural Development	Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	20 000	7 278	7 278	7 278
Number of new participants in the national rural youth services corps per year <sup>1</sup>	Rural Development		- <sup>1</sup>	7 401	5 300	5 000	4 600	5 000	5 000
Number of land claims settled per year	Restitution		131	120	416	260	230	106	338
Number of hectares acquired per year	Land Reform		239 990ha	322 844ha	392 850ha	82 378ha	311 917ha	310 853ha	331 249ha
Number of new farms recapitalised per year <sup>1</sup>	Land Reform		- <sup>1</sup>	411	257	300	344	368	341
Number of projects implemented through the animal and veld management programme completed per year <sup>1</sup>	Land Reform and Rural Development		- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	182	241	436

1. No data available for certain years as the indicators are new.

## The national development plan

The national development plan proposes that an additional one million jobs be created in agriculture and related industries by 2030. To overcome rural poverty, agricultural development needs to introduce a land reform and livelihood strategy to ensure rural community development.

The department contributes to the proposed rural development strategy in the plan by facilitating the provision of basic services infrastructure and delivery to rural households, and assisting them with livelihood projects to promote community economic development. The department plans to work with the private sector to support the government build programme as enabling partners.

Agriculture is the primary economic activity in rural areas. The land reform and rural development programmes are committed to acquiring and allocating land for agricultural projects. To ensure that these projects are productive, agricultural support will be provided through recapitalisation, mentoring and development programmes, as well as the animal and veld management programme.

The department is committed to supporting rural enterprises in various forms, such as the training of entrepreneurs. It will also ensure that infrastructural projects engage labour from the affected communities.

## Expenditure estimates

Table 33.2 Rural Development and Land Reform

Programme	Audited outcome				Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13					2009/10 - 2012/13	2013/14	2014/15		
R million													
Administration	574.8	686.6	934.4	1 091.3	1 091.3	23.8%	11.0%	940.7	893.0	947.4	-4.6%	10.0%	
Geospatial and Cadastral Services	311.0	371.7	583.0	595.9	595.9	24.2%	6.2%	508.5	542.5	580.0	-0.9%	5.8%	
Rural Development	76.8	360.5	786.3	1 041.2	1 041.2	138.4%	7.6%	1 227.4	1 278.7	1 328.2	8.5%	12.6%	
Restitution	2 331.6	3 766.8	2 376.3	2 961.5	2 961.5	8.3%	38.2%	3 388.0	3 717.3	3 888.9	9.5%	36.1%	
Land Reform	2 569.6	1 937.2	3 317.8	3 284.2	3 284.2	8.5%	37.1%	3 395.1	3 473.8	3 530.1	2.4%	35.4%	
<b>Total</b>	<b>5 863.8</b>	<b>7 122.9</b>	<b>7 997.7</b>	<b>8 974.1</b>	<b>8 974.1</b>	<b>15.2%</b>	<b>100.0%</b>	<b>9 459.7</b>	<b>9 905.3</b>	<b>10 274.5</b>	<b>4.6%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				96.5	96.5			141.8	45.6	(38.7)			

Table 33.2 Rural Development and Land Reform (continued)

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R million												
<b>Current payments</b>	<b>1 533.0</b>	<b>2 136.8</b>	<b>2 714.8</b>	<b>3 516.5</b>	<b>3 516.5</b>	<b>31.9%</b>	<b>33.0%</b>	<b>3 052.1</b>	<b>3 093.0</b>	<b>3 252.7</b>	<b>-2.6%</b>	<b>33.4%</b>
Compensation of employees	760.9	946.7	1 094.3	1 483.9	1 483.9	24.9%	14.3%	1 676.9	1 761.0	1 866.7	8.0%	17.6%
Goods and services	772.1	1 122.9	1 613.8	2 032.6	2 032.6	38.1%	18.5%	1 375.2	1 332.0	1 386.0	-12.0%	15.9%
<i>of which:</i>												
<i>Consultants and professional services: Business and advisory services</i>	142.8	158.4	152.0	438.6	438.6	45.4%	3.0%	309.7	299.2	316.3	-10.3%	3.5%
<i>Operating leases</i>	122.7	108.5	132.3	90.2	90.2	-9.8%	1.5%	150.4	71.6	75.4	-5.8%	1.0%
<i>Travel and subsistence</i>	107.1	149.7	229.2	228.2	228.2	28.7%	2.4%	76.3	80.0	84.5	-28.2%	1.2%
<i>Operating payments</i>	9.5	114.0	301.6	422.9	422.9	254.3%	2.8%	477.1	504.1	517.7	7.0%	5.0%
Interest and rent on land	-	67.2	6.7	-	-		0.2%	-	-	-		
<b>Transfers and subsidies</b>	<b>4 240.3</b>	<b>4 167.5</b>	<b>5 104.4</b>	<b>5 420.5</b>	<b>5 420.5</b>	<b>8.5%</b>	<b>63.2%</b>	<b>6 391.4</b>	<b>6 795.5</b>	<b>7 004.4</b>	<b>8.9%</b>	<b>66.3%</b>
Provinces and municipalities	0.1	0.1	23.4	0.1	0.1	12.8%	0.1%	0.1	0.2	0.2	13.3%	0.0%
Departmental agencies and accounts	1 101.8	1 065.5	2 629.8	2 067.3	2 067.3	23.3%	22.9%	2 481.3	2 547.4	2 522.4	6.9%	24.9%
Foreign governments and international organisations	1.2	1.1	1.2	1.5	1.5	7.9%	0.0%	1.4	1.5	1.5	-1.0%	0.0%
Public corporations and private enterprises	-	-	51.4	10.9	10.9		0.2%	118.5	125.7	131.4	129.1%	1.0%
Non-profit institutions	2.3	2.4	15.5	2.7	2.7	5.7%	0.1%	2.8	3.0	3.2	5.4%	0.0%
Households	3 135.0	3 098.3	2 383.1	3 337.9	3 337.9	2.1%	39.9%	3 787.2	4 117.9	4 345.8	9.2%	40.4%
<b>Payments for capital assets</b>	<b>35.6</b>	<b>815.7</b>	<b>175.3</b>	<b>37.1</b>	<b>37.1</b>	<b>1.4%</b>	<b>3.6%</b>	<b>16.3</b>	<b>16.8</b>	<b>17.4</b>	<b>-22.4%</b>	<b>0.2%</b>
Machinery and equipment	35.3	43.3	43.3	36.2	36.2	0.8%	0.5%	14.8	15.5	16.0	-23.8%	0.2%
Land and sub-soil assets	-	772.4	132.0	-	-		3.0%	-	-	-		
Software and other intangible assets	0.3	-	-	0.9	0.9	47.4%	0.0%	1.4	1.3	1.4	12.7%	0.0%
<b>Payments for financial assets</b>	<b>54.9</b>	<b>2.8</b>	<b>3.2</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>5 863.8</b>	<b>7 122.9</b>	<b>7 997.7</b>	<b>8 974.1</b>	<b>8 974.1</b>	<b>15.2%</b>	<b>100.0%</b>	<b>9 459.7</b>	<b>9 905.3</b>	<b>10 274.5</b>	<b>4.6%</b>	<b>100.0%</b>

## Personnel information

Table 33.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16												
Rural Development and Land Reform		Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit	Unit				
Salary level		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost				
	3 631	698	4 006	094.3	0.3	4 329	483.9	0.3	4 545	676.9	0.4	4 773	761.0	0.4	5 011	866.7	0.4	5.0%	100.0%
1 - 6	808	395	1 068	136.4	0.1	1 206	218.7	0.2	1 266	243.4	0.2	1 330	254.9	0.2	1 396	269.1	0.2	5.0%	27.9%
7 - 10	1 948	220	1 966	459.4	0.2	2 165	628.3	0.3	2 273	710.6	0.3	2 387	749.3	0.3	2 506	791.3	0.3	5.0%	50.0%
11 - 12	563	74	642	267.4	0.4	641	364.7	0.6	673	420.0	0.6	707	439.7	0.6	742	471.4	0.6	5.0%	14.8%
13 - 16	312	9	330	231.1	0.7	317	272.1	0.9	333	302.9	0.9	349	317.1	0.9	367	334.9	0.9	5.0%	7.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the comprehensive rural development programme, land reform, and the settlement of restitution claims to ensure vibrant, equitable and sustainable rural communities and food security for all (outcome 7).

Expenditure in the *Administration* and *Geospatial and Cadastral Services* programmes increased significantly between 2009/10 to 2012/13 as result of the implementation of the comprehensive rural development programme. Expenditure on compensation of employees also increased significantly over this period due to the implementation of the occupational specific dispensation for land surveyors. The increases in expenditure in the *Rural Development* programme and on goods and services in this period were a result of the higher number of new participants in the national rural youth services corps and the implementation of various projects, which included: the construction of the Nkosi Dalibhunga Mandela legacy bridge and a 10 km access road, the rollout of the national fencing scheme, and the establishment and registration of cooperatives and rural enterprises to encourage the commercialisation of farms.

The main factors leading to the increase in expenditure expected over the medium term are funds allocated in order to: settle outstanding land restitution claims to speed up the land reform process, make transfers to the agricultural land holding account to recapitalise and develop the increasing number of distressed farms, and acquire additional land to speed up the land reform process. Spending on households in the form of land reform grants is also expected to increase over the medium term due to the implementation of the new animal and veld management programme in 2013/14, which provides additional agricultural support to farms through the *Rural Development* and *Land Reform* programmes.

Expenditure on goods and services is expected to decrease significantly over the medium term as a result of a decrease in the use of consultants and more reliance on internal resources, and the reprioritisation of funds from the *Rural Development* programme to the agricultural land holding account for acquiring additional land to speed up the land reform process.

As part of Cabinet approved budget reductions, reductions of R22 million will be effected over the medium term in expenditure on compensation of employees. It is anticipated that service delivery will not be negatively affected.

The department has a funded establishment of 3 631 posts and 698 posts are filled in addition to this establishment. Expenditure on compensation of employees is expected to increase over the medium term as the department expects to increase personnel capacity by 682, mainly at the provincial level, to fast track service delivery on rural development, land reform and restitution. The ratio of support staff to line function staff is 1:3.

### Infrastructure spending

Expenditure on payments for capital assets increased in 2010/11 due to the office accommodation project, which the department, together with other renovations, upgrades and installations, is presently undertaking. Expenditure on payments for capital assets is expected to increase slightly over the medium term from R16.3 million in 2013/14 to R17.4 million in 2015/16 as more projects are implemented over this period.

## Departmental receipts

Table 33.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
<b>Departmental receipts</b>	<b>44 047</b>	<b>48 802</b>	<b>46 150</b>	<b>59 680</b>	<b>45 430</b>	<b>1.0%</b>	<b>100.0%</b>	<b>40 866</b>	<b>42 058</b>	<b>40 175</b>	<b>-4.0%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>16 884</b>	<b>18 420</b>	<b>19 058</b>	<b>18 648</b>	<b>23 836</b>	<b>12.2%</b>	<b>42.4%</b>	<b>19 689</b>	<b>20 753</b>	<b>21 272</b>	<b>-3.7%</b>	<b>50.8%</b>
Sales by market establishments of which:	1 160	1 027	953	937	1 505	9.1%	2.5%	989	1 042	950	-14.2%	2.7%
Market establishment: Non-residential building	1 160	977	904	885	1 496	8.8%	2.5%	935	985	900	-15.6%	2.6%
Market establishment: Parking: Covered and open	-	50	49	52	9	-	0.1%	54	57	50	77.1%	0.1%
Administration fees of which:	13 281	14 603	15 168	15 347	19 911	14.5%	34.1%	16 205	17 080	17 421	-4.4%	41.9%
Servitude rights	13 281	989	703	383	383	-69.3%	8.3%	404	425	420	3.1%	1.0%
Surveyor inspection fees	-	13 613	14 464	14 963	19 527	-	25.8%	15 800	16 654	17 000	-4.5%	40.9%
Request information: Promotion of Access to Information Act (2000)	-	1	1	1	1	-	-	1	1	1	-	-
Other sales of which:	2 443	2 790	2 937	2 364	2 420	-0.3%	5.7%	2 495	2 631	2 901	6.2%	6.2%
Services rendered: Commission on insurance and garnishee	2 443	412	496	443	443	-43.4%	2.1%	467	493	500	4.1%	1.1%
Services rendered: Management fees	-	2	22	33	5	-	-	34	36	1	-41.5%	-
Sales: Tender documents	-	4	151	45	80	-	0.1%	48	50	150	23.3%	0.2%
Sales: Maps	-	2 118	1 883	1 693	1 600	-	3.0%	1 788	1 884	1 880	5.5%	4.2%
Plans sales: Charts/posters	-	254	385	150	292	-	0.5%	158	168	370	8.2%	0.6%
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>90</b>	<b>4</b>	<b>12</b>	<b>13</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>13</b>	<b>14</b>	<b>3</b>	<b>-</b>	<b>-</b>
of which:												
Scrap	90	4	8	12	-	-100.0%	0.1%	12	13	2	-	-
Waste paper	-	-	4	1	-	-	-	1	1	1	-	-
<b>Interest, dividends and rent on land</b>	<b>21 830</b>	<b>25 088</b>	<b>15 165</b>	<b>24 072</b>	<b>16 000</b>	<b>-9.8%</b>	<b>42.3%</b>	<b>14 501</b>	<b>15 287</b>	<b>13 000</b>	<b>-6.7%</b>	<b>34.9%</b>
Interest	12 434	19 268	10 867	20 676	10 000	-7.0%	28.5%	10 915	11 507	8 000	-7.2%	24.0%
Rent on land	9 396	5 820	4 298	3 396	6 000	-13.9%	13.8%	3 586	3 780	5 000	-5.9%	10.9%
<b>Sales of capital assets</b>	<b>498</b>	<b>225</b>	<b>1 606</b>	<b>963</b>	<b>963</b>	<b>24.6%</b>	<b>1.8%</b>	<b>963</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>1.1%</b>
<b>Transactions in financial assets and liabilities</b>	<b>4 745</b>	<b>5 065</b>	<b>10 309</b>	<b>15 984</b>	<b>4 631</b>	<b>-0.8%</b>	<b>13.4%</b>	<b>5 700</b>	<b>6 004</b>	<b>5 900</b>	<b>8.4%</b>	<b>13.2%</b>
<b>Total</b>	<b>44 047</b>	<b>48 802</b>	<b>46 150</b>	<b>59 680</b>	<b>45 430</b>	<b>1.0%</b>	<b>100.0%</b>	<b>40 866</b>	<b>42 058</b>	<b>40 175</b>	<b>-4.0%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 33.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
Ministry	17.2	19.4	20.1	24.9	13.2%	2.5%	19.8	21.0	22.8	-2.9%	2.3%	
Management	32.8	35.7	62.7	97.5	43.8%	7.0%	65.1	68.5	74.8	-8.5%	7.9%	
Internal Audit	28.0	34.4	33.0	49.5	20.9%	4.4%	34.5	36.7	38.5	-8.1%	4.1%	
Corporate Services	237.6	299.0	337.3	304.2	8.6%	35.8%	258.6	265.8	275.4	-3.3%	28.5%	
Financial Services	74.5	103.4	163.1	248.7	49.4%	17.9%	174.6	186.5	195.8	-7.7%	20.8%	
Provincial Coordination	46.4	73.0	164.1	275.6	81.1%	17.0%	246.5	252.4	275.2	-0.1%	27.1%	
Office Accommodation	138.3	121.7	154.1	90.9	-13.1%	15.4%	141.7	62.1	64.9	-10.6%	9.3%	
<b>Total</b>	<b>574.8</b>	<b>686.6</b>	<b>934.4</b>	<b>1 091.3</b>	<b>23.8%</b>	<b>100.0%</b>	<b>940.7</b>	<b>893.0</b>	<b>947.4</b>	<b>-4.6%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(5.4)			44.3	48.6	64.2			

Table 33.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million	547.3	658.2	890.1	1 056.3	24.5%	95.9%	916.9	867.8	921.3	-4.5%	97.2%
<b>Current payments</b>	<b>547.3</b>	<b>658.2</b>	<b>890.1</b>	<b>1 056.3</b>	<b>24.5%</b>	<b>95.9%</b>	<b>916.9</b>	<b>867.8</b>	<b>921.3</b>	<b>-4.5%</b>	<b>97.2%</b>
Compensation of employees	175.8	250.0	362.0	455.7	37.4%	37.8%	592.6	615.1	656.2	12.9%	59.9%
Goods and services	371.6	408.2	528.1	600.6	17.4%	58.1%	324.3	252.8	265.1	-23.9%	37.3%
of which:											
Consultants and professional services:	14.1	14.0	23.1	62.8	64.7%	3.5%	48.2	51.1	55.9	-3.8%	5.6%
Business and advisory services											
Operating leases	116.4	102.1	126.3	83.8	-10.4%	13.0%	133.6	53.5	56.3	-12.5%	8.5%
Travel and subsistence	26.4	33.7	48.5	62.4	33.2%	5.2%	18.2	19.5	20.5	-31.0%	3.1%
Operating payments	5.6	4.7	16.2	13.8	35.4%	1.2%	9.8	9.9	10.2	-9.6%	1.1%
<b>Transfers and subsidies</b>	<b>13.4</b>	<b>14.6</b>	<b>32.1</b>	<b>25.2</b>	<b>23.6%</b>	<b>2.6%</b>	<b>15.2</b>	<b>16.6</b>	<b>17.4</b>	<b>-11.7%</b>	<b>1.9%</b>
Provinces and municipalities	0.0	0.0	0.0	0.0	100.0%	-	0.1	0.1	0.1	78.7%	-
Public corporations and private enterprises	-	-	11.2	-	-	0.3%	-	-	-	-	-
Households	13.4	14.6	20.8	25.2	23.5%	2.2%	15.1	16.5	17.2	-11.9%	1.9%
<b>Payments for capital assets</b>	<b>13.9</b>	<b>13.5</b>	<b>11.8</b>	<b>9.8</b>	<b>-11.2%</b>	<b>1.5%</b>	<b>8.6</b>	<b>8.6</b>	<b>8.7</b>	<b>-3.7%</b>	<b>0.9%</b>
Machinery and equipment	13.6	13.5	11.8	9.8	-10.6%	1.5%	8.6	8.6	8.7	-3.7%	0.9%
Software and other intangible assets	0.3	-	-	-	-100.0%	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>0.2</b>	<b>0.4</b>	<b>0.4</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>574.8</b>	<b>686.6</b>	<b>934.4</b>	<b>1 091.3</b>	<b>23.8%</b>	<b>100.0%</b>	<b>940.7</b>	<b>893.0</b>	<b>947.4</b>	<b>-4.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>9.8%</b>	<b>9.6%</b>	<b>11.7%</b>	<b>12.2%</b>			<b>9.9%</b>	<b>9.0%</b>	<b>9.2%</b>		

## Details of selected transfers and subsidies

<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	13.1	14.4	20.3	24.9	23.8%	2.2%	15.0	16.4	17.1	-11.8%	1.9%
Bursaries for non-employees	13.1	14.4	20.3	24.9	23.8%	2.2%	15.0	16.4	17.1	-11.8%	1.9%
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	-	-	11.2	-	-	0.3%	-	-	-	-	-
Coega	-	-	11.2	-	-	0.3%	-	-	-	-	-

## Personnel information

Table 33.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number										
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)							
2011/12			2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16												
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
<b>Administration</b>			1 371	206		1 503	263.5	0.2	1 577	514.7	0.3	1 656	573.1	0.3	1 739	605.3	0.3	1 826	639.2	0.4	5.0%	100.0%	
Salary level																							
1 - 6	423	129				547	41.8	0.1	555	99.8	0.2	583	111.1	0.2	612	116.3	0.2	642	122.8	0.2	5.0%	35.2%	
7 - 10	663	70				686	110.0	0.2	730	217.8	0.3	767	242.6	0.3	805	259.3	0.3	845	273.8	0.3	5.0%	46.3%	
11 - 12	190	7				181	54.4	0.3	201	118.6	0.6	211	132.0	0.6	222	138.2	0.6	233	145.9	0.6	5.0%	12.7%	
13 - 16	95	-				89	57.3	0.6	91	78.6	0.9	96	87.4	0.9	100	91.5	0.9	105	96.7	0.9	5.0%	5.8%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing corporate services, financial services and provincial coordination within the department to achieve good corporate governance and service excellence. As this requires an investment in suitably qualified and skilled staff, the bulk of spending over the medium term will go towards compensation of employees, which is also the main cause of spending increases over this period. The department expects to increase the number of posts in its establishment by 249 over the medium term due to the implementation of the comprehensive rural development programme.

Expenditure on compensation of employees increased significantly between 2009/10 and 2012/13 after the department established provincial shared services centres in 2009/10 in order to speed up service delivery, and created an enterprise programme management office in 2009/10 to support line function services in providing effective, efficient and economic service delivery. This is evidenced by a significant increase in the *Provincial Coordination* subprogramme. Over the same period, expenditure on goods and services increased due to the implementation of the comprehensive rural development programme. Expenditure on this item is expected to decrease significantly from 2013/14 due to funds being reprioritised towards the *Rural Development* programme to speed up the comprehensive rural development programme.

The programme has a funded establishment of 1 371 posts and 206 posts are filled in addition to this establishment. Expenditure on consultants over the medium term is expected to increase once the department begins an IT system review in 2013/14. The review will improve IT governance, deploy approved technologies, and facilitate the development and support of approved business solutions and the enhancement of security systems by instituting more integrated institutional arrangements throughout the department.

## Programme 2: Geospatial and Cadastral Services

### Objectives

- Promote equitable, sustainable land use and allocation through an integrated land planning and administration system by:
  - stimulating development in areas of poverty, and reducing spatial inequalities by 2014
  - identifying strategically located land, and facilitating access to land for sustainable use by rural communities by 2014
  - developing targeted policies and legislation to support efficient national spatial planning and land use management on an ongoing basis
  - ensuring the productive use of land by providing technical support for rural communities by 2014
  - supporting municipalities and provinces with spatial planning and land use management
  - supporting comprehensive rural development programme wards with spatial planning on an ongoing basis.
- Implement the South African spatial data infrastructure by:
  - developing and maintaining the technical infrastructure, standards and institutional framework by 2014
  - developing and monitoring the policy framework by 2014.
- Improve the efficiency of cadastral surveys management by:
  - reducing the turnaround time for the approval of cadastral documents from 15 days in 2012/13 to 8 days by 2014/15
  - implementing the e-cadastre system by 2014, and reducing the time taken to process cadastral documents from 15 to 8 days
  - training 280 officials on geo-information systems by 2015, and formulating 50 spatial plans to achieve spatial equality and sustainability by 2014
  - producing 2 000 maps for South Africa in the national map series by 2014
  - finalising the land register by 2014.



## Subprogrammes

- *National Geomatics Management Services* is responsible for: examining and approving all surveys of land and real rights that are intended to be registered in the deeds office; maintaining records; compiling, maintaining and revising maps of property boundaries; providing cadastral advisory services to other government institutions; promoting and controlling all matters related to geodetic and topographical surveying; and providing geospatial information services, including the South African spatial data infrastructure. This subprogramme had a staff complement of 952 in 2012/13.
- *Spatial Planning and Land Use Management* provides for national land use management and spatial planning systems. This subprogramme had a staff complement of 127 in 2012/13.
- *Registration of Deeds Trading Account* provides a high quality deeds registration system whereby secure titles are registered, and speedy and accurate information is provided. In 2012/13, R11.1 million was transferred to the account. The trading account had a staff complement of 1 118 in 2012/13.
- *South African Council for Planners* transfers funds on an annual basis to the South African Council for Planners, a non-profit organisation dealing with the registration and other activities of the planning profession. The South African Council for Planners had a staff complement of 34 in 2012/13.

## Expenditure estimates

**Table 33.7 Geospatial and Cadastral Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
National Geomatics Management Services	220.1	273.3	361.5	471.2	28.9%	71.2%	394.8	420.5	447.2	-1.7%	77.9%
Spatial Planning and Land Use Management	31.0	68.1	75.6	110.9	52.9%	15.3%	97.1	104.1	112.6	0.5%	19.1%
Registration of Deeds Trading Account	57.6	27.9	143.3	11.1	-42.2%	12.9%	13.7	14.9	17.1	15.3%	2.6%
South African Council for Planners	2.3	2.4	2.6	2.7	5.7%	0.5%	2.8	3.0	3.2	5.4%	0.5%
<b>Total</b>	<b>311.0</b>	<b>371.7</b>	<b>583.0</b>	<b>595.9</b>	<b>24.2%</b>	<b>100.0%</b>	<b>508.5</b>	<b>542.5</b>	<b>580.0</b>	<b>-0.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				34.0			42.5	49.4	64.1		
<b>Economic classification</b>											
<b>Current payments</b>	<b>233.4</b>	<b>328.5</b>	<b>419.3</b>	<b>564.3</b>	<b>34.2%</b>	<b>83.0%</b>	<b>482.8</b>	<b>514.9</b>	<b>549.6</b>	<b>-0.9%</b>	<b>94.8%</b>
Compensation of employees	166.5	241.2	292.4	358.8	29.2%	56.9%	402.9	430.8	461.1	8.7%	74.3%
Goods and services	66.9	87.4	126.8	205.6	45.4%	26.1%	79.9	84.1	88.4	-24.5%	20.6%
<i>of which:</i>											
Consultants and professional services: Business and advisory services	3.0	16.6	14.6	42.1	139.9%	4.1%	6.6	7.8	7.9	-42.8%	2.9%
Operating leases	1.3	1.4	1.6	2.1	17.1%	0.3%	1.8	2.0	2.1	0.3%	0.4%
Travel and subsistence	12.9	16.2	37.5	51.9	59.2%	6.4%	9.8	9.7	10.0	-42.3%	3.7%
Operating payments	0.9	0.9	0.9	2.0	29.9%	0.2%	0.9	1.1	1.1	-16.9%	0.2%
<b>Transfers and subsidies</b>	<b>61.8</b>	<b>32.1</b>	<b>147.4</b>	<b>16.4</b>	<b>-35.7%</b>	<b>13.8%</b>	<b>18.0</b>	<b>19.4</b>	<b>21.7</b>	<b>9.8%</b>	<b>3.4%</b>
Provinces and municipalities	0.0	0.0	0.0	0.0	58.7%	-	0.0	0.0	0.0	5.3%	-
Departmental agencies and accounts	57.6	27.9	143.3	11.1	-42.2%	12.9%	13.7	14.9	17.1	15.3%	2.6%
Foreign governments and international organisations	1.2	1.1	1.2	1.5	7.9%	0.3%	1.4	1.5	1.5	-1.0%	0.3%
Non-profit institutions	2.3	2.4	2.6	2.7	5.7%	0.5%	2.8	3.0	3.2	5.4%	0.5%
Households	0.7	0.6	0.3	1.1	13.2%	0.1%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>15.7</b>	<b>10.8</b>	<b>15.6</b>	<b>15.2</b>	<b>-1.0%</b>	<b>3.1%</b>	<b>7.7</b>	<b>8.2</b>	<b>8.7</b>	<b>-17.1%</b>	<b>1.8%</b>
Machinery and equipment	15.7	10.8	15.6	14.2	-3.1%	3.0%	6.3	6.9	7.3	-20.0%	1.6%
Software and other intangible assets	-	-	-	0.9	-	0.1%	1.4	1.3	1.4	12.7%	0.2%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.3</b>	<b>0.8</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>311.0</b>	<b>371.7</b>	<b>583.0</b>	<b>595.9</b>	<b>24.2%</b>	<b>100.0%</b>	<b>508.5</b>	<b>542.5</b>	<b>580.0</b>	<b>-0.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>5.3%</b>	<b>5.2%</b>	<b>7.3</b>	<b>6.6%</b>			<b>5.4%</b>	<b>5.5%</b>	<b>5.6</b>		

Table 33.7 Geospatial and Cadastral Services (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Details of selected transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	0.7	0.6	0.3	1.1	13.2%	0.1%	-	-	-	-100.0%	-
Employee social benefits	0.7	0.6	0.3	1.1	13.2%	0.1%	-	-	-	-100.0%	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	57.6	27.9	143.3	11.1	-42.2%	12.9%	13.7	14.9	17.1	15.3%	2.6%
Registration of Deeds Trading Account	57.6	27.9	143.3	11.1	-42.2%	12.9%	13.7	14.9	17.1	15.3%	2.6%
<b>Non-profit institutions</b>											
<b>Current</b>	2.3	2.4	2.6	2.7	5.7%	0.5%	2.8	3.0	3.2	5.4%	0.5%
South African Council for Planners	2.3	2.4	2.6	2.7	5.7%	0.5%	2.8	3.0	3.2	5.4%	0.5%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	1.2	1.1	1.2	1.5	7.9%	0.3%	1.4	1.5	1.5	-1.0%	0.3%
Regional centre for mapping of resources for development	1.2	1.1	1.2	1.5	7.9%	0.3%	1.4	1.5	1.5	-1.0%	0.3%

## Personnel information

Table 33.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost						
<b>Geospatial and Cadastral Services</b>																			
<b>Salary level</b>	810	269	930	291.6	0.3	1 079	357.9	0.3	1 133	423.5	0.4	1 190	443.4	0.4	1 249	475.3	0.4	5.0%	100.0%
1 – 6	200	160	326	57.8	0.2	360	63.9	0.2	378	71.2	0.2	397	74.5	0.2	417	78.7	0.2	5.0%	33.4%
7 – 10	357	52	339	83.5	0.2	409	109.2	0.3	429	132.7	0.3	451	138.9	0.3	473	146.7	0.3	5.0%	37.9%
11 – 12	198	56	218	111.1	0.5	254	137.8	0.5	267	167.4	0.6	280	175.2	0.6	294	192.1	0.7	5.0%	23.5%
13 – 16	55	1	47	39.2	0.8	56	46.9	0.8	59	52.2	0.9	62	54.7	0.9	65	57.8	0.9	5.0%	5.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Spending over the medium term will be focused in the *National Geomatics Management Services* subprogramme, and on finalising the land register to enhance effective land planning and administration.

Between 2009/10 and 2012/13 expenditure in the *National Geomatics Management Services* subprogramme increased significantly due to the implementation of the occupation specific dispensation, particularly for land surveyors. Over the same period, expenditure on the *Spatial Planning and Land Use Management* subprogramme increased due to the drafting of the Spatial Planning and Land Use Bill. Expenditure on the *Registration of Deeds Trading Account* subprogramme decreased in this period due to the decline in the property market. However, expenditure is expected to increase from 2013/14 due to the implementation of an electronic register.

Expenditure on compensation of employees increased significantly between 2009/10 and 2012/13 due to the implementation of the occupation specific dispensation for land surveyors, to improve conditions of service. In

addition, expenditure on goods and services increased over the same period due to the state land audit, which took place in 2009/10. Expenditure on transfers in this period also increased as a result of the augmentation of the deeds trading account's shortfall in 2011/12 to fund the e-cadastre project, spatial data infrastructure and the development of spatial development frameworks. Over the medium term, expenditure on goods and services is expected to decrease due to the reprioritisation of funds towards the *Rural Development* programme to speed up the comprehensive rural development programme.

As part of the Cabinet approved budget reductions, a reduction of R11.5 million will be effected in goods and services, mainly in expenditure on travel and subsistence in 2013/14. The department will reprioritise funds from non-core services to ensure that these reductions do not impact negatively on service delivery.

The programme has a funded establishment of 810 posts, and 269 posts are filled in addition to this establishment. Expenditure on compensation of employees is expected to increase over the medium term, mainly because of the need to increase the number of posts by 170 in order to implement the Spatial Land Use Management Bill, which will require additional staff to visit and orientate municipalities about the bill's provisions.

## Programme 3: Rural Development

### Objectives

- Reduce poverty in rural areas by ensuring that 2 400 households produce their own food by 2014.
- Ensure economic sustainability by ensuring that 7 278 households have basic services infrastructure like clinics and sanitation.
- Reduce spatial inequalities in rural areas by providing access to clean water to 500 households and alternative energy to 600 households by 2014.
- Ensure skills development and that sustainable economic opportunities are created by:
  - establishing 3 000 food gardens and 4 agri-parks in the comprehensive rural development programme wards by 2014
  - increasing employment benefits for youth through the national rural youth service corps programme by adding 4 600 new youths in 2013/14 and 5 000 in each of the 2014/15 and 2015/16 financial years
  - establishing 400 cooperatives and 30 enterprises by 2014.

### Subprogrammes

- *Rural Infrastructure Development* facilitates improved access to basic services, and provides economic and income generating opportunities through improved physical infrastructure in rural areas. This subprogramme had a staff complement of 120 in 2012/13.
- *Social, Technical, Rural Livelihood and Institutional Facilitation* is responsible for the creation of an enabling institutional environment for sustainable rural development, and provides for social and economic development and sustainable livelihoods in rural communities. Its functions are based on the social mobilisation of communities to ensure that rural communities take ownership of rural development projects and programmes to establish rural development forums and partnerships, increase food security, and create jobs. This subprogramme had a staff complement of 240 in 2012/13.
- *National Rural Youth Services Corps* is responsible for training rural youth in a variety of skills such as building and farming, or skills to match the needs of the identified 23 district wards or communities from which they are recruited. Funding for the costs of this training is also derived from the National Skills Fund. This subprogramme had a staff complement of 49 in 2012/13.

## Expenditure estimates

Table 33.9 Rural Development

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
R million											
Rural Infrastructure Development	39.5	145.5	270.1	368.1	110.4%	36.3%	354.6	375.6	392.9	2.2%	30.6%
Social, Technical Rural Livelihood and Institutional Facilitation	32.6	212.0	420.4	259.2	99.6%	40.8%	363.9	374.9	392.2	14.8%	28.5%
National Rural Youth Services Corps	4.7	3.0	95.8	413.9	345.3%	22.8%	508.9	528.2	543.0	9.5%	40.9%
<b>Total</b>	<b>76.8</b>	<b>360.5</b>	<b>786.3</b>	<b>1 041.2</b>	<b>138.4%</b>	<b>100.0%</b>	<b>1 227.4</b>	<b>1 278.7</b>	<b>1 328.2</b>	<b>8.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				106.4			243.0	246.8	248.8		

## Economic classification

<b>Current payments</b>	<b>76.6</b>	<b>349.9</b>	<b>688.8</b>	<b>1 011.2</b>	<b>136.4%</b>	<b>93.9%</b>	<b>867.1</b>	<b>898.0</b>	<b>930.0</b>	<b>-2.8%</b>	<b>76.0%</b>
Compensation of employees	5.1	25.5	81.8	179.2	226.9%	12.9%	231.3	238.0	248.9	11.6%	18.4%
Goods and services	71.4	324.4	607.0	832.1	126.7%	81.0%	635.8	660.0	681.0	-6.5%	57.6%
<i>of which:</i>											
Consultants and professional services:	61.7	68.5	44.9	235.8	56.4%	18.1%	152.6	159.8	167.3	-10.8%	14.7%
Business and advisory services											
Operating leases	–	0.0	0.1	0.6	–	–	0.4	0.6	0.6	-1.0%	–
Travel and subsistence	0.5	16.7	41.0	27.4	277.9%	3.8%	7.7	8.0	8.2	-33.0%	1.1%
Operating payments	0.0	105.8	280.0	398.2	3208.0%	34.6%	456.1	470.7	483.2	6.7%	37.1%
Interest and rent on land	–	0.1	–	–	–	–	–	–	–	–	–
<b>Transfers and subsidies</b>	<b>–</b>	<b>0.0</b>	<b>90.8</b>	<b>26.1</b>	<b>–</b>	<b>5.2%</b>	<b>360.3</b>	<b>380.7</b>	<b>398.2</b>	<b>148.0%</b>	<b>23.9%</b>
Departmental agencies and accounts	–	–	37.7	15.2	–	2.3%	241.8	255.0	266.8	160.0%	16.0%
Public corporations and private enterprises	–	–	40.2	10.9	–	2.3%	118.5	125.7	131.4	129.1%	7.9%
Non-profit institutions	–	–	12.9	–	–	0.6%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>0.2</b>	<b>10.5</b>	<b>6.4</b>	<b>3.9</b>	<b>160.3%</b>	<b>0.9%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>
Machinery and equipment	0.2	10.5	6.4	3.9	160.3%	0.9%	–	–	–	-100.0%	0.1%
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.3</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>76.8</b>	<b>360.5</b>	<b>786.3</b>	<b>1 041.2</b>	<b>138.4%</b>	<b>100.0%</b>	<b>1 227.4</b>	<b>1 278.7</b>	<b>1 328.2</b>	<b>8.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.3%</b>	<b>5.1%</b>	<b>9.8%</b>	<b>11.6%</b>			<b>13.0%</b>	<b>12.9%</b>	<b>12.9%</b>		

## Details of transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>–</b>	<b>–</b>	<b>37.7</b>	<b>15.2</b>	<b>–</b>	<b>2.3%</b>	<b>241.8</b>	<b>255.0</b>	<b>266.8</b>	<b>160.0%</b>	<b>16.0%</b>
Agricultural Research Council	–	–	15.2	11.3	–	1.2%	241.8	255.0	266.8	187.0%	15.9%
KwaZulu-Natal agricultural development trust trading as Agribusiness Development Agency	–	–	22.5	3.9	–	1.2%	–	–	–	-100.0%	0.1%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>–</b>	<b>–</b>	<b>12.9</b>	<b>–</b>	<b>–</b>	<b>0.6%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Free State department of agriculture and rural development	–	–	12.9	–	–	0.6%	–	–	–	–	–
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>–</b>	<b>–</b>	<b>40.2</b>	<b>10.9</b>	<b>–</b>	<b>2.3%</b>	<b>118.5</b>	<b>125.7</b>	<b>131.4</b>	<b>129.1%</b>	<b>7.9%</b>
Independent Development Trust	–	–	40.2	10.9	–	2.3%	118.5	125.7	131.4	129.1%	7.9%

## Personnel information

**Table 33.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
		2011/12		Unit	2012/13		Unit	2013/14		Unit	2014/15		Unit			2015/16		Unit			
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	2012/13 - 2015/16				
<b>Rural Development</b>		390		19	365	134.0	0.4	409	188.5	0.5	429	209.8	0.5	451	219.6	0.5	473	231.9	0.5	5.0%	100.0%
Salary level																					
1 – 6	30	1	29	5.2	0.2	31	5.6	0.2	33	6.3	0.2	34	6.5	0.2	36	6.9	0.2	5.0%	7.6%		
7 – 10	206	12	190	47.0	0.2	218	58.4	0.3	229	65.0	0.3	240	68.0	0.3	252	71.8	0.3	5.0%	53.3%		
11 – 12	42	–	35	18.0	0.5	42	22.2	0.5	44	24.7	0.6	46	25.8	0.6	49	27.3	0.6	5.0%	10.3%		
13 – 16	112	6	111	63.8	0.6	118	102.3	0.9	124	113.9	0.9	130	119.2	0.9	137	125.9	0.9	5.0%	28.9%		

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Spending over the medium term will focus on the building of roads, irrigation schemes and a bridge in the *Rural Infrastructure Development* subprogramme, and increasing the number of participants in the *National Rural Youth Services Corps* subprogramme to improve access to sustainable employment and skills development opportunities. This latter subprogramme, which is expected to grow significantly over the medium term due to an additional R200 million it is to receive in 2013/14 and 2014/15 from the economic competitiveness and support package, expects to increase the number of participants by 4 600 in 2013/14, 5 000 in 2014/15 and 5 000 in 2015/16.

Between 2009/10 and 2012/13, expenditure on the *Rural Infrastructure Development* subprogramme increased significantly due to the construction of roads and a bridge in rural areas. Over the same period, expenditure on the *Social, Technical, Rural Livelihood and Institutional Facilitation* subprogramme also increased significantly due to the implementation of the comprehensive rural development programme. Expenditure on the *National Rural Youth Services Corps* subprogramme increased in this period due to the employment of additional youth in the programme.

Expenditure on goods and services increased significantly between 2009/10 and 2012/13 due to the employment of additional participants in the *National Rural Youth Services Corps*, and in the same period expenditure on goods and services increased due to purchases made to accommodate these new recruits.

Expenditure over the medium term is expected to increase mainly due to the further implementation of the comprehensive rural development programme, the increase in the number of the participants in the *National Rural Youth Services Corps*, and the profiling of rural households in the identified 23 district wards. The bulk of the expenditure over the medium term is on goods and services, and payments to consultants for rural infrastructure development and social mobilisation.

Spending in the *Rural Infrastructure Development* subprogramme is expected to increase over the medium term as a result of the continuation of projects begun in 2009/10, such as the construction of the Nkosi Dalibhunga Mandela legacy bridge and a 10 km access road, the electrification of rural households, the provision of clean water and sanitation, the establishment and registration of cooperatives and rural enterprises, and the provision of access to information technology.

As part of the Cabinet approved budget reductions, reductions of R8.5 million have been identified in spending on goods and services, mainly in expenditure on travel and subsistence in 2013/14. The department will reprioritise funds from non-core items to ensure that these reductions do not impact negatively on service delivery.

The programme has a funded establishment of 390 posts, and 19 posts are filled in addition to this establishment. Expenditure on compensation of employees is expected to increase over the medium term as a

result of increasing the number of posts by 64 as internal capacity is developed to implement the comprehensive rural development programme.

## Programme 4: Restitution

### Objectives

- Settle outstanding restitution claims by:
  - settling 480 restitution court cases by 2014
  - finalising research on the 3 962 outstanding claims by 2014
  - verifying claimants for outstanding claims by 2014
  - validating and gazetting the claims by 2014
  - negotiating and settling claims on state land where there are no financial implications, by 2014.

### Subprogrammes

- *Restitution National Office* provides administrative and professional support to the Commission on the Restitution of Land Rights for processing and investigating restitution claims, develops and coordinates restitution policy, and oversees court cases. This subprogramme had a staff complement of 93 in 2012/13.
- *Restitution Regional Offices* is responsible for the research, validation, verification and negotiation of settlements, and provides administrative support services for the settlement of claims. This subprogramme had a staff complement of 496 in 2012/13.
- *Restitution Grants* is discussed in more detail below.

### Expenditure estimates

Table 33.11 Restitution

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Restitution National Office	36.1	43.4	35.5	52.7	13.4%	1.5%	44.2	46.6	48.9	-2.4%	1.4%
Restitution Regional Offices	328.0	375.5	452.0	331.1	0.3%	13.0%	317.4	319.7	334.7	0.4%	9.3%
Restitution Grants	1 967.6	3 348.0	1 888.9	2 577.8	9.4%	85.5%	3 026.4	3 351.0	3 505.2	10.8%	89.3%
<b>Total</b>	<b>2 331.6</b>	<b>3 766.8</b>	<b>2 376.3</b>	<b>2 961.5</b>	<b>8.3%</b>	<b>100.0%</b>	<b>3 388.0</b>	<b>3 717.3</b>	<b>3 888.9</b>	<b>9.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(38.5)			(71.0)	(88.9)	(92.5)		

#### Economic classification

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
<b>Current payments</b>	<b>361.3</b>	<b>413.0</b>	<b>349.5</b>	<b>379.3</b>	<b>1.6%</b>	<b>13.1%</b>	<b>361.4</b>	<b>366.1</b>	<b>383.4</b>	<b>0.4%</b>	<b>10.7%</b>
Compensation of employees	218.1	204.7	179.4	227.0	1.3%	7.3%	222.3	236.0	247.6	2.9%	6.7%
Goods and services	143.2	141.4	163.7	152.3	2.1%	5.3%	139.1	130.1	135.8	-3.7%	4.0%
<i>of which:</i>											
<i>Consultants and professional services:</i>	29.6	6.8	29.3	20.2	-11.9%	0.8%	34.8	24.1	26.4	9.2%	0.8%
<i>Business and advisory services</i>											
<i>Operating leases</i>	2.7	2.1	1.6	1.0	-27.6%	0.1%	7.2	7.6	8.2	100.2%	0.2%
<i>Travel and subsistence</i>	33.8	37.4	41.4	35.0	1.1%	1.3%	20.8	21.1	22.5	-13.7%	0.7%
<i>Operating payments</i>	1.9	1.5	0.9	3.2	19.0%	0.1%	3.8	4.1	4.1	8.2%	0.1%
Interest and rent on land	–	66.9	6.5	–	–	0.6%	–	–	–	–	–

Table 33.11 Restitution (continued)

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Transfers and subsidies</b>	<b>1 967.6</b>	<b>2 576.3</b>	<b>1 889.2</b>	<b>2 578.0</b>	<b>9.4%</b>	<b>78.8%</b>	<b>3 026.7</b>	<b>3 351.3</b>	<b>3 505.5</b>	<b>10.8%</b>	<b>89.3%</b>
Provinces and municipalities	0.0	0.0	0.2	0.0	13.0%	–	0.0	0.0	0.0	-5.4%	–
Households	1 967.6	2 576.3	1 889.0	2 578.0	9.4%	78.8%	3 026.6	3 351.3	3 505.4	10.8%	89.3%
<b>Payments for capital assets</b>	<b>1.6</b>	<b>776.1</b>	<b>136.2</b>	<b>4.1</b>	<b>37.5%</b>	<b>8.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>
Machinery and equipment	1.6	4.4	4.2	4.1	37.5%	0.1%	–	–	–	-100.0%	–
Land and sub-soil assets	–	771.7	132.0	–	–	7.9%	–	–	–	–	–
<b>Payments for financial assets</b>	<b>1.1</b>	<b>1.4</b>	<b>1.4</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total</b>	<b>2 331.6</b>	<b>3 766.8</b>	<b>2 376.3</b>	<b>2 961.5</b>	<b>8.3%</b>	<b>100.0%</b>	<b>3 388.0</b>	<b>3 717.3</b>	<b>3 888.9</b>	<b>9.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>39.8%</b>	<b>52.9%</b>	<b>29.7%</b>	<b>33.0%</b>			<b>35.8%</b>	<b>37.5%</b>	<b>37.8%</b>		

## Details of selected transfers and subsidies

Households											
Other transfers to households											
Capital	1 967.6	2 576.3	1 888.9	2 577.8	9.4%	78.8%	3 026.4	3 351.0	3 505.2	10.8%	89.3%
Restitution grants	1 967.6	2 576.3	1 888.9	2 577.8	9.4%	78.8%	3 026.4	3 351.0	3 505.2	10.8%	89.3%

## Personnel information

Table 33.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Restitution</b>																			
<b>Salary level</b>	<b>508</b>	<b>81</b>	<b>553</b>	<b>186.3</b>	<b>0.3</b>	<b>589</b>	<b>193.0</b>	<b>0.3</b>	<b>618</b>	<b>214.8</b>	<b>0.3</b>	<b>649</b>	<b>224.8</b>	<b>0.3</b>	<b>682</b>	<b>237.4</b>	<b>0.3</b>	<b>5.0%</b>	<b>100.0%</b>
1 – 6	102	33	34	6.3	0.2	135	25.6	0.2	142	28.5	0.2	149	29.8	0.2	156	31.5	0.2	5.0%	22.9%
7 – 10	333	38	331	91.3	0.3	371	109.9	0.3	390	122.3	0.3	409	128.1	0.3	429	135.2	0.3	5.0%	63.0%
11 – 12	47	8	124	33.7	0.3	55	32.9	0.6	58	36.7	0.6	61	38.4	0.6	64	40.5	0.6	5.0%	9.3%
13 – 16	26	2	64	55.0	0.9	28	24.5	0.9	29	27.3	0.9	31	28.6	0.9	32	30.2	0.9	5.0%	4.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Spending over the medium term will focus on settling restitution claims to increase access to and the productive use of land, which is discussed in more detail in the section that follows. The other subprogrammes in this programme provide administrative support for settling restitution claims, including resolving restitution claims in court, and verifying and negotiating claims for settlement.

Between 2009/10 and 2012/13, expenditure in the *Restitution National Office* and *Restitution Regional Offices* subprogrammes increased due to the need to speed up the restitution process. Over the medium term, expenditure in the *Restitution National Office* subprogramme is expected to decrease slightly due to a decline in travel and subsistence expenditure. The restitution regional offices have been further capacitated reducing the travel time of national officials.

Expenditure on consultants decreased between 2009/10 and 2012/13 due to the use of internal resources. Over the medium term, expenditure on travel and subsistence is expected to decrease as a result of a reduction of R18 million being effected in spending on goods and services as part of the Cabinet approved budget

reductions. The department will reprioritise funds from non-core items to ensure that these reductions do not impact negatively on service delivery.

The programme has a funded establishment of 508 posts, and 81 posts are filled in addition to this establishment. Spending on compensation of employees is expected to increase marginally over the medium term as the programme expects to increase the number of posts by 93 over the medium term to further develop internal capacity.

### Subprogramme: Restitution Grants

This subprogramme pays grants to redress restitution claims by restoring land or providing alternative land, provides financial compensation and alternative relief, offers settlement planning and facilitation assistance, and contributes funds to the resettlement of communities.

### Expenditure estimates

Table 33.13 Restitution Grants

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	
R million											
<b>Transfers and subsidies</b>	<b>1 967.6</b>	<b>2 576.3</b>	<b>1 888.9</b>	<b>2 577.8</b>	<b>9.4%</b>	<b>92.1%</b>	<b>3 026.4</b>	<b>3 351.0</b>	<b>3 505.2</b>	<b>10.8%</b>	<b>100.0%</b>
Households	1 967.6	2 576.3	1 888.9	2 577.8	9.4%	92.1%	3 026.4	3 351.0	3 505.2	10.8%	100.0%
<b>Payments for capital assets</b>	<b>-</b>	<b>771.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Land and sub-soil assets	-	771.7	-	-	-	7.9%	-	-	-	-	-
<b>Total</b>	<b>1 967.6</b>	<b>3 348.0</b>	<b>1 888.9</b>	<b>2 577.8</b>	<b>9.4%</b>	<b>100.0%</b>	<b>3 026.4</b>	<b>3 351.0</b>	<b>3 505.2</b>	<b>10.8%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>84.4%</b>	<b>88.9%</b>	<b>79.5%</b>	<b>87.0%</b>			<b>89.3%</b>	<b>90.1%</b>	<b>90.1%</b>		

### Expenditure trends

The spending focus over the medium term will be on settling 674 land claims, and clearing commitments or finalising settled claims to increase access to and the productive use of land. All of this subprogramme's expenditure over the medium term will go towards transfers to households for the settlement of claims, mainly due to the need to speed up the land restitution process. There are 480 restitution land claims presently being litigated in court, and the department has made provision over the medium term for the possibility of the land claims court ruling in favour of the claimants.

In 2012/13, 260 claims were settled, 249 of which were for financial compensation, and the remaining one was for the restoration of land comprising 18 855 hectares and benefiting 5 154 households. This performance exceeded the projected target of 133 claims.

The significant fluctuation in spending between 2009/10 and 2012/13 was due to the reprioritisation of R2 billion from the *Land Reform* programme to augment the shortfall in this subprogramme. The reprioritised funds were used to settle long outstanding land restitution claims.

## Programme 5: Land Reform

### Objectives

- Ensure rural development and create employment opportunities in the agricultural sector by:
  - recapitalising and developing 368 new farms by 2014
  - acquiring 310 853 hectares for redistribution by 2014, as part of a target of eventually redistributing 25 million hectares
  - training 400 farmers as recapitalisation and development mentors by 2014.



## Subprogrammes

- *Land Reform National Office* develops and coordinates land reform products; facilitates the implementation of land reform programmes and projects; provides support services to provincial offices; provides state land administration services; provides information, risk and compliance management in the land reform branch; provides strategic land reform intervention support through recapitalisation and development services to align land reform strategic institutional partnerships, and provide land acquisition and land warehouse services; and is responsible for the land reform empowerment facility, which provides for transfers to Khula Enterprise Finance, the revolving credit loan facility that was established to finance land acquisition and equity in commercial farming ventures. This subprogramme had a staff complement of 116 in 2012/13.
- *Land Reform Provincial Offices* implements land reform programmes and projects, and administers state land in each province. Land needs will be categorised in 2013/14 to ensure the successful implementation of land reform, which is measured in terms of job creation, increased incomes, and a critical mass of successful farmers contributing to gross domestic product. Provincial offices will be recapitalising in 2013/14, developing distressed land reform projects, and strengthening the security of tenure of farm dwellers and labour tenants by providing legal support. This subprogramme had a staff complement of 559 in 2012/13.
- *Land Reform Grants* provides funding for project and programme planning, land acquisition and settlement; and allows the department to maintain, plan, develop or improve property. In 2012/13, this subprogramme had a total budget of R733.5 million for the recapitalisation and development of distressed farms, and for animal and veld management.
- *KwaZulu-Natal Ingonyama Trust Board* provides quarterly transfers for administering Ingonyama Trust land. This subprogramme had a staff complement of 25 in 2012/13.
- *Agricultural Land Holding Account* is responsible for buying and holding land until suitable beneficiaries are identified in terms of the Provisions of Land and Assistance Act (1993). This subprogramme's total budget is used for recapitalisation, development and land acquisition. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

**Table 33.14 Land Reform**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Land Reform National Office	73.0	96.7	131.7	153.7	28.2%	4.1%	123.8	125.3	130.8	-5.2%	3.9%
Land Reform Provincial Offices	245.1	296.3	264.6	355.9	13.2%	10.5%	300.1	320.9	337.6	-1.7%	9.6%
Land Reform Grants	1 206.6	506.2	472.7	733.5	-15.3%	26.3%	745.4	750.1	823.1	3.9%	22.3%
KwaZulu-Natal Ingonyama Trust Board	3.1	9.2	13.0	12.3	59.1%	0.3%	7.5	8.0	8.3	-12.3%	0.3%
Communal Land Rights Programme	0.8	0.3	-	-	-100.0%	-	-	-	-	-	-
Agricultural Land Holding Account	1 041.1	1 028.5	2 435.8	2 028.7	24.9%	58.8%	2 218.3	2 269.5	2 230.3	3.2%	63.9%
<b>Total</b>	<b>2 569.6</b>	<b>1 937.2</b>	<b>3 317.8</b>	<b>3 284.2</b>	<b>8.5%</b>	<b>100.0%</b>	<b>3 395.1</b>	<b>3 473.8</b>	<b>3 530.1</b>	<b>2.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				-			(117.0)	(210.2)	(323.3)		

### Economic classification

	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
<b>Current payments</b>	<b>314.5</b>	<b>387.1</b>	<b>367.2</b>	<b>505.3</b>	<b>17.1%</b>	<b>14.2%</b>	<b>423.9</b>	<b>446.2</b>	<b>468.4</b>	<b>-2.5%</b>	<b>13.5%</b>
Compensation of employees	195.4	225.3	178.7	263.2	10.4%	7.8%	227.8	241.2	252.9	-1.3%	7.2%
Goods and services	119.1	161.6	188.2	242.1	26.7%	6.4%	196.1	205.0	215.5	-3.8%	6.3%
of which:											
Consultants and professional services:	34.5	52.6	40.0	77.7	31.1%	1.8%	67.6	56.5	58.8	-8.9%	1.9%
Business and advisory services											
Operating leases	2.3	2.9	2.6	2.6	4.1%	0.1%	7.3	7.9	8.3	46.3%	0.2%
Travel and subsistence	33.5	45.5	60.9	51.5	15.5%	1.7%	19.8	21.8	23.3	-23.2%	0.9%
Operating payments	1.1	1.1	3.7	5.7	71.9%	0.1%	6.5	18.2	19.1	49.8%	0.4%
Interest and rent on land	-	0.2	0.3	-	-	-	-	-	-	-	-

Table 33.14 Land Reform (continued)

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million	2 197.5	1 544.5	2 945.0	2 774.7	8.1%	85.2%	2 971.2	3 027.6	3 061.7	3.3%	86.5%
<b>Transfers and subsidies</b>											
Provinces and municipalities	0.1	0.1	23.2	0.1	1.8%	0.2%	0.0	0.0	0.0	-35.9%	-
Departmental agencies and accounts	1 044.2	1 037.6	2 448.8	2 041.0	25.0%	59.2%	2 225.8	2 277.5	2 238.6	3.1%	64.2%
Households	1 153.3	506.8	472.9	733.6	-14.0%	25.8%	745.4	750.1	823.1	3.9%	22.3%
<b>Payments for capital assets</b>	<b>4.2</b>	<b>4.8</b>	<b>5.3</b>	<b>4.2</b>	-	<b>0.2%</b>	-	-	-	<b>-100.0%</b>	-
Machinery and equipment	4.2	4.0	5.3	4.2	-	0.2%	-	-	-	-100.0%	-
Land and sub-soil assets	-	0.7	-	-	-	-	-	-	-	-	-
<b>Payments for financial assets</b>	<b>53.4</b>	<b>0.8</b>	<b>0.4</b>	-	<b>-100.0%</b>	<b>0.5%</b>	-	-	-	-	-
<b>Total</b>	<b>2 569.6</b>	<b>1 937.2</b>	<b>3 317.8</b>	<b>3 284.2</b>	<b>8.5%</b>	<b>100.0%</b>	<b>3 395.1</b>	<b>3 473.8</b>	<b>3 530.1</b>	<b>2.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>43.8%</b>	<b>27.2%</b>	<b>41.5%</b>	<b>36.6%</b>			<b>35.9%</b>	<b>35.1%</b>	<b>34.4%</b>		

## Details of selected transfers and subsidies

Households											
<b>Other transfers to households</b>											
<b>Capital</b>	1 153.3	505.5	472.7	733.5	-14.0%	25.8%	745.4	750.1	823.1	3.9%	22.3%
Land reform grants	1 153.3	505.5	472.7	733.5	-14.0%	25.8%	745.4	750.1	823.1	3.9%	22.3%
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	1 044.2	1 037.6	2 448.8	2 041.0	25.0%	59.2%	2 225.8	2 277.5	2 238.6	3.1%	64.2%
KwaZulu-Natal Ingonyama Trust Board	3.1	9.2	13.0	12.3	59.1%	0.3%	7.5	8.0	8.3	-12.3%	0.3%
Agricultural Land Holding Account	1 041.1	1 028.5	2 435.8	2 028.7	24.9%	58.8%	2 218.3	2 269.5	2 230.3	3.2%	63.9%

## Personnel information

Table 33.15 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	Unit		2012/13	Unit		2013/14		Unit		2014/15				Unit		2015/16	Unit
<b>Land Reform</b>			<b>Number</b>	<b>Cost</b>	<b>Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Cost</b>		
<b>Salary level</b>	552	123	655	218.8	0.3	675	229.8	0.3	709	255.8	0.4	744	267.8	0.4	781	282.8	0.4	5.0%	100.0%
1 – 6	53	72	132	25.1	0.2	125	23.8	0.2	131	26.5	0.2	138	27.7	0.2	145	29.2	0.2	5.0%	18.5%
7 – 10	389	48	420	127.6	0.3	437	133.0	0.3	459	148.0	0.3	482	155.0	0.3	506	163.7	0.3	5.0%	64.7%
11 – 12	86	3	84	50.3	0.6	89	53.3	0.6	93	59.3	0.6	98	62.1	0.6	103	65.6	0.6	5.0%	13.2%
13 – 16	24	-	19	15.9	0.8	24	19.8	0.8	25	22.0	0.9	26	23.1	0.9	28	24.4	0.9	5.0%	3.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on the recapitalisation and development of distressed farms, and land acquisition to increase access to and the productive use of land. The department's recapitalisation and development programme. To date, 696 farms have been recapitalised and developed, 389 of which were purchased through the proactive land acquisition strategy, and 307 under land reform grants. 6 971 293 hectares of land have been acquired to date.

Between 2009/10 and 2012/13, expenditure in the *Land Reform National Office* and *Land Reform Regional Offices* subprogrammes increased significantly due to the need to speed up the land reform process. Expenditure

on the *Land Reform Grants* subprogramme decreased in this period due to funds being reprioritised towards restitution to speed up the restitution process. Over the same period, expenditure on the *KwaZulu-Natal Ingonyama Trust Board* increased to provide for the employment of more people so that the board can execute its mandate effectively, and expenditure on the *Agricultural Land Holding Account* increased due to the need to recapitalise more distressed farms.

Over the medium term, expenditure in the *Land Reform Grants* subprogramme is expected to increase to acquire 353 234 hectares of land to speed up the land reform process and recapitalise and restore 500 farms in distress. Spending on capital transfers to households is expected to increase in this period to provide for the implementation of the new animal and veld management programme in 2013/14, which seeks to provide agricultural support to farmers to speed up the land reform process. In addition, as part of the Cabinet approved budget reductions, a reduction of R32 million has been identified under goods and services, mainly in expenditure on travel and subsistence in 2013/14. The department will reprioritise funds from non-core items to ensure that these reductions do not impact negatively on service delivery.

The programme has a funded establishment of 552 posts, and 123 posts are filled in addition to this establishment. Spending on compensation of employees in the programme who provide the capacity to process land redistribution is expected to increase by 106 in line with the expansion in the number of farms under the recapitalisation and development programme.

Between 2009/10 and 2012/13, spending on consultants increased due to the need to recapitalise more distressed farms. Over the medium term, expenditure on consultants is expected to decrease as more internal employees do the work.

## Public entities and other agencies

### Registration of deeds trading account

#### Mandate and goals

The Deeds Registries Act (1937) makes provision for the administration of the land registration system and the registration of rights in land, and it requires that deeds and documents be prepared and lodged in a deeds registry by a conveyancer or public notary. The deeds and documents are scrutinised for accuracy and compliance with common law, case law and statutory law. The main goal of the trading account is to contribute to effective land planning, administration and property registration.

#### Selected performance indicators

Table 33.16 Registration of Deeds Trading Account

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of properties registered per year	Registration of title deeds	40 924	50 390	180 547	917 461	936 854	960 247	986 640

### Programmes/activities/objectives

Table 33.17 Registration of Deeds Trading Account

	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R million												
Registration of title deeds	353.9	417.8	516.9	676.9		24.1%	100.0%	559.7	589.0	616.3	- 3.1%	100.0%
<b>Total expense</b>	<b>353.9</b>	<b>417.8</b>	<b>516.9</b>	<b>676.9</b>		<b>24.1%</b>	<b>100.0%</b>	<b>559.7</b>	<b>589.0</b>	<b>616.3</b>	<b>- 3.1%</b>	<b>100.0%</b>

## Expenditure estimates

Table 33.18 Registration of Deeds Trading Account

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
	R million										
<b>Revenue</b>	<b>304.7</b>	<b>354.6</b>	<b>389.3</b>	<b>665.7</b>	<b>29.8%</b>	<b>87.2%</b>	<b>546.0</b>	<b>574.1</b>	<b>599.3</b>	<b>- 3.4%</b>	<b>97.7%</b>
Sale of goods and services other than capital assets	301.6	350.5	382.8	662.1	30.0%	86.3%	540.1	569.5	594.4	- 3.5%	96.9%
<i>of which:</i>											
Administrative fees	301.6	350.5	382.8	662.1	30.0%	86.3%	540.1	569.5	594.4	- 3.5%	96.9%
Other non-tax revenue	3.1	4.1	6.5	3.6	5.0%	0.9%	5.9	4.6	4.9	10.3%	0.8%
Transfers received	49.2	40.8	130.6	11.1	- 39.1%	12.8%	13.7	14.9	17.1	15.3%	2.3%
<b>Total revenue</b>	<b>353.9</b>	<b>395.4</b>	<b>519.9</b>	<b>676.9</b>	<b>24.1%</b>	<b>100.0%</b>	<b>559.7</b>	<b>589.0</b>	<b>616.3</b>	<b>- 3.1%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>353.9</b>	<b>417.8</b>	<b>516.9</b>	<b>676.9</b>	<b>24.1%</b>	<b>100.0%</b>	<b>559.7</b>	<b>589.0</b>	<b>616.3</b>	<b>- 3.1%</b>	<b>100.0%</b>
Compensation of employees	222.6	258.0	286.2	318.2	12.6%	56.8%	354.0	388.0	411.3	8.9%	60.7%
Goods and services	104.1	132.3	204.3	332.6	47.3%	37.4%	177.7	171.5	174.5	- 19.3%	34.6%
Depreciation	27.1	27.4	26.1	26.1	- 1.2%	5.8%	27.8	29.1	30.1	4.9%	4.7%
Interest, dividends and rent on land	0.1	0.1	0.3	-	- 100.0%	0.0%	0.3	0.3	0.3	-	0.0%
<b>Total expenses</b>	<b>353.9</b>	<b>417.8</b>	<b>516.9</b>	<b>676.9</b>	<b>24.1%</b>	<b>100.0%</b>	<b>559.7</b>	<b>589.0</b>	<b>616.3</b>	<b>- 3.1%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>-</b>	<b>(22.0)</b>	<b>3.0</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Statement of financial position</b>											
Carrying value of assets	130.8	100.4	93.3	93.9	- 10.5%	45.2%	102.9	108.6	110.5	5.6%	43.5%
<i>of which:</i>											
Acquisition of assets	20.8	5.5	19.7	71.3	50.8%	12.7%	35.3	11.9	10.7	- 46.9%	14.0%
Inventory	1.1	1.3	1.7	1.9	19.8%	0.7%	2.0	2.2	2.3	5.5%	0.9%
Receivables and prepayments	43.6	50.2	110.8	79.5	22.2%	30.2%	82.4	85.0	85.7	2.6%	34.8%
Cash and cash equivalents	64.9	56.5	52.4	48.1	- 9.5%	24.0%	47.9	50.5	52.3	2.8%	20.8%
<b>Total assets</b>	<b>240.5</b>	<b>208.5</b>	<b>258.2</b>	<b>223.4</b>	<b>- 2.4%</b>	<b>100.0%</b>	<b>235.2</b>	<b>246.2</b>	<b>250.8</b>	<b>3.9%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	185.2	162.8	165.8	165.8	- 3.6%	73.4%	165.8	165.8	165.8	-	69.5%
Finance lease	1.1	1.9	2.3	0.8	- 12.4%	0.6%	1.5	1.6	1.7	29.2%	0.6%
Deferred income	13.0	-	12.7	-	- 100.0%	2.6%	3.6	3.8	4.0	-	1.2%
Trade and other payables	15.7	30.3	63.7	45.7	42.9%	16.5%	51.7	61.7	65.3	12.6%	23.4%
Provisions	25.5	13.5	13.7	11.1	- 24.2%	6.9%	12.6	13.3	14.0	8.0%	5.3%
<b>Total equity and liabilities</b>	<b>240.5</b>	<b>208.5</b>	<b>258.2</b>	<b>223.4</b>	<b>- 2.4%</b>	<b>100.0%</b>	<b>235.2</b>	<b>246.2</b>	<b>250.8</b>	<b>3.9%</b>	<b>100.0%</b>

## Personnel information

Table 33.19 Registration of Deeds Trading Account

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)			
			2011/12		Unit Cost	2012/13		Unit Cost	2013/14		2014/15		2015/16						
			Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost					
Salary level	2 500	1 170	1 466	286.2	0.2	1 350	318.2	0.2	1 527	354.0	0.2	1 583	388.0	0.2	1 594	411.3	0.3	5.7%	100.0%
1 - 6	1 010	506	593	69.9	0.1	504	63.7	0.1	602	78.7	0.1	631	86.7	0.1	635	93.3	0.1	8.0%	39.1%
7 - 10	840	299	626	99.9	0.2	561	109.5	0.2	634	119.2	0.2	651	129.9	0.2	670	143.2	0.2	6.1%	41.6%
11 - 12	608	359	220	96.1	0.4	249	117.3	0.5	251	123.5	0.5	260	136.1	0.5	247	136.2	0.6	- 0.3%	16.7%
13 - 16	42	6	27	20.3	0.8	36	27.6	0.8	40	32.5	0.8	41	35.3	0.9	42	38.6	0.9	5.3%	2.6%

1. Rand million.

## Expenditure trends

The registration of deeds trading account generates revenue mainly by selling deeds information and registering property. Between 2009/10 and 2012/13, revenue increased due a rise in the number of properties registered. Over the medium term, revenue is expected to increase again, due to a projected further increase in the number of properties registered.

The focus of spending over the MTEF period will be on implementing an electronic register system, which will ensure effective land planning and administration, as well as the registration of property.

Between 2009/10 and 2012/13, expenditure on goods and services increased due to the increase in the number of properties registered. Over the medium term, expenditure on this item is expected to increase to provide for the implementation of the electronic cadastre system to speed up the registration and documentation of property.

The trading account has a funded establishment of 2 500 posts, 1 170 of which were vacant at the end of September 2012. These vacancies are mainly due to natural attrition. Spending on compensation of employees over the medium term is expected to increase to provide for the appointment of an additional 244 people required to implement the electronic cadastre system and to register the growing number of properties.

## Other public entities and agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **agricultural land holding account** was established in terms of sections 10(1)(a) of the Provision of Land and Assistance Act (1993) to give legal effect to the proactive land acquisition strategy, which involves acquiring land and other property (movable and immovable) held by the state that can be used by beneficiaries. The account's total budget for 2013/14 is R2.3 billion.
- The KwaZulu-Natal **Ingonyama Trust Board** is a land management agency that provides support to communities on communal land and estate management services to the Minister of Rural Development and Land Reform. The board ensures that any commercial activity on communal land is developmental and benefits local communities. The board's total budget for 2013/14 is R97.3 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate	
				2009/10	2010/11		2011/12	2013/14
R million								
<b>Maintenance</b>								
Cape Town, Van Der Sterr building: Upgrading and installation of back-up generator	Installation of a back-up generator	Various	17.0	-	1.8	12.1	-	-
Cape Town, surveyor general, Plein Street: Upgrading of kitchen and toilet	Upgrading of a kitchen and toilet	Construction	2.9	-	0.3	0.4	-	-
Pietermaritzburg, deeds office and surveyor general: Refurbishment of national office boardrooms	Upgrading, repairs and renovations	Identification	70.1	-	-	3.9	2.2	-
Pretoria, old Cooperation building: Refurbishment of national office boardrooms	Refurbishment of national office boardrooms	Identification	3.7	2.8	0.9	-	-	-
Pretoria, old Cooperation building: Upgrading of power supply and reticulation	Upgrading of power supply and reticulation	Tender	9.5	-	3.5	4.4	-	-
Pretoria, old Cooperation building: Upgrading of network centre	Upgrading of a network centre	Construction	0.3	-	0.3	-	-	-
Cape Town, Deeds Office: Clearance of construction site	Clearance of construction site	Identification	0.4	-	0.1	0.0	-	-
Office accommodation: Maintenance and repairs	Maintenance and repairs	Various	3.9	-	-	-	-	-
Office accommodation: Maintenance and repairs	Maintenance and repairs	Various	2.4	-	-	-	-	-
<b>Total</b>			<b>110.1</b>	<b>2.8</b>	<b>6.9</b>	<b>20.8</b>	<b>2.2</b>	<b>-</b>

# Vote 34

## Science and Technology

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	268.2	254.4	11.6	2.2	291.0	309.2
Research, Development and Innovation	1 627.1	57.5	1 569.6	–	1 603.9	1 702.0
International Cooperation and Resources	148.4	61.6	86.8	–	157.2	164.4
Human Capital and Knowledge Systems	2 476.8	35.6	2 441.2	–	2 683.5	3 417.8
Socio Economic Partnerships	1 677.6	44.9	1 632.7	–	1 864.7	2 050.9
<b>Total expenditure estimates</b>	<b>6 198.2</b>	<b>454.1</b>	<b>5 741.9</b>	<b>2.2</b>	<b>6 600.2</b>	<b>7 644.3</b>
Executive authority	Minister of Science and Technology					
Accounting officer	Director General of Science and Technology					
Website address	<a href="http://www.dst.gov.za">www.dst.gov.za</a>					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Realise the full potential of science and technology in social and economic development by developing human resources, research and innovation.*

### Mandate

The Department of Science and Technology executes its mandate through the implementation of the 1996 White Paper on Science and Technology, the national research and development strategy and the 10-year innovation plan. The plan aims to make science and technology a driving force in enhancing productivity, economic growth and socioeconomic development.

### Strategic goals

The department's strategic goals over the medium term are to:

- develop the innovation capacity of the national system of innovation in order to contribute to socioeconomic development
- enhance South Africa's capacity for generating knowledge to produce world class research outputs and turn some advanced findings into innovation products and processes
- develop appropriate human capital in the science, technology and innovation sector to meet the needs of society
- build world class infrastructure in the science, technology and innovation sectors to extend the frontiers of knowledge, train the next generation of researchers, and enable technology development and transfer as well as knowledge exchange
- position South Africa as a strategic international research and development and innovation partner and destination through the exchange of knowledge, capacity and resources between South Africa and its regional and other international partners, thus strengthening the national system of innovation.

## Programme purposes

### Programme 1: Administration

**Purpose:** Conduct the overall management of the department. Ensure that organisations funded by the department comply with good corporate governance and that their activities are aligned with the strategic focus of the national system of innovation. Monitor and evaluate the performance of the science councils.

### Programme 2: Research, Development and Innovation

**Purpose:** Facilitate knowledge generation and exploitation through research and development in the key priority areas of space science, bioeconomy and energy. Promote the expansion of South Africa's knowledge stock by stimulating the development of innovative and viable products and services, together with their commercialisation, where appropriate.

### Programme 3: International Cooperation and Resources

**Purpose:** Develop, promote and manage international relationships, opportunities and science and technology agreements that both strengthen the national system of innovation and enable an exchange of knowledge, capacity and resources between South Africa and its regional and international partners.

### Programme 4: Human Capital and Knowledge Systems

**Purpose:** Provide leadership to foster an innovative and competitive society with skilled human capital, superior knowledge and research infrastructure.

### Programme 5: Socio Economic Partnerships

**Purpose:** Enhance the growth and development priorities of government through targeted science and technology interventions and the development of strategic partnerships with other government departments, industry, research institutions and communities.

## Selected performance indicators

**Table 34.1 Science and Technology**

Indicator	Programme	Outcomes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of knowledge and innovation products (patents, prototypes, technology demonstrators or technology transfer packages) added to the intellectual property portfolio through fully funded or co-funded research initiatives per year	Socio Economic Partnerships	Outcome 5: A skilled and capable workforce to support an inclusive growth path	19	59	14	37 <sup>2</sup>	17	22	27
Total number of companies on a register of companies receiving technology assistance packages	Socio Economic Partnerships	Outcome 4: Decent employment through inclusive economic growth	24	24	24	50	72	130	160
Total number of postgraduate research students awarded bursaries, as reflected in the National Research Foundation's project reports	Human Capital and Knowledge Systems	Outcome 5: A skilled and capable workforce to support an inclusive growth path	5 131	5 644	7 083	6 100	8 933	8 856	12 920
Total number of researchers awarded research grants through National Research Foundation managed programmes, as reflected in the foundation project reports	Human Capital and Knowledge Systems		2 442	2 519	2 886	2 600	3 650	3 820	3 820



**Table 34.1 Science and Technology (continued)**

Indicator	Programme	Outcomes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of foreign science, technology and innovative funds secured for knowledge production, technology transfer, enhanced innovation and science, technology and innovative human capital development from international partners through agreed instruments per year	International Cooperation and Resources	Outcome 5: A skilled and capable workforce to support an inclusive growth path	R230m	R196.3m	R285m	R240m	R300m	R330m	R360m
Number of foreign participants per year (representing the links to global knowledge and science, technology and innovative networks) collaborating with South African participants in knowledge production, technology transfer, enhanced innovation, and human capital development as agreed with foreign partners	International Cooperation and Resources		-1	-1	3 460	800	3 985	4 095	4 485
Number of small and medium enterprises provided with technology support per year	Socio Economic Partnerships	Outcome 4: Decent employment through inclusive economic growth	1 594	1 791	1 918	1 928	2 300	3 000	3 800

1. The use of this indicator began in 2011/12, hence there is no data in these years.

2. The achievement of 37 reflects a combined contribution from programmes 2, 4 and 5 as per the commitment in the 2012 ENE.

## The national development plan

The national development plan considers science, technology and innovation as key aspects of the South African developmental agenda, and their contribution informs the discussion throughout the plan. Science and technology are crucial to equitable economic growth because advances in these fields underpin economic advances, education, and improvements in health systems and all infrastructure. In order to realise the potential of technology as an engine of growth, investment needs to be made in scientific and technological education and the population empowered, through access to knowledge and skills, to use technology efficiently.

The department's alignment with the objectives of the plan is demonstrated particularly by the success of South Africa's recent bid to host the Square Kilometre Array radio telescope. It will be the most powerful telescope ever built and, significantly, the project promises to greatly enhance the country's scientific reputation, as well as providing a considerable number of jobs and opportunities.

The department will continue to align its strategies and plans with the priorities and key drivers of the national development plan and through ongoing investment focused on human capital development in various programmes, including financial support for research and development initiatives to improve education, training and innovation. The plan proposes the country should double the number of first rate scientists by 2030, which the department addresses through a number of its programmes.

The department will also provide economic infrastructure to enable technological innovation through platforms such as the provision of high speed broadband networks and the South African National Research Network. An additional focus of the department is on stimulating technology innovation within industry and small business through the department's business support programmes. Some of these initiatives include the research and development tax incentive programme, and technology assistance packages to small, medium and micro enterprises (SMMEs), and contributing to employment creation and economic growth. Research in the department contributes to industrial development opportunities in a variety of niche areas such as global change and earth systems sciences, advanced manufacturing, advanced metals as well as ICTs.

## Expenditure estimates

**Table 34.2 Science and Technology**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R million													
Administration	159.1	188.9	195.6	229.4	229.4	13.0%	4.4%	268.2	291.0	309.2	10.5%	4.3%	
Research, Development and Innovation	1 141.4	802.8	854.9	1 142.8	1 142.8	0.0%	22.3%	1 627.1	1 603.9	1 702.0	14.2%	23.9%	
International Cooperation and Resources	117.5	131.4	132.3	139.3	139.3	5.8%	3.0%	148.4	157.2	164.4	5.7%	2.4%	
Human Capital and Knowledge Systems	1 591.4	1 754.1	1 956.3	2 064.7	2 064.7	9.1%	41.8%	2 476.8	2 683.5	3 417.8	18.3%	41.8%	
Socio Economic Partnerships	1 174.6	1 174.7	1 264.4	1 423.4	1 423.4	6.6%	28.6%	1 677.6	1 864.7	2 050.9	12.9%	27.6%	
<b>Total</b>	<b>4 183.9</b>	<b>4 051.9</b>	<b>4 403.5</b>	<b>4 999.6</b>	<b>4 999.6</b>	<b>6.1%</b>	<b>100.0%</b>	<b>6 198.2</b>	<b>6 600.2</b>	<b>7 644.3</b>	<b>15.2%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				43.7	43.7			620.5	579.4	1 549.2			

**Economic classification**

<b>Current payments</b>	<b>284.2</b>	<b>331.7</b>	<b>345.9</b>	<b>409.3</b>	<b>409.3</b>	<b>12.9%</b>	<b>7.8%</b>	<b>454.1</b>	<b>487.2</b>	<b>510.0</b>	<b>7.6%</b>	<b>7.3%</b>
Compensation of employees	167.5	190.6	207.2	247.6	247.6	13.9%	4.6%	260.7	283.8	301.0	6.7%	4.3%
Goods and services	116.8	140.7	138.3	161.7	161.7	11.5%	3.2%	193.3	203.4	209.0	8.9%	3.0%
<i>of which:</i>												
<i>Consultants and professional services: Business and advisory services</i>	7.3	9.7	3.9	14.7	14.7	26.5%	0.2%	16.0	17.3	17.8	6.6%	0.3%
<i>Agency and support / outsourced services</i>	19.3	16.6	24.8	14.9	14.9	-8.4%	0.4%	16.2	15.5	15.5	1.3%	0.2%
<i>Travel and subsistence</i>	27.9	38.6	33.9	40.1	40.1	12.9%	0.8%	45.1	46.9	46.6	5.1%	0.7%
<i>Venues and facilities</i>	5.1	9.6	13.2	9.6	9.6	23.3%	0.2%	17.8	20.6	21.6	30.8%	0.3%
Interest and rent on land	-	0.3	0.5	-	-	-	0.0%	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>3 891.9</b>	<b>3 709.6</b>	<b>4 050.4</b>	<b>4 587.7</b>	<b>4 587.7</b>	<b>5.6%</b>	<b>92.1%</b>	<b>5 741.9</b>	<b>6 110.6</b>	<b>7 131.9</b>	<b>15.8%</b>	<b>92.6%</b>
Departmental agencies and accounts	2 318.3	2 243.1	2 599.3	3 063.4	3 063.4	9.7%	58.0%	4 174.9	4 463.4	5 401.1	20.8%	67.2%
Higher education institutions	113.4	173.2	151.1	-	-	-100.0%	2.5%	-	-	-	-	-
Public corporations and private enterprises	1 185.8	1 246.3	1 245.8	1 015.7	1 015.7	-5.0%	26.6%	1 034.2	1 082.8	1 136.7	3.8%	16.8%
Non-profit institutions	273.6	46.1	53.6	508.6	508.6	23.0%	5.0%	532.8	564.5	594.2	5.3%	8.6%
Households	0.7	1.0	0.6	-	-	-100.0%	0.0%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>7.7</b>	<b>10.6</b>	<b>6.9</b>	<b>2.6</b>	<b>2.6</b>	<b>-30.5%</b>	<b>0.2%</b>	<b>2.2</b>	<b>2.3</b>	<b>2.4</b>	<b>-2.1%</b>	<b>0.0%</b>
Machinery and equipment	7.7	10.6	6.9	2.6	2.6	-30.5%	0.2%	2.2	2.3	2.4	-2.1%	0.0%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.0</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>4 183.9</b>	<b>4 051.9</b>	<b>4 403.5</b>	<b>4 999.6</b>	<b>4 999.6</b>	<b>6.1%</b>	<b>100.0%</b>	<b>6 198.2</b>	<b>6 600.2</b>	<b>7 644.3</b>	<b>15.2%</b>	<b>100.0%</b>

## Personnel information

**Table 34.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
	Number of funded posts	Number of posts additional to the establishment	Actual 2011/12			Revised estimate <sup>3</sup> 2012/13			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
Number			Cost	Unit Cost	Number	Cost	Unit Cost	2013/14		2014/15		2015/16		2012/13 - 2015/16					
<b>Science and Technology</b>																			
<b>Salary level</b>	<b>470</b>	<b>-</b>	<b>409</b>	<b>207.2</b>	<b>0.5</b>	<b>413</b>	<b>247.6</b>	<b>0.6</b>	<b>470</b>	<b>260.7</b>	<b>0.6</b>	<b>470</b>	<b>283.8</b>	<b>0.6</b>	<b>470</b>	<b>301.0</b>	<b>0.6</b>	<b>4.4%</b>	<b>100.0%</b>
1 - 6	61	-	48	5.6	0.1	51	11.4	0.2	61	11.5	0.2	61	12.3	0.2	61	12.7	0.2	6.1%	12.8%
7 - 10	146	-	122	36.8	0.3	121	48.6	0.4	146	50.2	0.3	146	54.3	0.4	146	56.6	0.4	6.5%	30.7%
11 - 12	156	-	136	70.7	0.5	137	84.8	0.6	156	89.6	0.6	156	98.7	0.6	156	103.1	0.7	4.4%	33.2%
13 - 16	107	-	103	94.0	0.9	104	102.7	1.0	107	109.3	1.0	107	118.6	1.1	107	128.5	1.2	1.0%	23.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on funding the development of human capital and the generation and exploration of knowledge, investing in research and development infrastructure, and encouraging South African innovation by funding marketable products emerging from research and incubation. Thus the bulk of the department's budget is spent on transfers and subsidies, such as the transfer to the National Research Foundation through the *Human Capital and Knowledge Systems* programme. The National Research Foundation uses the funds for the upkeep of national research facilities and to provide bursaries for postgraduate students in the field of science and technology to provide the skills development needed to create a knowledge economy.

The department was allocated R59 million in the 2012 budget from the economic competitiveness and support package in aid of the internship programme and research into satellite development, titanium and nanotechnology.

The 2013 Budget sets out additional funding of R3.1 billion over the medium term to the department as follows:

- R1.1 billion for the Square Kilometre Array project through the *Research, Development and Innovation* programme
- R400 million for human capital development and R605 million for the modernisation of research infrastructure through the *Human Capital and Knowledge Systems* programme
- R910 million from the economic competitiveness and support package in aid of the National Intellectual Property Management Office, technology stations and the industry innovation partnership fund
- R125 million for improved conditions of service in the department and its public entities.

The department has reprioritised R160 million over the medium term from the line function programmes, mainly in spending on goods and services, to centralise all communication related activities within the *Administration* programme and increase transfers to non-profit institutions for science research. R30.5 million has been reprioritised to the South African National Space Agency, R11.1 million to global science and R3 million for spending on goods and services in the *Human Capital and Knowledge Systems* programme.

The department has a funded establishment of 470 posts, 57 of which were vacant as at 30 September 2012. The vacancies were mostly in the *Administration* programme, were a result of natural attrition and are in the process of being filled. The ratio of support staff to line function staff is 1:6.

The department will spend R45 million of its total allocation in 2013/14 on consultants to support critical skills and to provide technical expertise. Spending on consultants is expected to increase over the medium term as a result of an anticipated increase in the scope and number of projects undertaken.

### Infrastructure spending

#### *Mega project: Square Kilometre Array*

The Square Kilometre Array Organisation awarded a large portion of the final Square Kilometre Array project to South Africa and its 8 African partner countries. The construction of the Square Kilometre Array telescope is expected to begin in 2016/17. In the period leading up to the start of construction, South Africa will build the 64-dish antennae radio telescope, MeerKAT. The first MeerKAT antenna is scheduled for completion in 2013/14. The MeerKAT telescope and associated infrastructure are due for completion in 2016/17. R1.9 billion has been allocated over the medium term toward the Square Kilometre Array project, which includes MeerKAT.

#### *Large project: Research and development infrastructure*

Over the medium term, R279.5 million has been allocated for infrastructure required to provide the scientific community with research and development facilities that are state of the art to ensure the country's global competitiveness in research, development and innovation. In 2012/13, the department adopted an infrastructure framework that identifies 5 research and development infrastructure categories: scientific equipment, specialised facilities, high end infrastructure, cyber infrastructure and global infrastructure. The department uses the framework to strategically disburse the infrastructure funding allocations over the MTEF period.

About 50 per cent of the funding over the MTEF period is allocated within the scientific equipment category for the National Research Foundation to implement the national equipment and nanotechnology programmes. Over the medium term, R36 million has been allocated within the high end infrastructure category for a lithium

battery development laboratory, a titanium additive manufacturing laboratory and the development of a primary titanium pilot plant. Over the same period, R70 million has been committed within the specialised facilities category. More than a third of this was allocated to the critical infrastructure needs of the National Research Foundation's national facilities.

Since 2009/10, the department has invested R1 billion towards the establishment of the cluster of individual cyber infrastructure components, namely the South African National Research Network and the Centre for High Performance Computing. In 2012/13, R99 million was allocated for South African National Research Network to continue the roll out of broadband connectivity to all universities, science councils and other research institutions. The major campuses of all universities were to be connected by 2012/13 and form part of a total of 138 connected research sites nationally. Part of the investment of R86 million to the Centre for High Performance Computing was used to upgrade infrastructure in October 2011, resulting in the centre being recognised in February 2012 as one of the top 500 supercomputers globally.

## Departmental receipts

Table 34.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R thousand												
<b>Departmental receipts</b>	1 585	468	1 365	1 008	1 200	-8.9%	100.0%	116	116	121	-53.5%	100.0%
<b>Sales of goods and services produced by department</b>	30	35	56	83	46	15.3%	3.6%	28	28	29	-14.3%	8.4%
Other sales	30	35	56	83	46	15.3%	3.6%	28	28	29	-14.3%	8.4%
<i>of which:</i>												
<i>Service rendered:</i>												
<i>Commission on insurance</i>	28	32	56	83	46	18.0%	3.5%	27	27	28	-15.3%	8.2%
<i>Replacement of security cards</i>	2	3	-	-	-	-100.0%	0.1%	1	1	1	-	0.2%
<b>Interest, dividends and rent on land</b>	3	8	7	-	3	-	0.5%	8	8	8	38.7%	1.7%
Interest	3	8	7	-	1	-30.7%	0.4%	8	8	8	100.0%	1.6%
Rent on land	-	-	-	-	2	-	-	-	-	-	-100.0%	0.1%
<b>Sales of capital assets</b>	-	-	257	577	599	-	18.5%	-	-	-	-100.0%	38.6%
<b>Transactions in financial assets and liabilities</b>	1 552	425	1 045	348	552	-29.1%	77.4%	80	80	84	-46.6%	51.3%
<b>Total</b>	1 585	468	1 365	1 008	1 200	-8.9%	100.0%	116	116	121	-53.5%	100.0%

## Programme 1: Administration

### Expenditure estimates

Table 34.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Ministry	3.2	3.3	3.5	3.7	4.8%	1.8%	3.9	4.1	4.3	5.0%	1.4%
Management	58.2	64.8	63.7	86.6	14.1%	35.4%	90.3	102.2	107.1	7.3%	35.2%
Corporate Services	90.3	113.2	119.7	126.6	11.9%	58.2%	160.9	170.7	183.3	13.1%	58.4%
Governance	5.8	5.4	5.9	8.4	13.4%	3.3%	8.8	9.3	9.7	4.9%	3.3%
Office Accommodation	1.7	2.1	2.9	4.2	36.1%	1.4%	4.4	4.7	4.9	5.3%	1.7%
<b>Total</b>	159.1	188.9	195.6	229.4	13.0%	100.0%	268.2	291.0	309.2	10.5%	100.0%
Change to 2012 Budget estimate				26.8			55.9	60.5	-		

Table 34.5 Administration (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Economic classification</b>											
<b>Current payments</b>	<b>151.6</b>	<b>179.5</b>	<b>189.7</b>	<b>226.4</b>	<b>14.3%</b>	<b>96.7%</b>	<b>254.4</b>	<b>276.6</b>	<b>294.0</b>	<b>9.1%</b>	<b>95.8%</b>
Compensation of employees	82.6	94.3	102.9	120.9	13.5%	51.8%	123.2	137.0	147.4	6.8%	48.2%
Goods and services	68.9	85.0	86.5	105.5	15.2%	44.8%	131.2	139.5	146.5	11.6%	47.6%
<i>of which:</i>											
<i>Consultants and professional services:</i>	3.6	4.9	2.2	10.2	42.1%	2.7%	10.3	11.0	11.5	3.9%	3.9%
<i>Business and advisory services</i>											
<i>Agency and support / outsourced services</i>	9.4	9.9	13.4	5.1	-18.2%	4.9%	7.4	7.8	8.2	16.6%	2.6%
<i>Travel and subsistence</i>	11.6	17.4	16.5	23.1	25.8%	8.9%	24.3	25.0	25.7	3.6%	8.9%
<i>Venues and facilities</i>	1.6	3.2	6.1	4.7	43.8%	2.0%	14.1	16.2	17.4	54.8%	4.8%
Interest and rent on land	-	0.2	0.3	-	-	0.1%	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1.0</b>	<b>1.4</b>	<b>1.0</b>	<b>1.0</b>	<b>-0.2%</b>	<b>0.6%</b>	<b>11.6</b>	<b>12.1</b>	<b>12.8</b>	<b>133.9%</b>	<b>3.4%</b>
Higher education institutions	0.1	0.1	0.3	-	-100.0%	0.1%	-	-	-	-	-
Public corporations and private enterprises	-	0.3	-	-	-	-	-	-	-	-	-
Non-profit institutions	0.4	0.6	0.7	1.0	33.7%	0.4%	11.6	12.1	12.8	133.9%	3.4%
Households	0.5	0.4	0.1	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>6.5</b>	<b>7.9</b>	<b>4.8</b>	<b>2.1</b>	<b>-31.6%</b>	<b>2.7%</b>	<b>2.2</b>	<b>2.3</b>	<b>2.4</b>	<b>5.3%</b>	<b>0.8%</b>
Machinery and equipment	6.5	7.9	4.8	2.1	-31.6%	2.7%	2.2	2.3	2.4	5.3%	0.8%
<b>Payments for financial assets</b>	<b>0.1</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>159.1</b>	<b>188.9</b>	<b>195.6</b>	<b>229.4</b>	<b>13.0%</b>	<b>100.0%</b>	<b>268.2</b>	<b>291.0</b>	<b>309.2</b>	<b>10.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>3.8%</b>	<b>4.7%</b>	<b>4.4%</b>	<b>4.6%</b>			<b>4.3%</b>	<b>4.4%</b>	<b>4.0%</b>		

## Details of selected transfers and subsidies

Non-profit institutions											
Current											
Institutional and programme support	0.4	0.6	0.7	1.0	33.7%	0.4%	11.6	12.1	12.8	133.9%	3.4%

## Personnel information

Table 34.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)				
		2011/12	2011/12	2011/12	2012/13	2012/13	2012/13	2013/14	2013/14	2013/14	2014/15	2014/15	2015/16			2015/16			
<b>Administration</b>		Unit			Unit			Unit			Unit			Unit					
<b>Salary level</b>	<b>259</b>	<b>-</b>	<b>218</b>	<b>102.9</b>	<b>0.5</b>	<b>221</b>	<b>120.9</b>	<b>0.5</b>	<b>259</b>	<b>123.2</b>	<b>0.5</b>	<b>259</b>	<b>137.0</b>	<b>0.5</b>	<b>259</b>	<b>147.4</b>	<b>0.6</b>	<b>5.4%</b>	<b>100.0%</b>
1 – 6	45	-	35	2.7	0.1	35	7.7	0.2	45	7.7	0.2	45	8.4	0.2	45	8.7	0.2	8.7%	17.0%
7 – 10	102	-	79	22.7	0.3	81	32.1	0.4	102	31.7	0.3	102	34.8	0.3	102	36.3	0.4	8.0%	38.8%
11 – 12	69	-	57	28.5	0.5	58	31.9	0.6	69	33.9	0.5	69	39.1	0.6	69	40.7	0.6	6.0%	26.6%
13 – 16	43	-	47	49.0	1.0	47	49.2	1.0	43	49.9	1.2	43	54.8	1.3	43	61.8	1.4	-2.9%	17.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will continue to be on the overall management of the department and providing centralised support services to ensure good corporate governance practices.

The increase in expenditure between 2009/10 to 2012/13 is attributed to the expansion of executive support in 2010/11, informed by normal operations, the procurement of a performance information management system in 2011/12, and the establishment of a ministerial public participation programme as required by government regulations for performance monitoring. This increase is also due to the ministerial committee commissioned to review the current science, technology and innovation landscape of South Africa in 2012/13. This accounts for

the increased expenditure over this period in the *Management, Corporate Services, Governance and Office Accommodation* subprogrammes, and the increase over this period in expenditure on consultants, venues and facilities, and inventories.

Spending on travel and subsistence increased significantly between 2009/10 and 2012/13 because of the ministerial review having been conducted, as well as the National Advisory Council on Innovation having been housed in this programme, the result of which can also be observed in spending in the *Management* subprogramme.

Over the medium term, expenditure in the *Corporate Services* subprogramme is projected to increase following the centralisation of certain activities to this subprogramme in 2012/13. These include communication, asset management, information services, knowledge management, inventory and facilities management. The activities were centralised to realise the benefits of strategic sourcing. In addition, funding for improved conditions of service contributed to the substantial increases in spending in this programme.

The programme has a funded establishment of 259 posts, 38 of which were vacant as at 30 September 2012. These vacancies were mostly as a result of natural attrition and are in the process of being filled. Between 2009/10 and 2012/13, expenditure on consultants increased due to the increased use of management advisory services. Spending on consultants is expected to increase to R31.4 million in 2015/16.

## **Programme 2: Research, Development and Innovation**

### **Objectives**

- Promote a knowledge based economy by:
  - supporting ongoing research development and the demonstration of technology centred solutions to increase economic competitiveness
  - increasing the number of research and development initiatives in biosciences, hydrogen and energy related fields from 6 in 2012/13 to 14 in 2015/16
  - completing 56 MeerKAT antennae by 2015/16
  - supporting a total of 12 technology solutions, proofs of concepts, pilots or demonstrators by 2015/16
  - supporting the development of 115 technology based products and/or processes by 2015/16
  - supporting 69 technology solutions that are applied in all markets, and 50 Technology Innovation Agency investments by 2015/16.
- Provide system based leadership and support to optimise the use of technology based solutions by:
  - developing 14 policy recommendations, briefs and directives by 2014/15
  - developing and publishing guidelines and practice notes by 2015/16 to enable the implementation of the intellectual property rights from the Publicly Financed Research and Development Act (2008)
  - supporting 12 offices of technology transfers by 2015/16.

### **Subprogrammes**

- *Space Science* focuses on creating the necessary strategic and institutional regimes for the development of a viable space programme and a functional Earth observation system. This entails providing strategic leadership on the Square Kilometre Array telescope, and addressing governance issues in relation to the international consortium. In 2012/13, R230.6 million was used for the Square Kilometre Array project and R96 million was transferred to the South African National Space Agency. In 2013/14, the Square Kilometre Array research and technology development demonstrator, MeerKAT, will produce its first of 4 antennae; and the development of the African Very Long Baseline Interferometry Network will be enhanced by the South Africa-Ghana partnership to set up a radio telescope in Ghana. This subprogramme had a staff complement of 7 in 2012/13.
- *Hydrogen and Energy* provides policy direction in long term and cross-cutting research, development and innovation in the energy sector. This entails playing a key role in developing a sustainable and globally competitive South African energy knowledge base and industry that will ensure broader socioeconomic benefits for the country from the global hydrogen economy. Bursaries are also funded through the National Research Foundation. The department describes its priority agenda in terms of grand challenges, of which

energy is one. In 2012/13, R130.8 million was spent on transfers and subsidies for the energy grand challenge and the hydrogen strategy. Over the medium term, the focus will be on implementing the hydrogen strategy through the 3 established centres of competence to facilitate human capacity development, research and the commercialisation of companies. This subprogramme had a staff complement of 11 in 2012/13.

- *Biotechnology and Health* provides policy leadership for developing a world class bioeconomy in South Africa; and supports health interventions aimed at combating infectious diseases, such as HIV and AIDS, malaria and tuberculosis. This entails implementing innovation instruments that provide financial, intellectual property and innovation management support. In 2012/13, R104.6 million was used for health innovation research, implementing the biotechnology strategy, and HIV and AIDS prevention and treatment technologies. Over the medium term, the focus will be on increasing the number and quality of South African developed products and services for the prevention and treatment of HIV and AIDS, malaria, tuberculosis, and some non-communicable diseases through the increased support for basic and applied research, leading to the potential development of new drugs, microbicides, vaccines and diagnostics. This subprogramme had a staff complement of 12 in 2012/13.
- *Innovation Planning and Instruments* drives strategic interventions and creates support instruments that enable the national system of innovation to translate a greater portion of its research and development and intellectual property into diversified products, services, spin-offs and new industries. This entails overseeing and governing the Technology Innovation Agency and the National Intellectual Property Management Office, which was established in 2011 as an interim office within the department to identify, disclose, protect, manage and commercialise intellectual property referred to it by a recipient of public research and development funds. In 2012/13, specific activities relating to these entities included reviewing the Technology Innovation Agency, and crafting a feasibility study in consultation with the treasury's technical assistance unit for the establishment of the National Intellectual Property Management Office as a special services delivery unit. This subprogramme had a staff complement of 15 in 2012/13.

## Expenditure estimates

**Table 34.7 Research, Development and Innovation**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10	2012/13	2013/14	2014/15	2015/16		
R million											
Space Science	575.2	88.6	130.8	373.6	-13.4%	29.6%	809.3	833.7	891.8	33.6%	47.9%
Hydrogen and Energy	146.8	130.8	145.6	146.0	-0.2%	14.4%	148.0	156.6	163.7	3.9%	10.1%
Biotechnology and Health	253.9	154.0	102.7	128.6	-20.3%	16.2%	130.4	136.5	142.7	3.5%	8.9%
Innovation Planning and Instruments	165.5	429.3	475.8	494.7	44.0%	39.7%	539.5	477.0	503.8	0.6%	33.2%
<b>Total</b>	<b>1 141.4</b>	<b>802.8</b>	<b>854.9</b>	<b>1 142.8</b>	-	<b>100.0%</b>	<b>1 627.1</b>	<b>1 603.9</b>	<b>1 702.0</b>	<b>14.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(13.6)			309.5	164.0	(100.0)		

### Economic classification

	2009/10	2010/11	2011/12	2012/13	15.4%	4.1%	57.5	61.0	63.8	8.4%	3.8%
<b>Current payments</b>	<b>32.5</b>	<b>37.2</b>	<b>43.1</b>	<b>50.0</b>	<b>15.4%</b>	<b>4.1%</b>	<b>57.5</b>	<b>61.0</b>	<b>63.8</b>	<b>8.4%</b>	<b>3.8%</b>
Compensation of employees	17.1	21.2	25.2	32.6	23.9%	2.4%	35.3	39.0	40.8	7.8%	2.4%
Goods and services	15.4	16.0	17.8	17.4	4.2%	1.7%	22.2	21.9	22.9	9.6%	1.4%
of which:											
Consultants and professional services: Business and advisory services	0.1	1.4	1.0	0.9	155.7%	0.1%	0.9	0.9	1.0	4.4%	0.1%
Agency and support / outsourced services	5.8	3.1	6.2	5.3	-2.7%	0.5%	7.6	6.5	6.8	8.2%	0.4%
Travel and subsistence	4.4	4.6	4.6	2.9	-13.0%	0.4%	3.8	4.0	4.2	13.2%	0.2%
Venues and facilities	0.6	1.6	1.8	0.3	-23.6%	0.1%	0.3	0.3	0.3	4.4%	-

Table 34.7 Research, Development and Innovation (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
<b>Transfers and subsidies</b>	<b>1 108.5</b>	<b>763.8</b>	<b>811.1</b>	<b>1 092.6</b>	<b>-0.5%</b>	<b>95.8%</b>	<b>1 569.6</b>	<b>1 542.9</b>	<b>1 638.3</b>	<b>14.5%</b>	<b>96.2%</b>
Departmental agencies and accounts	748.9	513.5	640.3	914.2	6.9%	71.5%	1 389.4	1 351.9	1 438.5	16.3%	83.8%
Higher education institutions	82.9	124.8	105.1	–	-100.0%	7.9%	–	–	–	–	–
Public corporations and private enterprises	103.4	124.8	60.1	–	-100.0%	7.3%	–	–	–	–	–
Non-profit institutions	173.3	0.8	5.7	178.3	1.0%	9.1%	180.3	191.0	199.7	3.8%	12.3%
<b>Payments for capital assets</b>	<b>0.3</b>	<b>1.7</b>	<b>0.7</b>	<b>0.2</b>	<b>-12.1%</b>	<b>0.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>
Machinery and equipment	0.3	1.7	0.7	0.2	-12.1%	0.1%	–	–	–	-100.0%	–
<b>Total</b>	<b>1 141.4</b>	<b>802.8</b>	<b>854.9</b>	<b>1 142.8</b>	<b>–</b>	<b>100.0%</b>	<b>1 627.1</b>	<b>1 603.9</b>	<b>1 702.0</b>	<b>14.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>27.3%</b>	<b>19.8%</b>	<b>19.4%</b>	<b>22.9%</b>			<b>26.3%</b>	<b>24.3%</b>	<b>22.3%</b>		

## Details of selected transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	256.7	513.5	640.3	695.5	39.4%	53.4%	761.2	704.1	737.5	2.0%	47.7%
Biofuels	–	5.0	5.0	–	–	0.3%	–	–	–	–	–
Biotechnology strategy	50.4	15.8	19.5	–	-100.0%	2.2%	–	–	–	–	–
Energy grand challenge	0.5	0.2	11.8	45.4	349.6%	1.5%	41.7	44.0	45.9	0.4%	2.9%
Health innovation	16.0	12.4	28.5	–	-100.0%	1.4%	–	–	–	–	–
HIV and AIDS prevention and treatment technologies	–	18.2	4.3	20.3	–	1.1%	21.3	22.6	23.6	5.3%	1.4%
Innovation projects	7.0	5.5	3.0	19.2	39.9%	0.9%	37.0	43.6	45.0	32.8%	2.4%
Innovation fund	149.2	–	–	–	-100.0%	3.8%	–	–	–	–	–
International Centre for Generic Engineering and Biotechnology	9.9	9.9	–	10.4	1.5%	0.8%	10.9	11.6	12.1	5.3%	0.7%
Space science	–	6.1	–	36.0	–	1.1%	45.0	40.0	37.5	1.3%	2.6%
Square Kilometre Array	12.0	12.6	10.8	11.8	-0.4%	1.2%	12.5	13.2	13.8	5.3%	0.8%
Technology Innovation Agency	–	410.6	433.8	456.3	–	33.0%	481.1	410.7	435.2	-1.6%	29.4%
South African National Space Agency	–	–	106.7	96.0	–	5.1%	111.7	118.3	124.4	9.0%	7.4%
Hydrogen strategy	11.7	17.2	16.9	–	-100.0%	1.2%	–	–	–	–	–
<b>Capital</b>	<b>492.2</b>	<b>–</b>	<b>–</b>	<b>218.7</b>	<b>-23.7%</b>	<b>18.0%</b>	<b>628.1</b>	<b>647.8</b>	<b>701.1</b>	<b>47.4%</b>	<b>36.1%</b>
Space science	1.9	–	–	–	-100.0%	–	–	–	–	–	–
Square Kilometre Array	490.3	–	–	218.7	-23.6%	18.0%	628.1	647.8	701.1	47.4%	36.1%
Non-profit institutions											
Current	173.3	0.8	5.7	123.8	-10.6%	7.7%	122.9	130.3	136.2	3.2%	8.4%
Biofuels	5.0	–	–	5.6	3.6%	0.3%	5.9	6.2	6.5	5.3%	0.4%
Biotechnology strategy	123.9	–	–	42.8	-29.9%	4.2%	37.7	39.9	41.7	-0.9%	2.7%
Energy grand challenge	5.0	–	2.5	–	-100.0%	0.2%	–	–	–	–	–
Health innovation	17.6	–	2.8	41.6	33.3%	1.6%	43.7	46.3	48.5	5.2%	3.0%
HIV and AIDS prevention and treatment technologies	17.2	–	–	–	-100.0%	0.4%	–	–	–	–	–
Innovation projects	3.0	–	0.2	–	-100.0%	0.1%	–	–	–	–	–
Space science	0.7	0.8	–	–	-100.0%	–	–	–	–	–	–
Technology top 100	–	–	–	3.0	–	0.1%	3.2	3.4	3.5	5.3%	0.2%
Hydrogen strategy	0.8	–	0.2	30.9	237.9%	0.8%	32.5	34.4	36.0	5.3%	2.2%
<b>Capital</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>54.5</b>	<b>–</b>	<b>1.4%</b>	<b>57.3</b>	<b>60.8</b>	<b>63.6</b>	<b>5.3%</b>	<b>3.9%</b>
Hydrogen strategy	–	–	–	54.5	–	1.4%	57.3	60.8	63.6	5.3%	3.9%
Public corporations and private enterprises											
Private enterprises											
Other transfers to private enterprises											
Current	–	–	10.6	–	–	0.3%	–	–	–	–	–
Innovation projects	–	–	5.3	–	–	0.1%	–	–	–	–	–
For Technology top 100	–	–	5.3	–	–	0.1%	–	–	–	–	–
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											



Table 34.7 Research, Development and Innovation (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Current</b>	<b>69.4</b>	<b>89.3</b>	<b>49.5</b>	-	-100.0%	5.3%	-	-	-	-	-
Biofuels	-	-	0.3	-	-	-	-	-	-	-	-
Biotechnology strategy	1.7	18.2	5.4	-	-100.0%	0.6%	-	-	-	-	-
Energy grand challenge	34.0	23.0	12.5	-	-100.0%	1.8%	-	-	-	-	-
Health innovation	2.0	13.6	7.0	-	-100.0%	0.6%	-	-	-	-	-
HIV and AIDS prevention and treatment technologies	-	-	15.0	-	-	0.4%	-	-	-	-	-
Innovation projects	-	1.1	4.7	-	-	0.1%	-	-	-	-	-
Innovation fund	2.0	-	-	-	-100.0%	0.1%	-	-	-	-	-
Space science	23.1	21.6	-	-	-100.0%	1.1%	-	-	-	-	-
Hydrogen strategy	6.6	11.8	4.7	-	-100.0%	0.6%	-	-	-	-	-
<b>Capital</b>	<b>34.0</b>	<b>35.4</b>	-	-	-100.0%	1.8%	-	-	-	-	-
Space science	34.0	35.4	-	-	-100.0%	1.8%	-	-	-	-	-
<b>Higher education institutions</b>											
<b>Current</b>	<b>38.6</b>	<b>85.8</b>	<b>53.2</b>	-	-100.0%	4.5%	-	-	-	-	-
Biotechnology strategy	4.0	42.0	10.6	-	-100.0%	1.4%	-	-	-	-	-
Energy grand challenge	0.3	18.8	21.8	-	-100.0%	1.0%	-	-	-	-	-
Health innovation	-	11.9	-	-	-	0.3%	-	-	-	-	-
Innovation projects	-	4.2	11.7	-	-	0.4%	-	-	-	-	-
Space science	2.5	-	-	-	-100.0%	0.1%	-	-	-	-	-
Square Kilometre Array	-	-	0.5	-	-	-	-	-	-	-	-
Hydrogen strategy	31.8	9.0	8.6	-	-100.0%	1.3%	-	-	-	-	-
<b>Capital</b>	<b>44.2</b>	<b>39.0</b>	<b>51.9</b>	-	-100.0%	3.4%	-	-	-	-	-
Hydrogen strategy	44.2	39.0	51.9	-	-100.0%	3.4%	-	-	-	-	-

## Personnel information

Table 34.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)				
		2011/12	2012/13		2013/14		2014/15		2015/16										
		Unit			Unit			Unit			Unit								
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
<b>Research, Development and Innovation</b>																			
<b>Salary level</b>	49	-	45	25.2	0.6	42	32.6	0.8	49	35.3	0.7	49	39.0	0.8	49	40.8	0.8	5.3%	100.0%
1-6	4	-	4	0.9	0.2	4	1.1	0.3	4	1.0	0.2	4	1.1	0.3	4	1.1	0.3	-	8.5%
7-10	7	-	7	1.9	0.3	6	2.7	0.4	7	2.6	0.4	7	2.9	0.4	7	3.0	0.4	5.3%	14.3%
11-12	20	-	20	9.8	0.5	18	13.1	0.7	20	13.6	0.7	20	15.1	0.8	20	15.8	0.8	3.6%	41.3%
13-16	18	-	14	12.7	0.9	14	15.8	1.1	18	18.0	1.0	18	20.0	1.1	18	20.9	1.2	8.7%	36.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will continue to be on expanding the South African space agenda by expanding the reach of the South African National Space Agency. This will be done through the South Africa-Ghana partnership project, which aims to set up a radio telescope in Ghana; and by producing the first of the 4 MeerKAT antennae in 2013/14. The focus will also be on expanding the National Intellectual Property Management Office to drive intellectual property generation in South Africa.

Between 2009/10 and 2012/13, expenditure fluctuated due to the creation of the Technology Innovation Agency in 2010/11, the creation of the South African National Space Agency in 2011/12, and the increase in funding for the Square Kilometre Array bid project. Most of the expenditure in 2012/13 went towards the *Innovation Planning and Instruments* subprogramme, largely in the form of transfers to the Technology Innovation Agency, which constituted 40 per cent of the programme's total budget. Other key spending areas over this

period were on items related to the Square Kilometre Array and transfers to the South African National Space Agency.

Over the medium term, spending is expected to increase because of additional allocations of R300 million in 2013/14 and 2014/15 each and R540 million in 2015/16 for the Square Kilometre Array project. The increase is also due to further allocations of R10 million in 2013/14, R15 million in 2014/15 and R15 million in 2015/16 for the support of technology transfer offices of the National Intellectual Property Management Office. The increase is evident in transfers and subsidies to innovation projects. The expansion and rollout of the technology transfers office support is essential to the promotion of effective intellectual property generation and management.

The following amounts were reprioritised in 2012/13 from this programme to the *Administration* programme: R595 000 from the *Space Science* subprogramme, R1.9 million from the *Hydrogen and Energy* subprogramme, R1.4 million from the *Biotechnology and Health* subprogramme and R3.4 million from the *Innovation Planning and Instruments* subprogramme, mostly in spending on goods and services; and transfers to departmental agencies. These amounts will be carried forward over the medium term.

The transfer to the Technology Innovation Agency decreases by R100 million in 2014/15 due to Cabinet approved reductions.

Consultants are used in this programme to provide technical expertise that cannot be furnished by officials in the department. Spending on consultants is equivalent to 2.6 per cent of total spending on compensation of employees in 2013/14. The programme has a funded establishment of 49 posts, 7 of which were vacant as at 30 September 2012. These vacancies are mostly as a result of natural attrition and are in the process of being filled.

## **Programme 3: International Cooperation and Resources**

### **Objectives**

- Stimulate international technology transfer, knowledge production and enhanced innovation in research by securing R990 million in foreign science technology and innovation funds for science and technology based socioeconomic development in South Africa by 31 March 2016.
- Enhance knowledge production, technology transfer, research innovation, and science and technology human capital development by securing R253.3 million in South African and foreign funds by 31 March 2016.
- Increase access to global knowledge and science technology and innovation networks by exposing South African researchers to cooperation opportunities with 12 565 foreign participants by 31 March 2016.
- Promote the next generation of researchers in the international scientific knowledge network to broaden the scope of research and create new knowledge and opportunities by increasing the number of postgraduate students participating in international cooperative science and technology, and human capital development research projects, in support of the national system of innovation, to 2 565 by 31 March 2016.

### **Subprogrammes**

- *Multilateral Cooperation and Africa* seeks to advance African bilateral and multilateral partnerships and global multilateral science, technology and innovation organisations so as to strengthen the national system of innovation and achieve shared economic and social development in the Southern African Development Community (SADC) region and the continent. In 2012/13, R33.6 million was transferred to the Africa Institute of South Africa for the entity's operational expenditure. This subprogramme had a staff complement of 19 in 2012/13.
- *International Resources* works to increase the flow of international resources by creating conditions for access to international science, technology and innovation skills and global projects. This entails promoting the hosting of global research infrastructure in South Africa, the SADC region and the rest of Africa; and facilitating access to international research facilities to benefit researchers and students through the national system of innovation. Activities in 2012/13 focused on outputs relating to the Square Kilometre Array, the

European Organisation for Nuclear Research and the Joint Institute for Nuclear Research. This subprogramme had a staff complement of 14 in 2012/13.

- *Overseas Bilateral Cooperation* promotes and facilitates collaborative activities and leverages off resources in support of the national system of innovation from countries outside Africa, with specific focus on accelerating the development of a knowledge driven economy. In 2013/14, a strategic partnership with Germany titled German-South African Year of Science will conclude; science and technology will form part of the French-South African culture seasons, and new phases of cooperation will be implemented with partners such as Norway and Switzerland. This subprogramme had a staff complement of 23 in 2012/13.

## Expenditure estimates

Table 34.9 International Cooperation and Resources

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Multilateral Cooperation and Africa	54.6	58.2	59.1	57.9	2.0%	44.2%	61.3	65.0	67.9	5.5%	41.4%
International Resources	39.2	39.9	42.6	50.9	9.1%	33.2%	51.9	55.0	57.5	4.1%	35.3%
Overseas Bilateral Cooperation	23.6	33.3	30.5	30.5	8.9%	22.7%	35.2	37.2	38.9	8.4%	23.3%
<b>Total</b>	<b>117.5</b>	<b>131.4</b>	<b>132.3</b>	<b>139.3</b>	<b>5.8%</b>	<b>100.0%</b>	<b>148.4</b>	<b>157.2</b>	<b>164.4</b>	<b>5.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(1.9)			(3.7)	(3.9)	-		
<b>Economic classification</b>											
<b>Current payments</b>	<b>41.6</b>	<b>51.1</b>	<b>48.2</b>	<b>59.9</b>	<b>12.9%</b>	<b>38.6%</b>	<b>61.6</b>	<b>65.1</b>	<b>64.1</b>	<b>2.3%</b>	<b>41.2%</b>
Compensation of employees	27.9	31.2	31.8	35.5	8.3%	24.3%	41.0	43.4	45.4	8.6%	27.1%
Goods and services	13.7	19.9	16.3	24.4	21.4%	14.3%	20.7	21.7	18.7	-8.6%	14.0%
of which:											
Consultants and professional services: Business and advisory services	0.0	0.1	0.2	0.2	378.4%	0.1%	0.2	0.2	0.3	5.3%	0.2%
Agency and support / outsourced services	0.9	0.8	0.7	4.0	63.6%	1.2%	0.8	0.8	0.1	-74.9%	0.9%
Travel and subsistence	6.9	10.0	8.2	9.2	10.1%	6.6%	9.5	9.9	8.4	-2.8%	6.1%
Venues and facilities	2.0	3.6	2.5	4.1	26.8%	2.3%	2.7	2.9	2.8	-12.4%	2.0%
Interest and rent on land	-	0.0	0.1	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>75.6</b>	<b>79.8</b>	<b>83.6</b>	<b>79.4</b>	<b>1.6%</b>	<b>61.2%</b>	<b>86.8</b>	<b>92.1</b>	<b>100.3</b>	<b>8.1%</b>	<b>58.8%</b>
Departmental agencies and accounts	42.8	50.9	52.3	33.6	-7.7%	34.5%	35.2	37.5	39.2	5.2%	23.9%
Higher education institutions	3.8	6.4	5.6	-	-100.0%	3.0%	-	-	-	-	-
Public corporations and private enterprises	26.9	18.2	22.5	-	-100.0%	13.0%	-	-	-	-	-
Non-profit institutions	2.1	4.3	2.9	45.8	179.0%	10.6%	51.6	54.6	61.0	10.1%	35.0%
Households	-	0.0	0.2	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.5</b>	<b>0.5</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	0.2	0.5	0.5	-	-100.0%	0.2%	-	-	-	-	-
<b>Total</b>	<b>117.5</b>	<b>131.4</b>	<b>132.3</b>	<b>139.3</b>	<b>5.8%</b>	<b>100.0%</b>	<b>148.4</b>	<b>157.2</b>	<b>164.4</b>	<b>5.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>2.8%</b>	<b>3.2%</b>	<b>3.0%</b>	<b>2.8%</b>			<b>2.4%</b>	<b>2.4%</b>	<b>2.2%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>42.8</b>	<b>50.9</b>	<b>52.3</b>	<b>33.6</b>	<b>-7.7%</b>	<b>34.5%</b>	<b>35.2</b>	<b>37.5</b>	<b>39.2</b>	<b>5.2%</b>	<b>23.9%</b>
Africa Institute of South Africa	29.3	30.6	32.4	33.6	4.7%	24.2%	35.2	37.5	39.2	5.2%	23.9%
Global science: Bilateral cooperation	7.7	9.5	11.5	-	-100.0%	5.5%	-	-	-	-	-
Global science: International resources	3.3	4.7	3.1	-	-100.0%	2.1%	-	-	-	-	-
Global science: African multilateral agreements	2.5	6.1	5.2	-	-100.0%	2.6%	-	-	-	-	-
<b>Non-profit institutions</b>	<b>2.1</b>	<b>4.3</b>	<b>2.9</b>	<b>45.8</b>	<b>179.0%</b>	<b>10.6%</b>	<b>51.6</b>	<b>54.6</b>	<b>61.0</b>	<b>10.1%</b>	<b>35.0%</b>
Global science: Bilateral cooperation	-	-	-	11.6	-	2.2%	12.2	12.9	13.5	5.3%	8.3%
Global science: International resources	1.7	4.1	2.9	26.8	150.3%	6.8%	31.7	33.5	39.0	13.4%	21.5%
Global science: African multilateral agreements	0.4	0.1	-	7.4	164.5%	1.5%	7.7	8.1	8.5	4.7%	5.2%

Table 34.9 International Cooperation and Resources (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Public corporations and private enterprises</b>											
Private enterprises											
Other transfers to private enterprises											
Current	-	-	0.5	-	-	0.1%	-	-	-	-	-
Global science: International resources	-	-	0.5	-	-	0.1%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
Public corporations											
Other transfers to public corporations											
Current	26.9	18.2	22.0	-	-100.0%	12.9%	-	-	-	-	-
Global science: Bilateral cooperation	1.3	1.7	1.5	-	-100.0%	0.9%	-	-	-	-	-
Global science: International resources	20.7	11.5	16.9	-	-100.0%	9.4%	-	-	-	-	-
Global science: African multilateral agreements	5.0	5.0	3.6	-	-100.0%	2.6%	-	-	-	-	-
<b>Higher education institutions</b>											
Current	3.8	6.4	5.6	-	-100.0%	3.0%	-	-	-	-	-
Global science: International resources	1.3	4.5	3.1	-	-100.0%	1.7%	-	-	-	-	-
Global science: African multilateral agreements	2.5	1.9	2.5	-	-100.0%	1.3%	-	-	-	-	-

## Personnel information

Table 34.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number			
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)		
		2011/12	2012/13		2013/14		2014/15		2015/16								
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	
International Cooperation and Resources																	
Salary level	56	-	53	31.8	0.6	53	35.5	0.7	56	41.0	0.7	56	43.4	0.8	56	45.4	0.8
1-6	2	-	2	0.5	0.2	2	0.6	0.3	2	0.6	0.3	2	0.7	0.3	2	0.7	0.3
7-10	22	-	22	8.6	0.4	20	9.4	0.5	22	11.0	0.5	22	11.5	0.5	22	11.9	0.5
11-12	16	-	14	9.5	0.7	15	10.9	0.7	16	12.4	0.8	16	13.3	0.8	16	13.9	0.9
13-16	16	-	15	13.3	0.9	16	14.6	0.9	16	17.0	1.1	16	18.0	1.1	16	18.9	1.2

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term continues to be on managing the engagement with the European Union (EU) in pursuit of significant new financial support through the EU sector budget support and their research and innovation programmes; and managing bilateral relations and Africa-to-Africa engagements. Over this period, the bulk of spending goes towards transfers and subsidies to agencies and non-profit institutions. Transfers and subsidies constitute 59 per cent of the programme's total budget over the medium term.

Between 2009/10 and 2012/13, expenditure increased due to the maintenance of projects aimed at strengthening bilateral and multilateral cooperation and leveraging off international resources, specifically for transfers for global science in the *International Resources* and the *Multilateral Cooperation and Africa* subprogrammes.

In 2012/13, the following amounts were reprioritised from this programme to the *Administration* programme: R1.2 million from the *Multilateral Cooperation and Africa* subprogramme, R1.2 million from the *International Resources* subprogramme, and R1.2 million from the *Overseas Bilateral Cooperation* subprogramme. These amounts will be carried forward over the medium term.

The substantial increase in expenditure on consultants in 2012/13 was due to the outstanding arbitration for the regional initiative for the capacity development project as a result of an unsuccessful bid. Over the medium term, expenditure on consultants is expected to decrease once the arbitration has been completed.

The programme has a funded establishment of 56 posts, 3 of which were vacant as at 30 September 2012. These vacancies were mostly as a result of natural attrition and are in the process of being filled.

## Programme 4: Human Capital and Knowledge Systems

### Objectives

- Build and develop high level human capital capable of pursuing locally relevant, globally competitive enquiry and innovation activities by:
  - increasing the total number of postgraduate research students awarded bursaries, as reflected in National Research Foundation reports, from 8 933 in 2013/14 to 8 856 in 2014/15 and to 12 920 in 2015/16
  - increasing the total number of graduates and postgraduate students placed in department funded work programmes in science engineering technology institutions from 520 in 2013/14, to 840 in 2014/15 and 840 in 2015/16.
- Ensure access to internationally comparative research and innovation infrastructure to generate new knowledge and train new researchers by:
  - maintaining the number of research infrastructure grants awarded at 60 per year in 2013/14, 2014/15 and 2015/16
  - increasing the availability of bandwidth per South African National Research Network site from 2 200Mbps in 2013/14 to 3 200Mbps in 2014/15 and to 4 200Mbps in 2015/16.
- Promote and enhance research productivity through new knowledge and relevant training opportunities by:
  - increasing the total number of awarded research grants through National Research Foundation managed programmes from 3 650 in 2013/14 to 3 820 in 2014/15 and in 2015/16
  - increasing the number of Institute for Scientific Information accredited research articles published by National Research Foundation funded researchers from 4 100 in 2013/14 to 4 200 in 2014/15 and a further 4 200 in 2015/16.
- Promote public engagement in science, technology and innovation by increasing the total number of participants in science awareness and engagement programmes from 904 646 in 2013/14, to 942 160 in 2014/15, and to 979 000 in 2015/16.

### Subprogrammes

- *Human Capital and Science Platforms* conceptualises, formulates and implements programmes that address the availability of human capital for science, technology and innovation; produces new knowledge to build the country's knowledge resources; and interfaces positively with key institutions in the production of science and technology knowledge and human resources for the national system of innovation. Focus areas include astronomy, archaeology and palaeontology. In 2012/13, R1.1 billion was transferred to the National Research Foundation as its core grant, the bulk of which was distributed as bursaries for postgraduate students. This subprogramme had a staff complement of 19 in 2012/13.
- *Indigenous Knowledge Systems* promotes the role of indigenous knowledge systems in national research and development programmes to strengthen their contribution to science, technology and innovation. This entails providing an appropriate regulatory and policy environment; and developing a national recordal system, an appropriate accreditation and certification system for indigenous knowledge holders, and a bioprospecting and product development platform for indigenous knowledge. Ongoing activities include: administering technology transfer projects for 3 farming communities (Tooseng in Limpopo, Atteridgeville in Gauteng and KwaMashu in KwaZulu-Natal); transferring 200 basic farming skills to create 500 farming jobs by 31 March 2016; and supporting 100 postgraduate students (masters and doctoral), who are expected to graduate by 31 March 2016. In 2013/14, 1 cosmeceutical product and 1 nutraceutical product will be commercialised. Over the medium term, work will be done on developing and introducing a bachelor's degree in indigenous knowledge systems aimed at establishing a cohort of young academics, developing African languages and incorporating indigenous knowledge systems in all facets of the curriculum. This subprogramme had a staff complement of 13 in 2012/13.

- *Emerging Research Areas and Infrastructure* facilitates the strategic implementation of research equipment and infrastructure to promote knowledge production in areas of national priority and to sustain research and development led innovation; and promotes the development of new and emerging research areas by supporting the requisite research and infrastructure capacity in these areas. In 2012/13, funding was provided to institutions and national programmes such as the South African National Research Network, (R130 million); the Centre for High Performance Computing (R86 million); the national nanotechnology innovation centres (R44.5 million); the national equipment programme; and programmes related to emerging research areas such as nanotechnology, photonics, robotics and synthetic biology as well as new research areas such as aptamers. This subprogramme had a staff complement of 10 in 2012/13.

## Expenditure estimates

**Table 34.11 Human Capital and Knowledge Systems**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
R million											
Human Capital and Science Platforms	1 119.1	1 243.7	1 408.0	1 433.8	8.6%	70.7%	1 706.9	1 857.9	2 346.5	17.8%	69.0%
Indigenous Knowledge Systems	23.5	25.3	17.4	27.6	5.4%	1.3%	31.7	33.5	35.0	8.4%	1.2%
Emerging Research Areas and Infrastructure	448.7	485.2	530.9	603.3	10.4%	28.1%	738.3	792.2	1 036.3	19.8%	29.8%
<b>Total</b>	<b>1 591.4</b>	<b>1 754.1</b>	<b>1 956.3</b>	<b>2 064.7</b>	<b>9.1%</b>	<b>100.0%</b>	<b>2 476.8</b>	<b>2 683.5</b>	<b>3 417.8</b>	<b>18.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				28.8			97.9	94.6	(200.0)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>25.7</b>	<b>29.6</b>	<b>28.3</b>	<b>30.0</b>	<b>5.3%</b>	<b>1.5%</b>	<b>35.6</b>	<b>36.5</b>	<b>38.2</b>	<b>8.4%</b>	<b>1.3%</b>
Compensation of employees	18.1	19.4	20.6	24.6	10.8%	1.1%	25.6	26.5	27.7	4.0%	1.0%
Goods and services	7.6	10.3	7.7	5.4	-10.9%	0.4%	10.0	10.0	10.5	25.1%	0.3%
<i>of which:</i>											
<i>Consultants and professional services: Business and advisory services</i>	0.2	2.0	0.4	0.4	26.2%	-	0.7	0.7	0.7	21.1%	-
<i>Agency and support / outsourced services</i>	0.4	0.3	0.0	0.3	-13.8%	-	0.3	0.4	0.4	14.1%	-
<i>Travel and subsistence</i>	2.6	3.9	2.2	2.4	-2.5%	0.1%	4.9	4.9	5.2	29.6%	0.2%
<i>Venues and facilities</i>	0.7	0.9	2.5	0.2	-35.6%	0.1%	0.3	0.8	0.8	62.9%	-
<i>Interest and rent on land</i>	-	0.0	0.0	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>1 565.4</b>	<b>1 724.3</b>	<b>1 927.7</b>	<b>2 034.5</b>	<b>9.1%</b>	<b>98.4%</b>	<b>2 441.2</b>	<b>2 647.0</b>	<b>3 379.6</b>	<b>18.4%</b>	<b>98.7%</b>
Departmental agencies and accounts	1 237.0	1 341.9	1 509.6	1 621.1	9.4%	77.5%	2 049.9	2 232.0	2 945.7	22.0%	83.1%
Higher education institutions	18.5	34.7	28.0	-	-100.0%	1.1%	-	-	-	-	-
Public corporations and private enterprises	262.5	315.0	352.7	129.9	-20.9%	14.4%	101.9	108.3	113.3	-4.5%	4.3%
Non-profit institutions	47.1	32.4	37.3	283.5	81.9%	5.4%	289.4	306.8	320.6	4.2%	11.3%
Households	0.3	0.3	0.2	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.2</b>	<b>0.3</b>	<b>0.1</b>	<b>-21.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Machinery and equipment	0.2	0.2	0.3	0.1	-21.3%	-	-	-	-	-100.0%	-
<b>Total</b>	<b>1 591.4</b>	<b>1 754.1</b>	<b>1 956.3</b>	<b>2 064.7</b>	<b>9.1%</b>	<b>100.0%</b>	<b>2 476.8</b>	<b>2 683.5</b>	<b>3 417.8</b>	<b>18.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>38.0%</b>	<b>43.3%</b>	<b>44.4%</b>	<b>41.3%</b>			<b>40.0%</b>	<b>40.7%</b>	<b>44.7%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>1 076.7</b>	<b>1 191.0</b>	<b>1 357.9</b>	<b>1 341.6</b>	<b>7.6%</b>	<b>67.4%</b>	<b>1 607.1</b>	<b>1 753.7</b>	<b>2 236.8</b>	<b>18.6%</b>	<b>65.2%</b>
Emerging research areas	17.0	3.5	18.5	-	-100.0%	0.5%	-	-	-	-	-
Human resources development	273.3	335.3	146.2	201.9	-9.6%	13.0%	410.6	479.4	901.3	64.7%	18.7%
Indigenous knowledge system	11.3	11.4	1.3	-	-100.0%	0.3%	-	-	-	-	-
Learnerships	4.5	-	-	-	-100.0%	0.1%	-	-	-	-	-
National Research Foundation	692.1	749.1	1 099.0	1 073.8	15.8%	49.1%	1 112.9	1 186.4	1 243.2	5.0%	43.4%
Science and youth	20.7	33.9	32.8	-	-100.0%	1.2%	-	-	-	-	-
Science themes	57.7	57.7	60.1	65.9	4.5%	3.3%	83.6	87.8	92.3	11.9%	3.1%
Women in science	-	0.1	-	-	-	-	-	-	-	-	-

Table 34.11 Human Capital and Knowledge Systems (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Capital</b>	<b>160.4</b>	<b>150.9</b>	<b>151.7</b>	<b>279.5</b>	<b>20.3%</b>	<b>10.1%</b>	<b>442.8</b>	<b>478.4</b>	<b>708.9</b>	<b>36.4%</b>	<b>17.9%</b>
Research and development infrastructure	160.4	150.9	151.7	279.5	20.3%	10.1%	442.8	478.4	708.9	36.4%	17.9%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>47.1</b>	<b>29.4</b>	<b>37.3</b>	<b>199.4</b>	<b>61.8%</b>	<b>4.3%</b>	<b>200.9</b>	<b>213.0</b>	<b>222.5</b>	<b>3.7%</b>	<b>7.9%</b>
Academy of Science of South Africa	9.9	10.6	14.0	13.6	11.1%	0.7%	20.7	21.6	23.0	19.2%	0.7%
Centre for High Performance Computing	-	-	-	1.9	-	-	1.9	2.0	2.1	2.2%	0.1%
Emerging research areas	-	5.9	3.0	58.2	-	0.9%	49.2	52.9	54.9	-1.9%	2.0%
Human resources development	5.6	3.7	7.9	-	-100.0%	0.2%	-	-	-	-	-
Indigenous knowledge system	0.0	0.1	0.8	19.2	1142.0%	0.3%	20.7	21.9	22.9	6.2%	0.8%
Learnerships	-	3.0	-	-	-	-	-	-	-	-	-
National nanotechnology centres	-	-	-	44.5	-	0.6%	45.8	48.6	50.4	4.2%	1.8%
Science and youth	30.4	4.2	9.9	62.0	26.8%	1.4%	62.5	66.0	69.2	3.7%	2.4%
Science themes	1.2	1.9	1.7	-	-100.0%	0.1%	-	-	-	-	-
<b>Capital</b>	<b>-</b>	<b>3.0</b>	<b>-</b>	<b>84.1</b>	<b>-</b>	<b>1.2%</b>	<b>88.5</b>	<b>93.8</b>	<b>98.1</b>	<b>5.3%</b>	<b>3.4%</b>
Centre for High Performance Computing	-	-	-	84.1	-	1.1%	88.5	93.8	98.1	5.3%	3.4%
Research and development infrastructure	-	3.0	-	-	-	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	<b>2.5</b>	<b>0.3</b>	<b>8.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Technology top 100	2.5	0.3	-	-	-100.0%	-	-	-	-	-	-
Science and youth	-	-	8.0	-	-	0.1%	-	-	-	-	-
<b>Capital</b>	<b>-</b>	<b>-</b>	<b>13.9</b>	<b>-</b>	<b>-</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Research and development infrastructure	-	-	13.9	-	-	0.2%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>101.4</b>	<b>57.6</b>	<b>37.6</b>	<b>-</b>	<b>-100.0%</b>	<b>2.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Centre for High Performance Computing	61.3	1.6	1.8	-	-100.0%	0.9%	-	-	-	-	-
Emerging research areas	30.4	35.5	28.5	-	-100.0%	1.3%	-	-	-	-	-
Human resources development	6.2	6.5	4.0	-	-100.0%	0.2%	-	-	-	-	-
Indigenous knowledge system	1.1	0.7	0.9	-	-100.0%	-	-	-	-	-	-
Learnerships	2.3	-	-	-	-100.0%	-	-	-	-	-	-
Science and youth	-	13.2	-	-	-	0.2%	-	-	-	-	-
Science themes	-	-	2.3	-	-	-	-	-	-	-	-
<b>Capital</b>	<b>158.7</b>	<b>257.2</b>	<b>293.2</b>	<b>129.9</b>	<b>-6.4%</b>	<b>11.4%</b>	<b>101.9</b>	<b>108.3</b>	<b>113.3</b>	<b>-4.5%</b>	<b>4.3%</b>
Centre for High Performance Computing	1.4	70.4	80.1	-	-100.0%	2.1%	-	-	-	-	-
National nanotechnology centres	34.9	38.3	42.4	-	-100.0%	1.6%	-	-	-	-	-
Research and development infrastructure	28.9	49.7	66.0	-	-100.0%	2.0%	-	-	-	-	-
South African National Research Network	93.5	98.8	104.7	129.9	11.6%	5.8%	101.9	108.3	113.3	-4.5%	4.3%
<b>Higher education institutions</b>											
<b>Current</b>	<b>5.9</b>	<b>19.1</b>	<b>20.4</b>	<b>-</b>	<b>-100.0%</b>	<b>0.6%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Technology top 100	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Emerging research areas	1.9	4.0	5.5	-	-100.0%	0.2%	-	-	-	-	-
Human resources development	0.1	7.1	0.6	-	-100.0%	0.1%	-	-	-	-	-
Indigenous knowledge system	3.4	4.7	5.7	-	-100.0%	0.2%	-	-	-	-	-
Science and youth	0.2	3.0	8.5	-	-100.0%	0.2%	-	-	-	-	-
Science themes	-	0.2	0.1	-	-	-	-	-	-	-	-
Women in science	0.3	0.2	-	-	-100.0%	-	-	-	-	-	-
<b>Capital</b>	<b>12.6</b>	<b>15.6</b>	<b>7.6</b>	<b>-</b>	<b>-100.0%</b>	<b>0.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Research and development infrastructure	12.6	15.6	7.6	-	-100.0%	0.5%	-	-	-	-	-

## Personnel information

Table 34.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Human Capital and Knowledge Systems		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	42	-	39	20.6	0.5	40	24.6	0.6	42	25.6	0.6	42	26.5	0.6	42	27.7	0.7	1.6%	100.0%
1 – 6	3	-	3	0.6	0.2	3	0.6	0.2	3	0.7	0.2	3	0.7	0.2	3	0.7	0.2	-	7.2%
7 – 10	5	-	6	1.3	0.2	6	1.3	0.2	5	1.5	0.3	5	1.6	0.3	5	1.7	0.3	-5.9%	12.7%
11 – 12	22	-	19	10.5	0.6	20	13.1	0.7	22	13.2	0.6	22	13.6	0.6	22	14.3	0.6	3.2%	51.8%
13 – 16	12	-	11	8.2	0.7	11	9.6	0.9	12	10.2	0.8	12	10.6	0.9	12	11.1	0.9	2.9%	28.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on increasing the bursary amounts awarded to postgraduate students and attracting more students, especially in fields of astronomy, archaeology and palaeontology. The spending focus will also be on upgrading the national system of innovation infrastructure and equipment to attract a high level of interest in research and development. This will be done through the additional funds received of R600 million in 2015/16 for postgraduate students, as well as the R605 million received over the MTEF period for science and technology infrastructure.

The main area of expenditure between 2009/10 and 2012/13 was on human capital development in terms of transfers to human resources development, mainly to support researchers and students pursuing postgraduate studies at honours, masters, doctoral and postdoctoral levels. These activities are managed by the National Research Foundation, which accounts for the increase in transfer payments between 2009/10 and 2012/13. Spending on research and development infrastructure and cyber infrastructure also increased, includes for the Centre for High Performance Computing and the South African National Research Network.

Over the medium term, expenditure is expected to increase significantly due to additional allocations of R120 million in 2013/14, R135 million in 2014/15 and R350 million in 2015/16 for the modernisation of infrastructure of the National Research Foundation and other science councils' infrastructure, and R400 million in 2015/16 for postgraduate student bursaries. The additional funding for the modernisation of research facilities will go towards renewing aging equipment and infrastructure, acquiring the necessary equipment to meet commitments and mandates, and maintaining and acquiring infrastructure to keep up with advancing technology. The additional funding for postgraduate students is to increase the bursary amounts to incentivise graduates to study further.

The following amounts were reprioritised in 2012/13 from this programme to the *Administration* programme, mostly from transfers to departmental agencies: R2.8 million from the *Human Capital and Science Platforms* subprogramme, R886 000 from the *Indigenous Knowledge Systems* subprogramme and R612 000 from the *Emerging Research Areas and Infrastructure* subprogramme. These amounts will be carried forward over the medium term.

Expenditure on consultants increased significantly in 2010/11. These consultants were appointed to support critical skills and provide technical expertise. The programme has a funded establishment of 42 posts, 2 of which were vacant as at 30 September 2012. These vacancies are mostly as a result of natural attrition and are in the process of being filled.



## Programme 5: Socio-economic Partnerships

### Objectives

- Inform and influence how science and technology can be used to transform and enhance rural and social economic development, government planning and service delivery, and the building of sustainable human settlements by:
  - creating, sustaining or improving 420 livelihood opportunities by 31 March 2016
  - publishing 7 knowledge products on technology led opportunities for sustainable livelihoods by 31 March 2016
  - publishing a knowledge product on innovations in water usage for government planning and service delivery improvement by 31 March 2016
  - maintaining 5 decision support interventions for technological decision making by 31 March 2016.
- Identify, grow and sustain a portfolio of niche high potential science technology and innovation capabilities for sustainable development and the greening of society and the economy by:
  - funding or co-funding 600 masters and PhD students by 31 March 2016
  - funding the development of 6 additional knowledge and innovation products (patents, prototypes, technology demonstrators and technology transfer packages) by 31 March 2016
  - supporting 185 scientific and technical papers for publication by 31 March 2016.
- Enhance understanding and analysis that supports improvements in the functioning and performance of the national system of innovation by publishing 16 reports and policy briefings by 31 March 2016.
- Identify, grow and sustain niche high potential research and development capabilities to improve the competitiveness of existing and emerging economic sectors and to facilitate the development of new targeted industries in aerospace, advanced manufacturing, chemicals, advanced metals and ICTs by:
  - funding or co-funding 782 masters and doctoral students in designated niche areas by 31 March 2016
  - funding or co-funding 460 interns in designated niche areas by 31 March 2016
  - funding or co-funding 60 knowledge and innovation products (patents, prototypes, technology demonstrators and technology transfer packages) to be added to the intellectual property portfolio by 31 March 2016
  - increasing the number of companies receiving a technology assistance package to 160 by 31 March 2016
  - providing technology support to 7 120 small and medium enterprises through a technology stations programme between 1 April 2013 and 31 March 2016.

### Subprogrammes

- *Science and Technology for Economic Impact* is discussed in more detail below.
- *Science and Technology for Social Impact* leads and supports knowledge generation in human and social dynamics in development, promotes technology transfers for poverty reduction to support the creation of sustainable job and wealth opportunities, and contributes to creating sustainable human settlements in areas of deprivation. In 2012/13, the following transfers were made to fund initiatives that generate practical knowledge and insights, produce suitable policy evidence, introduce decision support tools and build capacities that facilitate a more widespread adoption of promising innovations and technology based solutions: R214 million to the Human Sciences Research Council, R58.5 million for research and development, and R35.6 million for initiatives that support technology for sustainable livelihoods. This subprogramme had a staff complement of 13 in 2012/13.
- *Science and Technology Investment* leads and supports the development of science and technology indicators, monitors national science and technology expenditure and planning, leads the implementation of a web based tool to capture statistical information on research and development activities by public research institutions, and implements section 11D of the Income Tax Act (1962). This entails conducting an annual research and development survey, measuring innovation, developing science and technology indicators, developing databases and information systems such as the research information management system and national science and technology expenditure tables, and implementing section 11D of the act to promote private sector research and development investment. In 2012/13, R10 million was used for policy indicator

activities, while R18 million was spent on research and development planning. This subprogramme had a staff complement of 15 in 2012/13.

## Expenditure estimates

**Table 34.13 Socio-economic Partnerships**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Science and Technology for Economic Impact	899.2	888.3	939.9	1 030.3	4.6%	74.6%	1 268.4	1 428.8	1 595.0	15.7%	75.9%
Science and Technology for Social Impact	264.9	254.3	293.6	358.0	10.6%	23.2%	384.6	407.5	426.3	6.0%	22.5%
Science and Technology Investment	10.4	32.2	30.9	35.1	49.9%	2.2%	24.6	28.3	29.5	-5.6%	1.7%
<b>Total</b>	<b>1 174.6</b>	<b>1 174.7</b>	<b>1 264.4</b>	<b>1 423.4</b>	<b>6.6%</b>	<b>100.0%</b>	<b>1 677.6</b>	<b>1 864.7</b>	<b>2 050.9</b>	<b>12.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				3.6			160.9	264.2	-		
<b>Economic classification</b>											
<b>Current payments</b>	<b>32.9</b>	<b>34.2</b>	<b>36.5</b>	<b>43.0</b>	<b>9.4%</b>	<b>2.9%</b>	<b>44.9</b>	<b>48.1</b>	<b>49.9</b>	<b>5.1%</b>	<b>2.6%</b>
Compensation of employees	21.7	24.7	26.6	34.0	16.1%	2.1%	35.7	37.8	39.6	5.2%	2.1%
Goods and services	11.2	9.5	9.9	9.0	-6.8%	0.8%	9.2	10.3	10.3	4.5%	0.6%
of which:											
Consultants and professional services: Business and advisory services	3.5	1.1	0.2	3.0	-4.4%	0.2%	3.9	4.4	4.4	13.6%	0.2%
Agency and support / outsourced services	2.8	2.5	4.5	0.1	-72.3%	0.2%	0.1	0.1	0.1	5.9%	-
Travel and subsistence	2.4	2.8	2.4	2.5	1.6%	0.2%	2.6	3.0	3.0	6.0%	0.2%
Venues and facilities	0.2	0.3	0.4	0.4	18.6%	-	0.4	0.4	0.3	-3.3%	-
<b>Transfers and subsidies</b>	<b>1 141.3</b>	<b>1 140.2</b>	<b>1 227.0</b>	<b>1 380.2</b>	<b>6.5%</b>	<b>97.1%</b>	<b>1 632.7</b>	<b>1 816.5</b>	<b>2 001.0</b>	<b>13.2%</b>	<b>97.3%</b>
Departmental agencies and accounts	289.6	336.7	397.1	494.4	19.5%	30.1%	700.4	842.0	977.6	25.5%	43.0%
Higher education institutions	8.1	7.2	12.2	-	-100.0%	0.5%	-	-	-	-	-
Public corporations and private enterprises	793.0	788.0	810.5	885.8	3.8%	65.1%	932.3	974.5	1 023.4	4.9%	54.4%
Non-profit institutions	50.7	8.0	7.1	-	-100.0%	1.3%	-	-	-	-	-
Households	-	0.2	0.1	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.4</b>	<b>0.3</b>	<b>0.7</b>	<b>0.2</b>	<b>-25.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Machinery and equipment	0.4	0.3	0.7	0.2	-25.8%	-	-	-	-	-100.0%	-
<b>Payments for financial assets</b>	<b>0.0</b>	<b>0.0</b>	<b>0.2</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1 174.6</b>	<b>1 174.7</b>	<b>1 264.4</b>	<b>1 423.4</b>	<b>6.6%</b>	<b>100.0%</b>	<b>1 677.6</b>	<b>1 864.7</b>	<b>2 050.9</b>	<b>12.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>28.1%</b>	<b>29.0%</b>	<b>28.7%</b>	<b>28.5%</b>			<b>27.1%</b>	<b>28.3%</b>	<b>26.8%</b>		

### Details of selected transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	289.6	336.7	397.1	494.4	19.5%	30.1%	700.4	842.0	977.6	25.5%	43.0%
Advanced manufacturing technology strategy	-	23.2	25.5	-	-	1.0%	-	-	-	-	-
Global change science and technology	15.6	12.1	25.8	63.9	59.9%	2.3%	67.6	71.3	74.6	5.3%	4.0%
Human and social development dynamics	3.0	26.0	17.1	10.3	50.6%	1.1%	11.3	10.0	10.4	0.4%	0.6%
Local manufacturing capacity	-	6.1	8.2	20.9	-	0.7%	101.9	113.3	224.3	120.7%	6.6%
Local systems of innovation	5.0	-	-	8.1	17.3%	0.3%	108.0	207.6	208.0	195.3%	7.6%
Natural resources and public assets	55.3	50.5	61.9	66.1	6.1%	4.6%	69.5	73.6	77.0	5.2%	4.1%
Quality of life nuclear technologies	3.8	0.7	0.7	-	-100.0%	0.1%	-	-	-	-	-
Resource based industries	1.7	0.5	-	-	-100.0%	-	-	-	-	-	-
Research information management system	-	13.9	10.6	14.1	-	0.8%	4.5	6.9	7.2	-20.1%	0.5%
Science and technology indicators	2.0	7.9	8.5	9.0	65.2%	0.5%	9.5	10.1	10.5	5.3%	0.6%
South African Research Chairs Initiative	21.3	-	19.4	60.4	41.4%	2.0%	74.0	78.5	82.1	10.8%	4.2%
Technology for poverty alleviation	-	0.6	2.2	27.6	-	0.6%	30.4	32.4	34.0	7.2%	1.8%
Technology for sustainable livelihoods	15.7	-	11.1	-	-100.0%	0.5%	-	-	-	-	-
Human Sciences Research Council	166.2	194.3	206.2	214.2	8.8%	15.5%	223.6	238.5	249.5	5.2%	13.2%
ICT	-	1.0	-	-	-	-	-	-	-	-	-

Table 34.13 Socio-economic Partnerships (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Public corporations - subsidies on products and production</b>											
<b>Current</b>	<b>599.4</b>	<b>685.8</b>	<b>687.2</b>	<b>742.8</b>	<b>7.4%</b>	<b>53.9%</b>	<b>782.0</b>	<b>825.7</b>	<b>867.7</b>	<b>5.3%</b>	<b>45.9%</b>
Council for Scientific and Industrial Research	599.4	685.8	687.2	742.8	7.4%	53.9%	782.0	825.7	867.7	5.3%	45.9%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>50.7</b>	<b>8.0</b>	<b>7.1</b>	<b>-</b>	<b>-100.0%</b>	<b>1.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Advanced manufacturing technology strategy	-	-	0.1	-	-	-	-	-	-	-	-
Global change science and technology	-	1.0	-	-	-	-	-	-	-	-	-
Local manufacturing capacity	13.5	0.9	-	-	-100.0%	0.3%	-	-	-	-	-
Local systems of innovation	0.1	5.2	6.0	-	-100.0%	0.2%	-	-	-	-	-
Resource based industries	0.6	1.0	1.0	-	-100.0%	0.1%	-	-	-	-	-
Tshumisano trust	36.4	-	-	-	-100.0%	0.7%	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>11.2</b>	<b>-</b>	<b>-</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Advanced manufacturing technology strategy	-	-	9.4	-	-	0.2%	-	-	-	-	-
Local systems of innovation	-	-	1.2	-	-	-	-	-	-	-	-
Resource based industries	-	-	0.5	-	-	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>193.6</b>	<b>102.2</b>	<b>112.2</b>	<b>143.0</b>	<b>-9.6%</b>	<b>10.9%</b>	<b>150.3</b>	<b>148.8</b>	<b>155.7</b>	<b>2.9%</b>	<b>8.5%</b>
Advanced manufacturing technology strategy	47.2	22.2	12.3	43.1	-3.0%	2.5%	45.5	48.3	50.5	5.4%	2.7%
Global change science and technology	4.7	6.0	7.7	-	-100.0%	0.4%	-	-	-	-	-
Human and social development dynamics	8.4	2.0	-	-	-100.0%	0.2%	-	-	-	-	-
Local manufacturing capacity	10.0	0.9	14.4	-	-100.0%	0.5%	10.0	-	-	-	0.1%
Local systems of innovation	0.4	0.7	-	-	-100.0%	-	-	-	-	-	-
Resource based industries	28.3	35.9	37.0	47.0	18.4%	2.9%	41.0	43.5	45.5	-1.1%	2.5%
Technology for poverty alleviation	25.6	9.5	16.1	-	-100.0%	1.0%	-	-	-	-	-
Technology for sustainable livelihoods	13.4	13.7	6.4	35.6	38.6%	1.4%	35.5	37.8	39.6	3.6%	2.1%
ICT	55.6	11.2	18.4	17.3	-32.3%	2.0%	18.2	19.3	20.1	5.3%	1.1%
<b>Higher education institutions</b>											
<b>Current</b>	<b>8.1</b>	<b>7.2</b>	<b>12.2</b>	<b>-</b>	<b>-100.0%</b>	<b>0.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Advanced manufacturing technology strategy	-	-	1.5	-	-	-	-	-	-	-	-
Global change science and technology	0.1	-	-	-	-100.0%	-	-	-	-	-	-
Local manufacturing capacity	1.6	5.6	-	-	-100.0%	0.1%	-	-	-	-	-
Local systems of innovation	1.7	1.5	1.7	-	-100.0%	0.1%	-	-	-	-	-
Resource based industries	1.0	0.1	0.5	-	-100.0%	-	-	-	-	-	-
Technology for sustainable livelihoods	3.8	-	8.5	-	-100.0%	0.2%	-	-	-	-	-

## Personnel information

**Table 34.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Socio Economic Partnerships		Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit	Number	Cost	Unit			
Salary level	64	-	54	26.6	0.5	57	34.0	0.6	64	35.7	0.6	64	37.8	0.6	64	39.6	0.6	3.9%	100.0%
1-6	7	-	4	1.0	0.2	7	1.4	0.2	7	1.5	0.2	7	1.5	0.2	7	1.5	0.2	-	11.2%
7-10	10	-	8	2.4	0.3	8	3.2	0.4	10	3.4	0.3	10	3.6	0.4	10	3.7	0.4	7.7%	15.3%
11-12	29	-	26	12.4	0.5	26	15.7	0.6	29	16.5	0.6	29	17.6	0.6	29	18.4	0.6	3.7%	45.4%
13-16	18	-	16	10.8	0.7	16	13.6	0.8	18	14.2	0.8	18	15.2	0.8	18	15.9	0.9	4.0%	28.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on developing technologies that have the potential to advance development objectives. This will be done through investments that develop a variety of intellectual property that can be used by firms or industries which have the potential to create new firms of industries. The expenditure related to the development of such intellectual property to achieve an economic impact, which is where the bulk of this programme's spending goes, is discussed further detail in the following section.

Expenditure in the *Science and Technology Investment* subprogramme increased substantially in 2010/11 due to the research information management systems project initiated in that year, as well as additional resources being allocated to the science and technology indicators project. Both of these projects aim to improve the management and tracking of research and development projects in the science system. The decrease in this subprogramme over the medium term is due to reprioritisations.

The following amounts were reprioritised in 2012/13 from this programme to the *Administration* programme, mostly from transfers and subsidies: R3.1 million from the *Science and Technology for Social Impact* subprogramme, R1.4 million from the *Science and Technology Investment* subprogramme and R5.1 million from the *Science and Technology for Economic Impact* subprogramme. These amounts will be carried forward over the medium term.

Expenditure on consultants is expected to increase over the medium term due to the following activities that require outside expertise: conducting impact studies on all projects that are six years and older to inform improvements, introducing technology localisation activities in the programme, and conducting policy analysis to inform the research interventions required for the country. The programme has a funded establishment of 64 posts, 7 of which were vacant as at 30 September 2012. These vacancies were mostly as a result of natural attrition and are in the process of being filled.

## Subprogramme: Science and Technology for Economic Impact

This subprogramme advances strategic economic growth and sector development priorities, as well as government service delivery, by carrying out value adding functions. This entails investing in the long term knowledge generation capabilities of the national system of innovation in targeted innovation areas in partnership with other government departments and economic actors, spearheading focused efforts that exploit knowledge capabilities for economic benefit, and providing strategic innovation policy and planning support to economic stakeholders in priority economic sectors and provincial and local governments. Developing technologies to maturity requires the department to support the development of technology demonstrators, prototypes, laboratory test benches, pilot plants, and semi-commercial plants.

Key activities undertaken in supporting the development of priority economic sectors include: project Aeroswift, which involves additive manufacturing, a process based on the layer-by-layer fusion of metal powder to build a component from scratch; titanium powder processing, which develops a process for the direct

manufacturing of titanium metal powder; and ICT, which aims to develop the ICT sector in South Africa through building critical mass research capability, particularly in niche areas.

**Table 34.15 Science and Technology for Economic Impact**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
<b>Current payments</b>	<b>17.1</b>	<b>16.0</b>	<b>18.6</b>	<b>21.3</b>	<b>7.4%</b>	<b>1.9%</b>	<b>24.6</b>	<b>26.3</b>	<b>27.3</b>	<b>8.7%</b>	<b>1.9%</b>
Compensation of employees	10.3	11.8	13.3	17.3	18.9%	1.4%	18.2	19.3	20.1	5.2%	1.4%
of which:											
Consultants and professional services: Business and advisory services	3.2	0.6	–	1.1	-30.9%	0.1%	3.1	3.5	3.4	48.3%	0.2%
Agency and support / outsourced services	1.2	1.1	3.0	0.1	-64.9%	0.1%	0.1	0.1	0.1	8.0%	–
Travel and subsistence	1.3	1.4	1.4	1.7	7.8%	0.2%	2.0	2.1	2.2	10.5%	0.2%
Venues and facilities	0.1	0.1	0.1	0.1	-3.4%	–	0.1	0.1	0.1	6.6%	–
<b>Total</b>	<b>899.2</b>	<b>888.3</b>	<b>939.9</b>	<b>1 030.3</b>	<b>4.6%</b>	<b>100.0%</b>	<b>1 268.4</b>	<b>1 428.8</b>	<b>1 595.0</b>	<b>15.7%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>76.6%</b>	<b>75.6%</b>	<b>74.3%</b>	<b>72.4%</b>			<b>75.6%</b>	<b>76.6%</b>	<b>77.8%</b>		

## Personnel information

**Table 34.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Science and Technology for Economic Impact		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	36	–	31	13.3	0.4	33	17.3	0.5	36	18.2	0.5	36	19.3	0.5	36	20.2	0.6	2.9%	100.0%
1 – 6	5	–	3	0.8	0.3	5	1.0	0.2	5	1.1	0.2	5	1.0	0.2	5	1.0	0.2	–	14.2%
7 – 10	4	–	4	0.7	0.2	4	0.9	0.2	4	1.0	0.2	4	1.0	0.3	4	1.1	0.3	–	11.3%
11 – 12	17	–	15	6.5	0.4	15	8.5	0.6	17	8.9	0.5	17	9.5	0.6	17	9.9	0.6	4.3%	46.8%
13 – 16	10	–	9	5.3	0.6	9	6.9	0.8	10	7.2	0.7	10	7.7	0.8	10	8.1	0.8	3.6%	27.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on a number of long term technology development mission areas that can provide opportunities for long term industrial and economic advances that are led through research and development. These include advanced manufacturing and minerals beneficiation. Additional funding of R500 million is allocated over the medium term to partner with industry through the industry innovation partnership fund for economic advancement, while R370 million is allocated for local manufacturing capacity.

Transfers to the Council for Scientific and Industrial Research constituted 72 per cent of the subprogramme's expenditure in 2012/13. Over the medium term, expenditure is expected to increase to R1.6 billion due to additional allocations of R180 million in 2013/14, R290 million in 2014/15 and R400 million from the economic competitiveness and support package for the support of technology stations and industry innovation partnerships. This is reflected in spending on transfers to local manufacturing capacity; and in transfers and subsidies to local systems of innovation. R47 million is transferred to the Council of Scientific and Industrial Research for improved conditions of service.

The technology stations programme includes: providing technology assistance packages to qualifying companies that are potential suppliers to large scale public procurement and infrastructure programmes, supporting innovation partnerships with a range of industries and regions in order to enhance economic competitiveness, and funding technology development with short term commercial value.

Over the medium term, expenditure on consultants is expected to increase significantly to provide for expertise required in the local manufacturing capacity programme. The subprogramme has a funded establishment of 36 posts, 3 of which were vacant as at 30 September 2012. These vacancies are mostly as a result of natural attrition and are in the process of being filled.

## Public Entities and other agencies

### Council for Scientific and Industrial Research

#### Mandate and goals

The Council for Scientific and Industrial Research was established in terms of the Scientific Research Council Act (1988) and is mandated to foster industrial and scientific development in the national interest through multidisciplinary research and technological innovation.

The council's strategic goals over the medium term are to:

- build a track record of demonstrable impact in research and development through an established programme of relevant research and development in research impact areas and flagship programmes
- build and transform human capital to ensure adequate capacity, and contribute to the national skills base
- strengthen the science, engineering and technology base and perform relevant research and development
- transfer technology and skilled human capital
- enhance financial sustainability and ensure good corporate governance and corporate citizenship.

#### Selected performance indicators

Table 34.17 Council for Scientific and Industrial Research

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage of science engineering and technology staff who are black per year	Built environment	52.2% (1 547)	52.6% (1 560)	54.4% (1 537)	48% (1 540)	49% (1 557)	50% (1 575)	50.25% (1 620)
Total number of staff with doctorates	Meraka Institute	283	299	293	300	310	315	320
Number of publication equivalents per year	Centres and implementation units	502	576	530	575	600	625	630
Number of new technology demonstrator equivalents per year	Materials science manufacturing	39	37	37	26	27	28	30
Private sector and international income per year	Meraka Institute	R311m	R328m	R320m	R364m	R385m	R405m	R420m
Number of new patents granted per year	Materials science manufacturing	13	14	34	15	16	17	18

#### Programmes/activities/objectives

Table 34.18 Council for Scientific and Industrial Research

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Defence, peace, safety and security	300.8	348.3	376.3	411.9	11.0%	19.2%	435.0	467.7	499.5	6.6%	19.4%
Materials science manufacturing	168.5	169.1	170.1	186.3	3.4%	9.3%	196.5	211.3	225.6	6.6%	8.8%
Biosciences	133.9	127.9	136.3	149.1	3.6%	7.3%	156.7	168.5	180.0	6.5%	7.0%
Natural resources and the environment	139.0	144.7	154.6	169.2	6.8%	8.1%	178.8	192.2	205.3	6.7%	8.0%
Built environment	141.4	136.0	138.0	151.4	2.3%	7.6%	160.9	172.9	184.5	6.8%	7.2%
Meraka Institute	217.2	158.9	209.3	228.5	1.7%	10.9%	240.3	258.6	276.4	6.6%	10.8%

Table 34.18 Council for Scientific and Industrial Research (continued)

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Centres and implementation units	341.1	418.7	426.0	464.3	10.8%	22.1%	484.8	522.0	558.2	6.3%	21.7%
Research and development core, shared services and group adjustments	277.1	257.1	267.8	356.9	8.8%	15.5%	385.3	414.7	441.6	7.4%	17.1%
<b>Total expense</b>	<b>1 719.1</b>	<b>1 760.7</b>	<b>1 878.4</b>	<b>2 117.6</b>	<b>7.2%</b>	<b>100.0%</b>	<b>2 238.3</b>	<b>2 407.9</b>	<b>2 571.0</b>	<b>6.7%</b>	<b>100.0%</b>

## Expenditure estimates

Table 34.19 Council for Scientific and Industrial Research

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>1 267.6</b>	<b>1 201.9</b>	<b>1 337.5</b>	<b>1 424.5</b>	4.0%	68.3%	<b>1 503.0</b>	<b>1 632.8</b>	<b>1 758.9</b>	7.3%	66.3%
Sale of goods and services other than capital assets	1 176.9	1 129.7	1 220.4	1 370.5	5.2%	63.9%	1 453.4	1 580.8	1 701.1	7.5%	64.0%
<i>of which:</i>											
<i>Sales by market establishment</i>	1 176.9	1 129.7	1 220.4	1 370.5	5.2%	63.9%	1 453.4	1 580.8	1 701.1	7.5%	64.0%
<i>Other non-tax revenue</i>	90.7	72.2	117.1	54.1	-15.8%	4.4%	49.6	52.0	57.7	2.2%	2.2%
<b>Transfers received</b>	<b>509.1</b>	<b>592.7</b>	<b>606.5</b>	<b>735.7</b>	<b>13.1%</b>	<b>31.7%</b>	<b>782.0</b>	<b>825.7</b>	<b>867.7</b>	<b>5.7%</b>	<b>33.7%</b>
<b>Total revenue</b>	<b>1 776.7</b>	<b>1 794.6</b>	<b>1 944.0</b>	<b>2 160.3</b>	<b>6.7%</b>	<b>100.0%</b>	<b>2 285.0</b>	<b>2 458.5</b>	<b>2 626.6</b>	<b>6.7%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>1 718.9</b>	<b>1 760.7</b>	<b>1 878.4</b>	<b>2 117.6</b>	<b>7.2%</b>	<b>100.0%</b>	<b>2 238.3</b>	<b>2 407.9</b>	<b>2 571.0</b>	<b>6.7%</b>	<b>100.0%</b>
Compensation of employees	880.7	946.5	1 015.7	1 120.8	8.4%	53.0%	1 220.7	1 309.2	1 393.9	7.5%	54.0%
Goods and services	788.3	768.1	816.4	946.7	6.3%	44.4%	965.4	1 044.4	1 120.6	5.8%	43.7%
Depreciation	42.8	42.1	41.9	50.2	5.5%	2.4%	52.2	54.3	56.5	4.0%	2.3%
Interest, dividends and rent on land	7.2	4.1	4.4	-	-100.0%	0.2%	-	-	-	-	-
<b>Total expenses</b>	<b>1 719.1</b>	<b>1 760.7</b>	<b>1 878.4</b>	<b>2 117.6</b>	<b>7.2%</b>	<b>100.0%</b>	<b>2 238.3</b>	<b>2 407.9</b>	<b>2 571.0</b>	<b>6.7%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>58.0</b>	<b>34.0</b>	<b>66.0</b>	<b>43.0</b>	<b>-9.5%</b>		<b>47.0</b>	<b>51.0</b>	<b>56.0</b>	<b>9.2%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	350.2	392.5	429.0	484.6	11.4%	26.4%	501.5	532.6	564.9	5.2%	33.2%
<i>of which:</i>											
<i>Acquisition of assets</i>	96.0	91.3	101.1	105.8	3.3%	6.3%	69.1	85.4	88.7	-5.7%	5.6%
Investments	1.5	1.4	5.4	5.4	53.4%	0.2%	5.4	5.4	5.4	-	0.3%
Inventory	80.9	89.5	67.5	74.9	-2.5%	5.0%	79.4	94.6	103.6	11.4%	5.6%
Receivables and prepayments	128.8	118.5	179.3	184.8	12.8%	9.8%	195.8	207.6	223.0	6.5%	12.9%
Cash and cash equivalents	800.0	1 009.4	969.1	735.8	-2.7%	55.6%	760.4	756.5	753.9	0.8%	48.0%
Non-current assets held for sale	94.9	94.9	-	-	-100.0%	3.0%	-	-	-	-	-
Taxation	0.3	0.4	-	-	-100.0%	0.0%	-	-	-	-	-
<b>Total assets</b>	<b>1 456.5</b>	<b>1 706.7</b>	<b>1 650.2</b>	<b>1 485.4</b>	<b>0.7%</b>	<b>100.0%</b>	<b>1 542.5</b>	<b>1 596.7</b>	<b>1 650.8</b>	<b>3.6%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	507.2	540.3	580.2	622.8	7.1%	35.9%	669.5	720.1	775.7	7.6%	44.4%
Capital and reserves	-	0.8	-	-	-	0.0%	-	-	-	-	-
Deferred income	42.4	-	-	-	-100.0%	0.7%	-	-	-	-	-
Trade and other payables	896.7	1 155.2	1 061.8	854.3	-1.6%	62.8%	863.7	866.5	864.6	0.4%	55.0%
Provisions	10.3	10.5	8.3	8.3	-6.6%	0.6%	9.2	10.0	10.6	8.2%	0.6%
<b>Total equity and liabilities</b>	<b>1 456.5</b>	<b>1 706.7</b>	<b>1 650.2</b>	<b>1 485.4</b>	<b>0.7%</b>	<b>100.0%</b>	<b>1 542.5</b>	<b>1 596.7</b>	<b>1 650.8</b>	<b>3.6%</b>	<b>100.0%</b>

## Personnel information

**Table 34.20 Council for Scientific and Industrial Research**

Salary level	Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment													Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
	2 480	50	2 375	1 015.7	0.4	2 430	1 120.8	0.5	2 440	1 220.7	0.5	2 453	1 309.2	0.5	2 488	1 393.9	0.6	0.8%	100.0%
1 – 6	266	–	254	27.0	0.1	266	29.0	0.1	266	31.6	0.1	266	33.9	0.1	266	36.0	0.1	–	10.8%
7 – 10	901	35	869	205.5	0.2	866	216.1	0.2	866	235.3	0.3	866	252.4	0.3	866	268.7	0.3	–	35.3%
11 – 12	792	13	752	348.9	0.5	779	396.2	0.5	786	431.5	0.5	795	462.8	0.6	820	492.8	0.6	1.7%	32.4%
13 – 16	509	2	490	413.6	0.8	507	453.3	0.9	510	493.7	1.0	514	529.5	1.0	524	563.8	1.1	1.1%	20.9%
17 – 22	12	–	10	20.7	2.1	12	26.2	2.2	12	28.6	2.4	12	30.7	2.6	12	32.6	2.7	–	0.5%

1. Rand million.

## Expenditure trends

The Council for Scientific and Industrial Research derives its revenue from baseline and ringfenced grants from the Department of Science and Technology, contract research and development income from local and international public and private sectors, and income from intellectual property and technology transfer efforts. Contract income is projected to increase over the medium term through additional contract research and development work. Consequently, the council will look to offset grant funding over this period through further increased growth in contract income and a marginal reduction in the level of investment in scientific equipment and infrastructure.

The spending focus over the medium term will be on strengthening the science, engineering and technology base; building and transforming human capital; performing relevant research and development; and transferring skills and technology to produce the 85 new technology demonstrator equivalents and meet the R343 million private sector and international income per year performance targets. Expenditure on compensation of employees constitutes 54 per cent of the total budget allocation over the medium term, while expenditure on goods and services constitutes 43.7 per cent, as the council's work is research driven.

Continued cost reductions will ensure that total expenses increase at a rate less than the projected growth in revenue. An energy efficiency plan was developed in 2006/07 and measures were put in place in 2008/09 to reduce energy usage. Consequently, energy consumption decreased by more than 1.2 per cent each year since 2008/09.

The council has a funded establishment of 2 480 posts, of which 50 were vacant as at 30 September 2012. These vacancies were mainly as a result of a scarcity of the required science, engineering and technical skills in the market. The council plans to fill all vacancies over the medium term. The ratio of support staff to line function staff was 1:2. The council's use of consultants depends on the nature of the research contracts secured, which may require a particular scientific or engineering field of expertise not available within the organisation.

## National Research Foundation

### Mandate and goals

The National Research Foundation was established in terms of the National Research Foundation Act (1998), which mandates the foundation to promote and support research in all fields of humanities, the social and natural sciences, engineering and technology, and indigenous knowledge. The foundation provides research funding and research platforms through national facilities and science awareness activities. It also performs an agency function on behalf of the Department of Science and Technology, and is a service provider to several other government departments.

The foundation's strategic goals over the medium term are to:

- promote internationally competitive research as the basis for a knowledge economy
- grow a representative science and technology workforce in South Africa



- provide cutting edge research, technology and innovation platforms
- operate world class evaluation and funding systems
- contribute to a vibrant national innovation system.

## Selected performance indicators

**Table 34.21 National Research Foundation**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Percentage of South African global international science index outputs per year	Research and innovation support and advancement, and corporate	47% (9 201)	52% (9 228)	57% (10 918)	58% (11 500)	59% (12 000)	60% (12 500)	65% (13 000)
Total number of international science index outputs in publications published by the foundation's funded researchers	Research and innovation support and advancement, and corporate	2 753	3 935	4 777	5 000	5 500	5 700	6 000
Number of South African global international science index outputs per year	Research and innovation support and advancement, and corporate	28	28	31	32	32	33	33
Number of international science index publications published by the foundation's funded researchers per year	South African Agency for Science and Technology Advancement	468 021	618 113	592 607	796 000	641 777	664 247	673 197
Number of doctoral graduations per million of the population per year	South African Agency for Science and Technology Advancement	18 909	21 286	27 608	26 356	18 185	19 863	21 313
Number of learners reached through science advancement activities per year	Research and innovation support and advancement, and corporate	146 482	284 137	269 092	238 000	252 280	267 417	283 462
Number of educators reached through science advancement activities per year	Research and innovation support and advancement, and corporate	131 066	179 829	188 679	673 724	656 115	678 206	571 309
Value of infrastructure investment per year excluding Square Kilometre Array project	Square Kilometre Array project	R419.4m	R438.4m	R394.2m	R400m	R410m	R430m	R450m
Value of investment in the Square Kilometre Array project per year	Research and innovation support and advancement, and corporate	R4.9m	R4.8m	R4.8m	R5.6m	R6.2m	R7.8m	R8.7m
Value of funding leveraged off the foundation's investments per year	Research and innovation support and advancement, and corporate	61% (R1.3m)	75% (R1.7m)	76% (R1.9m)	75% (R1.9m)	75% (R1.9m)	76% (R1.9m)	76% (R2.1m)
Number of grant and rating applications processed through NRF Online per year	Research and innovation support and advancement, and corporate	181	220	233	210	217	228	241
Number of rated researchers funded by foundation per year	National research facilities	446	523	494	523	596	626	640
Number of international science index publications published by national facility researchers per year	National research facilities	5 757	8 626	7 668	7 445	11 208	11 440	11 580

## Programmes/activities/objectives

**Table 34.22 National Research Foundation**

R million	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
Research and innovation support and advancement, and corporate	941.2	1 324.1	1 251.7	1 670.3	21.1%	65.7%	1 830.2	1 908.8	2 063.7	7.3%	69.1%	
National research facilities	372.3	412.6	438.0	489.4	9.5%	22.2%	472.8	487.5	510.9	1.4%	18.2%	

Table 34.22 National Research Foundation (continued)

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
South African Agency for Science and Technology Advancement	47.7	58.5	64.2	95.6	26.1%	3.3%	82.9	54.6	56.1	-16.3%	2.7%
Square Kilometre Array project	78.7	154.3	213.8	274.1	51.6%	8.8%	268.2	264.3	270.7	-0.4%	10.0%
<b>Total expense</b>	<b>1 439.9</b>	<b>1 949.6</b>	<b>1 967.8</b>	<b>2 529.4</b>	<b>20.7%</b>	<b>100.0%</b>	<b>2 654.1</b>	<b>2 715.2</b>	<b>2 901.5</b>	<b>4.7%</b>	<b>100.0%</b>

## Expenditure estimates

Table 34.23 National Research Foundation

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>809.2</b>	<b>1 269.7</b>	<b>1 085.9</b>	<b>1 847.1</b>	31.7%	58.2%	<b>1 961.7</b>	<b>1 947.9</b>	<b>1 935.4</b>	1.6%	62.5%
Sale of goods and services other than capital assets	703.3	1 157.4	996.3	1 776.7	36.2%	53.4%	1 526.7	1 507.2	1 252.5	-11.0%	49.5%
<i>of which:</i>											
<i>Sales by market establishment</i>	32.0	39.5	35.8	34.5	2.5%	1.8%	32.2	34.7	37.7	3.0%	1.1%
<i>Other sales</i>	671.3	1 117.9	960.5	1 742.2	37.4%	51.6%	1 494.5	1 472.5	1 214.8	-11.3%	48.4%
<i>Other non-tax revenue</i>	105.9	112.3	89.6	70.3	-12.8%	4.8%	435.0	440.7	683.0	113.3%	13.0%
<b>Transfers received</b>	<b>729.3</b>	<b>769.5</b>	<b>895.7</b>	<b>1 073.8</b>	13.8%	41.8%	<b>1 112.9</b>	<b>1 186.4</b>	<b>1 243.2</b>	5.0%	37.5%
<b>Total revenue</b>	<b>1 538.6</b>	<b>2 039.2</b>	<b>1 981.6</b>	<b>2 920.8</b>	23.8%	100.0%	<b>3 074.6</b>	<b>3 134.2</b>	<b>3 178.6</b>	2.9%	100.0%
<b>Expenses</b>											
<b>Current expenses</b>	<b>626.1</b>	<b>739.5</b>	<b>848.5</b>	<b>1 083.5</b>	20.1%	41.8%	<b>950.3</b>	<b>952.4</b>	<b>994.4</b>	-2.8%	37.0%
Compensation of employees	334.9	388.7	425.3	511.5	15.2%	21.3%	516.8	543.3	572.0	3.8%	19.9%
Goods and services	257.9	311.6	382.9	528.7	27.0%	18.6%	387.2	361.2	372.1	-11.0%	15.4%
Depreciation	32.6	38.7	40.0	43.2	9.8%	2.0%	46.2	47.8	50.2	5.1%	1.7%
Interest, dividends and rent on land	0.6	0.5	0.3	0.1	-42.3%	0.0%	0.1	0.1	0.1	2.9%	0.0%
<b>Transfers and subsidies</b>	<b>813.9</b>	<b>1 210.1</b>	<b>1 119.3</b>	<b>1 446.0</b>	21.1%	58.2%	<b>1 703.8</b>	<b>1 762.8</b>	<b>1 907.1</b>	9.7%	63.0%
<b>Total expenses</b>	<b>1 439.9</b>	<b>1 949.6</b>	<b>1 967.8</b>	<b>2 529.4</b>	20.7%	100.0%	<b>2 654.1</b>	<b>2 715.2</b>	<b>2 901.5</b>	4.7%	100.0%
<b>Surplus/(Deficit)</b>	<b>99.0</b>	<b>90.0</b>	<b>14.0</b>	<b>391.0</b>	58.1%		<b>421.0</b>	<b>419.0</b>	<b>277.0</b>	-10.9%	
<b>Statement of financial position</b>											
Carrying value of assets	428.4	507.4	557.2	976.7	31.6%	32.2%	1 342.1	1 626.8	1 853.7	23.8%	57.5%
<i>of which:</i>											
<i>Acquisition of assets</i>	146.5	119.0	112.9	462.6	46.7%	10.7%	462.6	467.5	326.9	-10.9%	17.8%
Investments	41.2	38.2	35.1	32.1	-8.0%	1.9%	29.1	26.1	26.1	-6.7%	1.2%
Inventory	3.3	3.7	3.4	6.5	25.6%	0.2%	7.0	7.0	7.0	2.5%	0.3%
Receivables and prepayments	270.1	540.3	720.3	712.7	38.2%	29.9%	710.5	704.5	700.8	-0.6%	28.9%
Cash and cash equivalents	1 313.9	795.4	360.1	320.0	-37.6%	35.8%	280.0	280.0	305.0	-1.6%	12.1%
Defined benefit plan assets	-	-	0.2	-	-	0.0%	-	-	-	-	-
<b>Total assets</b>	<b>2 056.8</b>	<b>1 885.0</b>	<b>1 676.2</b>	<b>2 047.9</b>	-0.1%	100.0%	<b>2 368.7</b>	<b>2 644.4</b>	<b>2 892.5</b>	12.2%	100.0%
Accumulated surplus/(deficit)	51.0	64.5	0.2	(27.9)	-181.8%	1.1%	(38.1)	(34.7)	(30.2)	2.7%	-1.3%
Capital and reserves	41.2	38.2	44.9	41.9	0.6%	2.2%	38.9	35.9	35.9	-5.0%	1.6%
Capital reserve fund	427.3	506.3	556.1	975.6	31.7%	32.1%	1 341.0	1 625.7	1 852.6	23.8%	57.4%
Finance lease	2.6	1.6	1.7	1.3	-21.1%	0.1%	0.9	0.5	0.2	-43.7%	0.0%
Deferred income	1 359.0	1 096.0	1 001.7	985.4	-10.2%	58.0%	947.8	938.8	956.8	-1.0%	39.2%
Trade and other payables	69.0	68.2	71.6	71.7	1.3%	3.7%	78.1	78.1	77.2	2.5%	3.1%
Provisions	106.8	110.2	-	-	-100.0%	2.8%	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>2 056.8</b>	<b>1 885.0</b>	<b>1 676.2</b>	<b>2 047.9</b>	-0.1%	100.0%	<b>2 368.7</b>	<b>2 644.4</b>	<b>2 892.5</b>	12.2%	100.0%

## Personnel information

**Table 34.24 National Research Foundation**

Salary level	Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number				
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
	1 522	58	1 505	421.2	0.3	1 464	446.4	0.3	1 522	473.2	0.3	1 522	501.6	0.3	1 522	531.7	0.3	1.3%	100.0%
1 – 6	485	9	567	55.0	0.1	476	58.3	0.1	485	61.8	0.1	485	65.5	0.1	485	69.4	0.1	0.6%	32.0%
7 – 10	507	30	484	117.0	0.2	477	124.0	0.3	507	131.5	0.3	507	139.3	0.3	507	147.7	0.3	2.1%	33.1%
11 – 12	374	17	329	145.3	0.4	357	154.0	0.4	374	163.2	0.4	374	173.0	0.5	374	183.4	0.5	1.6%	24.5%
13 – 16	142	2	120	94.3	0.8	140	99.9	0.7	142	105.9	0.7	142	112.3	0.8	142	119.0	0.8	0.5%	9.4%
17 – 22	14	–	5	9.6	1.9	14	10.2	0.7	14	10.8	0.8	14	11.5	0.8	14	12.2	0.9	–	0.9%

1. Rand million.

## Expenditure trends

The National Research Foundation receives approximately 60 per cent of its revenue from contract income and sales and interest, while 40 per cent is received in the form of government transfers. The foundation's own revenue increased between 2009/10 and 2012/13, due to increased contract income received. Over the medium term, own revenue is expected to remain steady. Additional funding of R300 million in 2013/14, R300 million in 2014/15 and R540 million in 2015/16 is allocated for the Square Kilometre Array project, while R400 million is allocated in 2015/16 for postgraduate bursaries.

The spending focus over the medium term will be on increasing the number of postgraduate students and researchers in science, technology and innovation; and modernising infrastructure in the science councils, particularly the national research facilities, to enable high quality facilities to attract international researchers.

The increase in expenditure between 2009/10 and 2012/13 was primarily due to the expansion of directed initiatives and programmes, including the South African Research Chairs Initiative, which receives R300 million per year through the research and innovation support and advancement programme; and the advancement of the Square Kilometre Array project. Other factors influencing increases in expenditure included spending on: urgent infrastructure needs; national research equipment; the broadband roll out to rural universities; and human capacity bursaries and assistance to needy students. The Square Kilometre Array project has maximised the use of the foundation's specialist expertise, where practical, while appropriate services have been procured for the remainder of the project to ensure timeous delivery.

Over the medium term, spending is expected to increase for grants and bursaries, following additional contract funding allocated by the Department of Science and Technology. This was done through a single agreement over three years for human capacity development, and for use in the special category of research chairs. The work on MeerKAT, the current phase of the Square Kilometre Array project, entails the design, testing and construction of 64 Gregorian offset dishes, and includes the costs of appropriate systems, land astronomy, site operations and the telescope array. Capital expenditure on the project represents approximately 85 per cent of the foundation's total capital expenditure over the medium term.

The foundation has a funded establishment of 1 522 posts, of which 58 were vacant at the end of September 2012 due to a scarcity of the requisite skills. The number of posts are expected to increase to 1 522 in 2013/14. The ratio of support staff to line function staff is 1:1. R250 million over the MTEF period has been allocated for spending on consultants who provide specialist services related to the Square Kilometre Array project.

## Other public entities and agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Academy of Science of South Africa** links South Africa with scientific communities at the highest levels in the SADC region, the rest of Africa and internationally; promotes common ground in scientific

thinking across all disciplines; encourages and promotes innovative and independent scientific thinking; promotes the development of intellectual capacity in all people; provides effective scientific evidence based advice; and facilitates appropriate action in the public interest. The academy's total budget for 2013/14 is R21.7 million.

- The **Africa Institute of South Africa** is a research institute that focuses on political, socioeconomic, international and development issues in contemporary Africa. The institute's total budget for 2013/14 is R39.8 million.
- The **Human Sciences Research Council** undertakes, promotes and coordinates research in the human and social sciences. The council's total budget for 2013/14 is R401.9 million.
- The **South African National Space Agency** was established under the South African National Space Agency Act (2008) and came into existence in December 2010. The agency aims to be a key contributor to the South African Earth observation strategy by providing space based data platforms in collaboration with other entities that focus on in-situ observation measurements, like the South African earth observation network. The agency's total budget for 2013/14 is R274.7 million.
- The **Technology Innovation Agency** is a national public entity that draws its mandate from the Technology Innovation Agency Act (2008) and became operation on 1 April 2010. The agency is an intervention to improve research and development from higher education institutions, science councils, public entities, private companies and commercialisation, thereby increasing technological innovation in the economy. The agency's total budget for 2013/14 is R471.6 million.

**Additional table: Summary of expenditure on infrastructure**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation 2012/13	Medium-term expenditure estimate		
				2009/10	2010/11		2011/12	2013/14	2014/15
R million									
<b>Infrastructure transfers to other spheres, agencies and departments</b>									
Square Kilometre Array	Construction of telescopes	Construction	1 649.2	490.3	–	218.7	628.1	647.8	701.1
Space infrastructure	Satellite construction	Construction	290.8	36.4	51.4	–	45.0	40.0	37.5
Hydrogen strategy	Purchase of equipment	Various	440.7	44.2	48.4	51.9	57.2	60.8	63.6
National nanotechnology centres	Equipping of centres	Various	310.0	34.9	38.3	42.4	45.8	48.6	50.4
South African National Research Network	Broadband connectivity	Various	883.2	93.5	98.8	104.7	101.9	108.3	113.3
<b>Total</b>			<b>3 573.8</b>	<b>699.3</b>	<b>236.9</b>	<b>417.7</b>	<b>878.1</b>	<b>905.5</b>	<b>965.8</b>



# Vote 35

## Tourism

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	205.7	201.4	–	4.3	221.4	226.6
Policy and Knowledge Services	875.5	41.8	833.1	0.6	924.4	930.6
International Tourism	49.6	43.3	5.5	0.8	52.3	53.5
Domestic Tourism	369.8	72.8	295.2	1.8	496.0	700.5
<b>Total expenditure estimates</b>	<b>1 500.6</b>	<b>359.2</b>	<b>1 133.8</b>	<b>7.5</b>	<b>1 694.1</b>	<b>1 911.2</b>
Executive authority	Minister of Tourism					
Accounting officer	Director General of Tourism					
Website address	www.tourism.gov.za					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

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

### Mandate

The mandate of the Department of Tourism, as outlined in the Tourism Act (1993), is to promote sustainable growth and development in the tourism sector. The 1996 White Paper on the Development and Promotion of Tourism in South Africa provides for the promotion of domestic and international tourism. Tourism is a national priority and has the potential to contribute significantly to economic development. The national tourism sector strategy provides a blueprint for the tourism sector to meet the growth targets contained in the new growth path.

### Strategic goals

The department's strategic goals over the medium term are to:

- maximise domestic and foreign tourists arrivals to South Africa
- expand domestic and foreign investment in the South African tourism industry
- expand tourist infrastructure
- improve the range and quality of tourist services
- increase the impact of tourism on the livelihood of all South Africans
- improve the tourist experience and value for money
- improve research and knowledge management
- contribute to growth and development and expand the tourism share of GDP
- improve competitiveness and sustainability in the tourism sector
- strengthen collaboration with tourist organisations.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide strategic governance and risk management, legal, corporate affairs, information technology, and strategic communications support services to the department.

### Programme 2: Policy and Knowledge Services

**Purpose:** Ensure strategic tourism sector policy development, monitoring and evaluation, and research and knowledge management services.

### Programme 3: International Tourism

**Purpose:** Develop and support South Africa's tourism potential throughout the various regions of the world.

### Programme 4: Domestic Tourism

**Purpose:** Promote the development and growth of sustainable domestic tourism throughout South Africa.

## Selected performance indicators

Table 35.1 Tourism

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of initiatives facilitated to reduce barriers to tourism growth per year <sup>2</sup>	Policy and Knowledge Services	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	-1	-1	2	2	2	4	6
Number of information and knowledge systems and services developed and maintained per year <sup>2</sup>	Policy and Knowledge Services		1	4	1	2	3	5	7
Number of strategic interventions introduced for selected tourism markets (countries and/or regions per year <sup>3</sup> )	International Tourism	Outcome 4: Decent employment through inclusive economic growth	-1	-1	-1	-1	4	8	12
Number of South African missions abroad supported for tourism mainstreaming	International Tourism	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	-1	-1	-1	4	8	12	16
Number of sustainable regional support packages identified and supported for implementation per year <sup>4</sup>	Domestic Tourism	Outcome 4: Decent employment through inclusive economic growth	-1	-1	-1	9	2	2	2
Number of full-time equivalent jobs supported through tourism enterprise partnership per year <sup>5</sup>	Domestic Tourism		-1	6 226	5 000	5 000	4 000	4 000	4 000
Number of rural enterprises supported per year <sup>6</sup>	Domestic Tourism		-1	-1	500	530	969	969	969
Number of individuals members of historically disadvantaged enterprises supported per year <sup>7</sup>	Domestic Tourism		-1	-1	3 150	3 351	2 494	2 494	2 494
Number of full time equivalent jobs created through the social responsibility implementation programme of the expanded public works programme per year	Domestic Tourism		-1	5 716	4 531	5 054	5 173	5 625	5 575

1. Indicators were only introduced between 2010/11 and 2012/13.

2. Funds were shifted towards the Domestic Tourism programme in 2012/13; hence the target is higher in the MTEF years.

3. Number of initiatives facilitated to reduce barriers to tourism growth per year: There were 4 additional initiatives in 2014/15 and 2015/16.

4. 9 provinces were profiled.

5. 9 000 full-time equivalent jobs funded by the department over the medium term.

6. 2 181 rural enterprises supported and funded by the department over the medium term.

7. 5 613 disadvantaged enterprises supported and funded by department over the medium term.



## The national development plan

The national development plan recognises tourism as one of the main drivers of the country's economy and employment. The plan envisages the promotion of South Africa as a major tourist destination, with unique features, in order to boost tourist numbers and enable tourism to contribute to sustainable economic growth and poverty reduction. The department supports these objectives and will implement ongoing strategies to set and maintain high standards and encourage growth in the sector. Partnerships with the public and private sectors will be a vital component in the realisation of tourism's potential. In line with the national development plan's target to create an additional 11 million jobs by 2030, and increase the GDP by an annual 5.4 per cent over the period, the tourism sector's targets for 2020 are the creation of 225 000 jobs and a total direct and indirect contribution to the GDP of R499 billion by 2020. These targets will contribute to the overall objective of increasing the proportion of national income in the lowest earning 40 per cent of the population.

## Expenditure estimates

**Table 35.2 Tourism**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
Administration	80.2	155.8	195.1	191.9	191.9	33.7%	12.7%	205.7	221.4	226.6	5.7%	13.1%
Policy and Knowledge Services	714.5	644.2	694.0	793.4	793.4	3.6%	57.9%	875.5	924.4	930.6	5.5%	54.4%
International Tourism	10.7	26.4	22.1	41.8	41.8	57.5%	2.1%	49.6	52.3	53.5	8.6%	3.0%
Domestic Tourism	340.2	317.1	339.1	347.0	347.0	0.7%	27.3%	369.8	496.0	700.5	26.4%	29.5%
<b>Total</b>	<b>1 145.6</b>	<b>1 143.5</b>	<b>1 250.2</b>	<b>1 374.1</b>	<b>1 374.1</b>	<b>6.3%</b>	<b>100.0%</b>	<b>1 500.6</b>	<b>1 694.1</b>	<b>1 911.2</b>	<b>11.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				6.8	6.8			5.2	114.0	258.4		
<b>Economic classification</b>												
<b>Current payments</b>	<b>137.7</b>	<b>213.9</b>	<b>263.0</b>	<b>330.3</b>	<b>330.3</b>	<b>33.8%</b>	<b>19.2%</b>	<b>359.2</b>	<b>382.3</b>	<b>391.1</b>	<b>5.8%</b>	<b>22.6%</b>
Compensation of employees	89.6	100.3	135.3	174.7	174.7	24.9%	10.2%	205.8	222.3	227.7	9.2%	12.8%
Goods and services	48.1	113.6	127.5	155.0	155.0	47.7%	9.0%	153.3	159.8	163.2	1.7%	9.7%
<i>of which:</i>												
Administration fees	0.6	0.3	0.4	1.2	1.2	29.6%	0.1%	26.5	28.1	28.8	184.8%	1.3%
Computer services	1.2	9.4	11.0	19.6	19.6	157.1%	0.8%	22.5	22.2	22.8	5.1%	1.3%
Consultants and professional services: Business and advisory services	3.7	8.3	18.8	14.0	14.0	55.2%	0.9%	8.6	8.8	9.2	-13.0%	0.6%
Travel and subsistence	20.3	30.0	30.5	38.9	38.9	24.1%	2.4%	40.1	42.2	42.9	3.3%	2.5%
Interest and rent on land	–	–	0.3	0.5	0.5	0.0%	0.0%	0.2	0.2	0.2	-23.7%	0.0%
<b>Transfers and subsidies</b>	<b>1 007.5</b>	<b>912.8</b>	<b>966.7</b>	<b>1 034.3</b>	<b>1 034.3</b>	<b>0.9%</b>	<b>79.8%</b>	<b>1 133.8</b>	<b>1 303.8</b>	<b>1 511.8</b>	<b>13.5%</b>	<b>76.9%</b>
Departmental agencies and accounts	699.5	631.7	668.6	759.0	759.0	2.8%	56.1%	836.0	882.1	887.4	5.3%	51.9%
Higher education institutions	–	–	1.9	2.5	2.5	0.1%	0.1%	3.1	3.7	3.8	15.2%	0.2%
Foreign governments and international organisations	4.0	3.3	1.4	3.5	3.5	-4.4%	0.2%	5.5	5.9	6.0	19.8%	0.3%
Non-profit institutions	59.1	27.7	22.2	26.6	26.6	-23.4%	2.8%	26.0	26.0	26.0	-0.7%	1.6%
Households	244.9	250.2	272.6	242.8	242.8	-0.3%	20.6%	263.2	386.0	588.6	34.3%	22.8%
<b>Payments for capital assets</b>	<b>0.4</b>	<b>16.8</b>	<b>20.5</b>	<b>9.6</b>	<b>9.6</b>	<b>185.2%</b>	<b>1.0%</b>	<b>7.5</b>	<b>8.1</b>	<b>8.2</b>	<b>-4.8%</b>	<b>0.5%</b>
Machinery and equipment	0.4	16.8	19.6	9.3	9.3	184.0%	0.9%	7.4	7.9	8.1	-4.6%	0.5%
Software and other intangible assets	0.0	–	0.9	0.2	0.2	278.0%	0.0%	0.1	0.1	0.1	-15.6%	0.0%
<b>Total</b>	<b>1 145.6</b>	<b>1 143.5</b>	<b>1 250.2</b>	<b>1 374.1</b>	<b>1 374.1</b>	<b>6.3%</b>	<b>100.0%</b>	<b>1 500.6</b>	<b>1 694.1</b>	<b>1 911.2</b>	<b>11.6%</b>	<b>100.0%</b>

## Personnel information

**Table 35.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
<b>Tourism</b>																			
<b>Salary level</b>		–	404	131.8	0.3	466	171.4	0.4	529	202.1	0.4	529	218.4	0.4	529	223.8	0.4	4.3%	100.0%
1 – 6	116	–	106	18.1	0.2	104	19.4	0.2	116	22.3	0.2	116	23.8	0.2	116	24.2	0.2	3.7%	22.0%
7 – 10	225	–	182	49.5	0.3	203	55.9	0.3	225	65.2	0.3	225	70.8	0.3	225	70.6	0.3	3.5%	42.8%
11 – 12	120	–	79	35.9	0.5	103	50.0	0.5	120	59.2	0.5	120	64.4	0.5	120	66.0	0.6	5.2%	22.6%
13 – 16	68	–	37	28.3	0.8	56	46.2	0.8	68	55.4	0.8	68	59.5	0.9	68	63.0	0.9	6.7%	12.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be in the *Policy and Knowledge Services* and *Domestic Tourism* programmes. This is to meet the department's objectives of using research and knowledge management to market South Africa as a desirable tourist destination, and creating 16 373 full time equivalent jobs through the implementation of the expanded public works programme by 2015/16.

Expenditure in the *Administration* programme grew significantly between 2009/10 and 2012/13 and was the main contributor to the increase in departmental expenditure over this period. This was due to the establishment of the Department of Tourism as a stand-alone department in 2010/11, and the need for new premises, fittings and personnel. This also accounted for the increase in expenditure on compensation of employees, goods and services, and machinery and equipment over the period.

Expenditure is expected to increase over the medium term to R1.9 billion as a result of additional allocations of R319 million for the tourism incentive programme, which was transferred from the Department of Trade and Industry to the *Domestic Tourism* programme in 2012/13. A new tourism incentive programme business plan will be developed in 2013/14, along with a system application to provide support to small, medium and micro enterprises. This will be fully functional in 2014/15.

The 2013 Budget sets out additional allocations over the medium term of R13.6 million for the department and R16.4 million for South African Tourism for improved conditions of service. An additional R100 million is allocated for the economic competitive support package in respect of the incentive investment projects in 2015/16.

As part of Cabinet approved reductions of R12.5 million in 2013/14, R9.6 million in 2014/15 and R59.6 million in 2015/16, the department will reduce spending on goods and services, contractors, the transfer to South African Tourism and on the social responsibility implementations in the expanded public works programme. The department has reduced its targets accordingly.

The department has a funded establishment of 529 posts, 60 of which were vacant at the end of September 2012. These vacancies are mainly the result of restructuring and natural attrition. The department plans to fill all vacancies by 2013/14. The ratio of support staff to line staff is 1:1.88.

Consultants are used to provide support to the department's information technology unit and the national tourism information gateways.

## Departmental receipts

Table 35.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/ total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/ total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R thousand												
<b>Departmental receipts</b>	<b>719</b>	<b>1 521</b>	<b>1 893</b>	<b>2 030</b>	<b>1 524</b>	<b>28.5%</b>	<b>100.0%</b>	<b>1 605</b>	<b>1 687</b>	<b>1 769</b>	<b>5.1%</b>	<b>100.0%</b>
<b>Sales of goods and services produced by department</b>	<b>138</b>	<b>64</b>	<b>99</b>	<b>100</b>	<b>100</b>	<b>-10.2%</b>	<b>7.1%</b>	<b>90</b>	<b>95</b>	<b>104</b>	<b>1.3%</b>	<b>5.9%</b>
Sales by market establishments	-	34	59	60	60	-	2.7%	51	54	59	-0.6%	3.4%
<i>of which:</i>												
<i>Rent collected from the letting of open and covered parking</i>	-	34	59	60	60	-	2.7%	51	54	59	-0.6%	3.4%
Other sales	138	30	40	40	40	-33.8%	4.4%	39	41	45	4.0%	2.5%
<i>of which:</i>												
<i>Commission received on deduction of insurance and other premiums from employees' salaries</i>	138	30	40	40	40	-33.8%	4.4%	39	41	45	4.0%	2.5%
<b>Sales of scrap, waste, arms and other used current goods</b>	<b>3</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<i>of which:</i>												
<i>Waste paper</i>	3	-	1	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Fines, penalties and forfeits</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest, dividends and rent on land</b>	<b>31</b>	<b>29</b>	<b>23</b>	<b>26</b>	<b>26</b>	<b>-5.7%</b>	<b>1.9%</b>	<b>28</b>	<b>30</b>	<b>35</b>	<b>10.4%</b>	<b>1.8%</b>
Interest	31	29	23	26	26	-5.7%	1.9%	28	30	35	10.4%	1.8%
<b>Sales of capital assets</b>	<b>-</b>	<b>-</b>	<b>66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Transactions in financial assets and liabilities</b>	<b>523</b>	<b>1 428</b>	<b>1 704</b>	<b>1 904</b>	<b>1 398</b>	<b>38.8%</b>	<b>89.3%</b>	<b>1 487</b>	<b>1 562</b>	<b>1 630</b>	<b>5.3%</b>	<b>92.3%</b>
<b>Total</b>	<b>719</b>	<b>1 521</b>	<b>1 893</b>	<b>2 030</b>	<b>1 524</b>	<b>28.5%</b>	<b>100.0%</b>	<b>1 605</b>	<b>1 687</b>	<b>1 769</b>	<b>5.1%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 35.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/ total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/ total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14			2014/15
R million												
Ministry	27.5	24.3	28.3	33.1	6.3%	18.2%	37.5	39.4	40.3	6.8%	17.8%	
Management	2.8	8.7	9.4	16.7	81.4%	6.0%	17.4	18.4	18.8	4.1%	8.4%	
Corporate Affairs	49.1	86.3	130.5	118.2	34.0%	61.7%	125.8	137.3	140.4	5.9%	61.7%	
Office Accommodation	0.8	36.4	26.9	24.0	215.8%	14.1%	25.0	26.4	27.1	4.1%	12.1%	
<b>Total</b>	<b>80.2</b>	<b>155.8</b>	<b>195.1</b>	<b>191.9</b>	<b>33.7%</b>	<b>100.0%</b>	<b>205.7</b>	<b>221.4</b>	<b>226.6</b>	<b>5.7%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(3.1)			0.3	4.0	-			

Table 35.5 Administration (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>79.8</b>	<b>140.2</b>	<b>177.4</b>	<b>186.2</b>	<b>32.6%</b>	<b>93.7%</b>	<b>201.4</b>	<b>216.8</b>	<b>221.9</b>	<b>6.0%</b>	<b>97.7%</b>
Compensation of employees	53.9	58.9	78.5	94.3	20.5%	45.8%	100.9	111.3	113.9	6.5%	49.7%
Goods and services	25.9	81.4	98.7	91.5	52.3%	47.7%	100.4	105.4	107.8	5.6%	47.9%
<i>of which:</i>											
Administration fees	0.0	0.1	0.1	0.9	203.9%	0.2%	26.2	27.8	28.5	216.4%	9.9%
Computer services	0.3	8.8	10.2	18.0	299.6%	6.0%	19.5	20.7	21.2	5.6%	9.4%
Consultants and professional services:	0.5	2.8	15.0	3.3	93.0%	3.5%	3.9	3.7	3.8	4.7%	1.7%
Business and advisory services											
Travel and subsistence	13.0	15.1	18.6	13.3	0.8%	9.6%	14.2	15.0	15.4	5.0%	6.9%
Interest and rent on land	-	-	0.2	0.4	-	0.1%	0.2	0.2	0.2	-27.8%	0.1%
<b>Transfers and subsidies</b>	<b>-</b>	<b>0.5</b>	<b>0.3</b>	<b>0.0</b>	<b>-</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>
Households	-	0.5	0.3	0.0	-	0.1%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>0.4</b>	<b>15.0</b>	<b>17.3</b>	<b>5.7</b>	<b>140.5%</b>	<b>6.2%</b>	<b>4.3</b>	<b>4.6</b>	<b>4.7</b>	<b>-6.3%</b>	<b>2.3%</b>
Machinery and equipment	0.4	15.0	16.4	5.6	139.3%	6.0%	4.3	4.5	4.6	-6.0%	2.3%
Software and other intangible assets	0.0	-	0.9	0.1	224.0%	0.2%	0.1	0.1	0.1	-20.6%	-
<b>Total</b>	<b>80.2</b>	<b>155.8</b>	<b>195.1</b>	<b>191.9</b>	<b>33.7%</b>	<b>100.0%</b>	<b>205.7</b>	<b>221.4</b>	<b>226.6</b>	<b>5.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>7.0%</b>	<b>13.6%</b>	<b>15.6%</b>	<b>14.0%</b>			<b>13.7%</b>	<b>13.1%</b>	<b>11.9%</b>		

## Personnel information

Table 35.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment									Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
<b>Administration</b>																
<b>Salary level</b>	291	-	209	61.8	0.3	284	96.2	0.3	291	101.1	0.3	291	111.5	0.4	0.8%	100.0%
1 - 6	90	-	79	12.9	0.2	88	16.2	0.2	90	17.0	0.2	90	18.2	0.2	0.8%	30.9%
7 - 10	124	-	90	24.2	0.3	121	32.8	0.3	124	35.6	0.3	124	39.4	0.3	0.8%	42.6%
11 - 12	47	-	22	10.2	0.5	46	22.3	0.5	47	23.8	0.5	47	26.8	0.6	0.7%	16.2%
13 - 16	30	-	18	14.5	0.8	29	24.9	0.9	30	24.7	0.8	30	27.1	0.9	1.1%	10.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be in the *Corporate Affairs* subprogramme to create and support an enabling policy and legislative environment for growth and development.

The bulk of spending in all programmes between 2009/10 and 2012/13 went to the establishment of the department in 2010/11, which necessitated the acquisition and refurbishment of office accommodation and the appointment of essential support staff. These developments also account for the increase in expenditure on compensation of employees, goods and services, and machinery and equipment between 2009/10 and 2012/13.

Over the medium term, expenditure is expected to increase as a result of additional funding for improved conditions of services, an increase in the number of national and international trips, as well as the purchasing of furniture and IT consultants. Other major cost drivers include items such as administration fees and computer services.

As part of the Cabinet approved reductions, the department will reduce spending by R2.3 million over the medium term. The reductions will be effected in spending on items such as external audit costs under expenditure on goods and services in 2015/16.

The programme has a funded establishment of 291 posts, 7 of which were vacant at the end of September 2012. These vacancies are mostly the result of natural attrition and will all be filled in 2013/14.

State Information Technology Agency is used as a consultant to provide support to the department's IT unit.

## **Programme 2: Policy and Knowledge Services**

### **Objectives**

- Monitor and evaluate tourism sector performance, strategies, policies and initiatives to inform decision making by:
  - publishing 3 annual state of tourism reports, 3 annual national tourism sector strategy implementation reports and 5 impact evaluation reports for department initiatives over the MTEF period
  - developing 2 tourism forecasting models for tourist arrivals in 2013/14 and for job creation in 2014/15.
- Create an enabling policy environment and improve intergovernmental coordination by:
  - supporting provincial and local government on policy direction and programmes, focusing on the review and development of 6 tourism related policies, strategies and frameworks by 2015/16
  - developing frameworks for regulations on tourist guiding in 2013/14
  - implementing a tourism capacity building programme targeting municipalities by 2014/15
  - developing and implementing a framework for the alignment and integration of the national tourism sector strategy at provincial and local government level by 2015/16
  - facilitating 6 initiatives aimed at addressing barriers to tourism growth by 2015/16
  - implementing a memorandum of understanding with the Department of Home Affairs by 2013/14
  - implementing the recommendations of the annual tourism state airlift plan report by 2013/14
  - implementing 3 initiatives and platforms aimed at improving stakeholder engagement within the tourism industry in 2013/14, and increasing to 5 in 2014/15.
- Provide research and knowledge management for the tourism sector to inform tourism growth and development by:
  - implementing the national visitors information framework, ensuring that 8 national tourism information gateways are operational by 2015/16, including OR Tambo International Airport and the Beitbridge border post
  - implementing a standardised knowledge management framework for the tourism sector by 2015/16
  - developing and maintaining a standardised research framework for the tourism sector over the medium term
  - conducting 8 tourism research studies to initiate service excellence, cross border guiding and events impact evaluation studies in 2013/14.
- Provide adequate tourism sector knowledge and information services by developing and maintaining 7 information and knowledge systems and services by 2015/16, including an online self-assessment tool for responsible tourism, a self-assessment tool for local government and a local government support online portal.
- Facilitate tourism sector transformation by:
  - aligning tourism's broad based black economic empowerment (BEE) measures with the Preferential Procurement Policy Framework Act (2000) and ensuring verifications of compliance by tourism accredited agencies by 2015/16
  - implementing the BEE charter council plan of action covering enterprise development, preferential procurement, skills development and ownership on an ongoing basis.
- Promote responsible tourism best practice by:

- providing a framework for implementing an effective tourism response to climate change by 2015/16
- focusing on implementing the South African national standard for responsible tourism 1 162 incentives and the universal accessibility in tourism declaration
- conducting 3 annual awareness programmes for tourist guiding in 2013/14
- implementing a strategy in partnership with the Culture, Art, Tourism Hospitality and Sport Education and Training Authority to professionalise tourist guiding
- developing standardised protocols for provincial registrars of tourist guides.

## Subprogrammes

- *Policy and Knowledge Services Management* provides strategic direction and comprehensive administrative and operational support services and research, information and knowledge management; manages policy development and evaluation; and promotes sector transformation and responsible tourism. This subprogramme had a staff complement of 6 in 2012/13.
- *Policy Development and Evaluation* manages the development of integrated policies, sector planning, intergovernmental coordination, and stakeholders; monitors and evaluates tourism policies, strategies, and tourism projects implemented by the department; and promotes responsible tourism practice in the tourism industry as well as its transformation. Activities in 2012/13 included building local government capacity, developing forecasting models, conducting impact evaluation surveys, facilitating intergovernmental cooperation, implementing the national tourism sector strategy, promoting sector transformation through the promotion and awareness creation of BEE sector codes, and promoting responsible tourism within the sector. By the end of 2012/13, the local government tourism conference will have been hosted. This subprogramme had a staff complement of 26 in 2012/13.
- *Research and Knowledge Management* facilitates research, information and knowledge management in the tourism sector. Activities in 2012/13 included undertaking collaborative research projects with universities, piloting information gateways, and branding visitor information gateways. There are currently 6 research projects for which universities have been commissioned. This subprogramme had a staff complement of 23 in 2012/13.
- *South African Tourism* is responsible for marketing South Africa as a desirable tourist destination. Through the tourism growth strategy, it aims to make tourism the leading economic sector in South Africa, and promote sustainable economic and social empowerment of all South Africans. This subprogramme had a total budget of R754.9 million in 2012/13.

## Expenditure estimates

**Table 35.7 Policy and Knowledge Services**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Policy and Knowledge Services Management	–	1.8	4.2	3.4	–	0.3%	3.6	3.8	3.9	4.6%	0.4%
Policy Development and Evaluation	10.4	5.1	9.6	17.2	18.5%	1.5%	20.2	21.3	21.8	8.2%	2.3%
Research and Knowledge Management	4.6	5.6	11.6	17.8	56.8%	1.4%	21.7	23.5	24.1	10.6%	2.5%
South African Tourism	699.5	631.7	668.6	754.9	2.6%	96.8%	830.0	875.8	880.8	5.3%	94.8%
<b>Total</b>	<b>714.5</b>	<b>644.2</b>	<b>694.0</b>	<b>793.4</b>	<b>3.6%</b>	<b>100.0%</b>	<b>875.5</b>	<b>924.4</b>	<b>930.6</b>	<b>5.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				5.4			6.4	5.4	–		

Table 35.7 Policy and Knowledge Services (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million	15.0	12.4	22.7	35.3	33.0%	3.0%	41.8	44.1	45.2	8.7%	4.7%
<b>Current payments</b>	<b>15.0</b>	<b>12.4</b>	<b>22.7</b>	<b>35.3</b>	<b>33.0%</b>	<b>3.0%</b>	<b>41.8</b>	<b>44.1</b>	<b>45.2</b>	<b>8.7%</b>	<b>4.7%</b>
Compensation of employees	9.2	6.8	14.5	24.7	38.8%	1.9%	29.1	30.8	31.5	8.5%	3.3%
Goods and services	5.7	5.6	8.1	10.6	22.5%	1.1%	12.7	13.3	13.7	9.1%	1.4%
<i>of which:</i>											
Administration fees	0.0	0.0	0.1	0.2	123.9%	–	0.2	0.2	0.2	-2.1%	–
Computer services	0.0	0.6	0.9	1.6	410.9%	0.1%	1.0	1.0	1.1	-12.9%	0.1%
Consultants and professional services:	0.9	1.8	1.1	0.2	-38.7%	0.1%	3.4	3.5	3.7	156.8%	0.3%
Business and advisory services											
Travel and subsistence	1.8	1.8	2.8	4.0	31.4%	0.4%	4.5	4.7	4.9	6.5%	0.5%
Interest and rent on land	–	–	0.0	0.0	–	–	0.0	0.0	0.0	3.6%	–
<b>Transfers and subsidies</b>	<b>699.5</b>	<b>631.7</b>	<b>670.5</b>	<b>757.4</b>	<b>2.7%</b>	<b>96.9%</b>	<b>833.1</b>	<b>879.6</b>	<b>884.6</b>	<b>5.3%</b>	<b>95.2%</b>
Departmental agencies and accounts	699.5	631.7	668.6	754.9	2.6%	96.8%	830.0	875.8	880.8	5.3%	94.8%
Higher education institutions	–	–	1.9	2.5	–	0.2%	3.1	3.7	3.8	15.2%	0.4%
<b>Payments for capital assets</b>	<b>–</b>	<b>0.2</b>	<b>0.8</b>	<b>0.7</b>	<b>–</b>	<b>0.1%</b>	<b>0.6</b>	<b>0.8</b>	<b>0.8</b>	<b>2.9%</b>	<b>0.1%</b>
Machinery and equipment	–	0.2	0.8	0.7	–	0.1%	0.6	0.8	0.8	2.9%	0.1%
<b>Total</b>	<b>714.5</b>	<b>644.2</b>	<b>694.0</b>	<b>793.4</b>	<b>3.6%</b>	<b>100.0%</b>	<b>875.5</b>	<b>924.4</b>	<b>930.6</b>	<b>5.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>62.4%</b>	<b>56.3%</b>	<b>55.5%</b>	<b>57.7%</b>			<b>58.3%</b>	<b>54.6%</b>	<b>48.7%</b>		

## Details of transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current	699.5	631.7	668.6	754.9	2.6%	96.8%	830.0	875.8	880.8	5.3%	94.8%
South African Tourism	699.5	631.7	668.6	754.9	2.6%	96.8%	830.0	875.8	880.8	5.3%	94.8%
Higher education institutions											
Current	–	–	1.9	2.5	–	0.2%	3.1	3.7	3.8	15.2%	0.4%
National tourism research framework	–	–	1.9	2.5	–	0.2%	3.1	3.7	3.8	15.2%	0.4%

## Personnel information

Table 35.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
<b>Policy and Knowledge Services</b>			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	68	–	60	21.8	0.4	49	20.9	0.4	68	29.8	0.4	68	31.6	0.5	68	33.4	0.5	11.5%	100.0%
1 – 6	8	–	10	1.9	0.2	4	0.8	0.2	8	1.7	0.2	8	1.8	0.2	8	1.9	0.2	26.0%	11.1%
7 – 10	30	–	27	7.5	0.3	22	6.2	0.3	30	9.2	0.3	30	9.7	0.3	30	10.3	0.3	10.9%	44.3%
11 – 12	17	–	16	7.2	0.5	12	5.5	0.5	17	8.4	0.5	17	8.9	0.5	17	9.4	0.6	12.3%	24.9%
13 – 16	13	–	7	5.3	0.8	11	8.4	0.8	13	10.5	0.8	13	11.2	0.9	13	11.8	0.9	5.7%	19.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on transfers to South African Tourism to increase the number of tourists from African countries to make tourism a leading economic sector in South Africa, and to promote sustainable economic development. Expenditure in this programme over the medium term is expected to increase as a result of increased transfers to South African Tourism.

Expenditure in the *Policy Development and Evaluation* and *Research and Knowledge Management* subprogrammes increased significantly between 2009/10 and 2012/13. This was due to spending on compensation of employees and goods and services for capacity building and related costs.

The increases in expenditure on compensation of employees and goods and services over the medium term are due to additional funding for improved conditions of service and an increase in travel related costs. Spending will also increase on items such as consultants and computer services. Consultants will be hired to provide IT support to the development of the visitor information centre and planning for the national tourism information gateway.

The allocation over the medium term is projected to help South African Tourism increase the number of international tourist arrivals per year from 11.9 million in 2012/13 to 13.6 million in 2015/16. However, as part of the Cabinet approved budget reductions, the transfer to South African Tourism in 2015/16 has been reduced by R40.7 million.

The programme has a funded establishment of 68 posts, 19 of which were vacant at the end of September 2012. These posts were vacant as a result of natural attrition and will all be filled in 2013/14.

## **Programme 3: International Tourism**

### **Objectives**

- Provide international tourism market analysis to inform strategic interventions by:
  - developing and updating 221 national tourism profiles and 13 regional tourism profiles, ensuring a proper understanding of tourism related indicators by 2015/16
  - developing and putting into operation a market intervention toolkit to serve as a practical guideline for understanding tourism, implementing tourism related programmes, introducing 20 strategic interventions for selected tourism markets and establishing 36 tourist desks in South African missions abroad
  - drafting analysis reports based on the outcome of the toolkit for the tourism stakeholders and identifying relevant interventions by 2015/16
  - introducing the reports to South African embassies and missions and drafting plans to include tourism as one of their functions on an ongoing basis.
- Use bilateral and multilateral engagements to advance tourism's national, regional, African and global agenda by 2015/16 by:
  - negotiating, facilitating and implementing effective international tourism agreements and addressing issues of concern for mutually beneficial relationships
  - participating in 8 multilateral forums, ensuring that South Africa's interests are represented.

### **Subprogrammes**

- *International Tourism Management* provides a comprehensive administrative and operational support service to the programme for carrying out its activities, which include the collation and consolidation of inputs to the branch business plans, and annual and performance reports; and develops and supports the growth of South Africa's tourist attractions. This subprogramme had a staff complement of 5 in 2012/13.
- *Americas and Caribbean* manages the development of South Africa's tourism potential at the political and policy level in North America, the United Nations World Tourism Organisation, the World Travel Tourism Council, and multilateral and regional organisations in Latin America and the Caribbean. A portion of this subprogramme's budget is transferred annually to the United Nations World Tourism Organisation. This subprogramme had a staff complement of 14 in 2012/13.
- *Europe* manages the development of South Africa's tourism potential at the political and policy level throughout Western Europe, the G20 group of tourism ministers; the World Travel Tourism Council, European multilateral and regional organisations, Eastern Europe and the Mediterranean. This subprogramme had a staff complement of 13 in 2012/13.
- *Africa and Middle East* manages the development of South Africa's tourism potential at the political and policy level throughout Africa, the Middle East, Indian Ocean island states, and African multilateral and



regional organisations. A portion of this subprogramme's total budget is transferred annually to the Regional Tourism Organisation of Southern Africa. This subprogramme had a staff complement of 14 in 2012/13.

- *Asia and Australasia* manages the development of South Africa's tourism potential at the political and policy level throughout central, eastern, south western and southern Asia; and Asian multilateral and regional organisations in Australasia and the Pacific islands. This subprogramme had a staff complement of 14 in 2012/13.

## Expenditure estimates

**Table 35.9 International Tourism**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
International Tourism Management	6.7	9.0	2.2	4.6	-12.1%	22.3%	3.7	3.9	4.0	-4.3%	8.2%
Americas and Caribbean	1.5	5.1	9.3	8.9	81.3%	24.6%	12.8	13.5	13.8	15.6%	24.9%
Europe	-	3.7	-	9.1	-	12.7%	9.6	10.1	10.3	4.3%	19.8%
Africa and Middle East	2.5	5.2	10.6	11.8	67.8%	29.8%	13.8	14.6	14.9	8.1%	28.0%
Asia and Australasia	-	3.3	-	7.4	-	10.6%	9.7	10.2	10.5	12.2%	19.2%
<b>Total</b>	<b>10.7</b>	<b>26.4</b>	<b>22.1</b>	<b>41.8</b>	<b>57.5%</b>	<b>100.0%</b>	<b>49.6</b>	<b>52.3</b>	<b>53.5</b>	<b>8.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(5.0)			2.0	2.1	-		
<b>Economic classification</b>											
<b>Current payments</b>	<b>6.7</b>	<b>22.8</b>	<b>20.2</b>	<b>37.2</b>	<b>77.0%</b>	<b>86.0%</b>	<b>43.3</b>	<b>45.6</b>	<b>46.7</b>	<b>7.8%</b>	<b>87.6%</b>
Compensation of employees	3.2	8.1	14.7	20.7	86.7%	46.2%	28.4	30.0	30.8	14.1%	55.7%
Goods and services	3.5	14.8	5.5	16.5	67.2%	39.9%	14.9	15.5	15.9	-1.2%	31.9%
<i>of which:</i>											
Administration fees	0.1	0.1	0.1	0.0	-23.2%	0.3%	0.0	0.0	0.0	-8.2%	0.1%
Computer services	0.1	0.1	0.0	-	-100.0%	0.2%	-	-	-	-	-
Consultants and professional services: Business and advisory services	1.8	2.2	0.1	3.6	25.6%	7.7%	0.7	0.6	0.6	-45.5%	2.8%
Travel and subsistence	0.7	7.6	2.8	8.0	125.8%	18.9%	8.8	9.1	9.3	5.2%	17.9%
Interest and rent on land	-	-	0.0	0.0	-	-	0.0	0.0	0.0	9.4%	-
<b>Transfers and subsidies</b>	<b>4.0</b>	<b>3.3</b>	<b>1.5</b>	<b>3.5</b>	<b>-4.4%</b>	<b>12.2%</b>	<b>5.5</b>	<b>5.9</b>	<b>6.0</b>	<b>19.8%</b>	<b>10.6%</b>
Foreign governments and international organisations	4.0	3.3	1.4	3.5	-4.4%	12.1%	5.5	5.9	6.0	19.8%	10.6%
Households	-	-	0.1	-	-	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>-</b>	<b>0.3</b>	<b>0.4</b>	<b>1.1</b>	<b>-</b>	<b>1.8%</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>-9.4%</b>	<b>1.8%</b>
Machinery and equipment	-	0.3	0.4	1.1	-	1.8%	0.8	0.8	0.8	-9.1%	1.8%
<b>Total</b>	<b>10.7</b>	<b>26.4</b>	<b>22.1</b>	<b>41.8</b>	<b>57.5%</b>	<b>100.0%</b>	<b>49.6</b>	<b>52.3</b>	<b>53.5</b>	<b>8.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.9%</b>	<b>2.3%</b>	<b>1.8%</b>	<b>3.0%</b>			<b>3.3%</b>	<b>3.1%</b>	<b>2.8%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>4.0</b>	<b>3.3</b>	<b>1.4</b>	<b>3.5</b>	<b>-4.4%</b>	<b>12.1%</b>	<b>5.5</b>	<b>5.9</b>	<b>6.0</b>	<b>19.8%</b>	<b>10.6%</b>
Regional Tourism Organisation of South Africa	2.5	1.9	-	2.0	-7.6%	6.3%	3.3	3.5	3.6	22.2%	6.3%
United Nations World Tourism Organisation	1.5	1.3	1.4	1.5	0.4%	5.7%	2.2	2.3	2.4	16.5%	4.3%

## Expenditure trends

The spending focus over the medium term will be on the *Africa and Middle East* and *Americas and Caribbean* subprogrammes for the development and updating of 221 national and 13 regional tourism profiles, as well as for participation in 8 multilateral forums. This will be to ensure that South Africa's interests are represented and that there is a proper understanding of tourism related indicators by 2015/16.

Between 2009/10 and 2012/13, the significant increases in expenditure in the *Americas and Caribbean*, *Europe* and *Africa and Middle East* subprogrammes were mainly due to the drive to expand South Africa's tourism

potential. Spending also increased on the implementation of bilateral and multilateral engagements to advance the tourism national, regional, Africa and global agenda, including related travel and subsistence costs to implement this. In addition, a new programme structure was implemented in 2012/13.

Expenditure in the programme is expected to increase over the medium term, mainly on compensation of employees and goods and services, due to additional funding for improved conditions of service. Spending on local and international travel and subsistence under goods and services also increases for the programme to fulfil its marketing function. Spending on transfers to international organisations is also set to rise over the period.

The programme has a funded establishment of 60 posts, 25 of which were vacant at the end of September 2012. The vacancies were due to natural attrition and are all expected to be filled in 2013/14.

## **Programme 4: Domestic Tourism**

### **Objectives**

- Facilitate the implementation of targeted regional support packages aimed at strengthening the tourism supply side and people development by:
  - implementing 2 support packages targeting gaps in the tourism environment, particularly access to roads, air, rail and ports infrastructure; attractions, events, social responsibility implementation projects, service excellence, provincial stakeholder engagement structures, social tourism and provincial structures by 2015/16
  - coordinating with the appropriate authorities in each region to implement the packages.
- Facilitate the execution of national tourism imperatives aimed at driving inclusive and meaningful participation in the tourism economy by:
  - implementing the Service Excellence campaign to deal with inconsistencies and poor service levels in the sector on an ongoing basis
  - conducting the National Tourism Careers Expo annually
  - implementing the rural tourism strategy recommendations on an ongoing basis
  - supporting 12 national programmes focusing on skills development and quality assurance.
- Provide support, training, monitoring and funding to small, medium and micro enterprises and established businesses to increase economic development by:
  - providing funds for the Tourism Enterprise Partnership and monitoring its performance as and when required
  - establishing a tourism incentive programme in 2013/14
  - implementing the tourism incentive programme in 2014/15.
- Create employment opportunities by implementing tourism projects through the expanded public works programme by:
  - implementing labour intensive tourism projects targeting unemployed youth, women, and people with disabilities, producing 5 173 full time equivalent jobs in 2013/14 and 5 625 in 2014/15
  - creating 1 673 full time equivalent jobs through implementing the expanded public works programme social responsibility component by 2015/16, contributing to job creation, poverty alleviation, tourism sector transformation and economic empowerment.

### **Subprogrammes**

- *Domestic Tourism Management* provides a comprehensive administrative and operational support service to the programme's activities; develops potential in promoting and supporting the growth of domestic tourism in South Africa's southern and northern regions; transfers funds to facilitate development support for SMMEs through strategic partners in tourism; and focuses on supporting rural and historically disadvantaged enterprises, growing tourism enterprises, creating revenue streams and jobs, and developing skills and capacity. This subprogramme had a staff complement of 6 in 2012/13.

- *Domestic Tourism Management*: Southern Region develops potential in promoting and supporting the growth of domestic tourism in the country's southern region. This entails managing the development of domestic tourism in Western Cape and Northern Cape, with an emphasis on heritage development; managing the development of domestic tourism in Eastern Cape and Free State, with an emphasis on rural development; conducting research to develop and update provincial and regional tourism profiles; developing and implementing tourism support packages informed by relevant strategies with a specific focus on product support, implementing the rural tourism strategy; and supporting national tourism programmes in the region. This subprogramme had a staff complement of 18 in 2012/13.
- *Domestic Tourism Management*: Northern Region develops potential in the sector by promoting and supporting the growth of South African domestic tourism in Gauteng, North West and Limpopo, with an emphasis on niche tourism development; and does the same in KwaZulu-Natal and Mpumalanga, but with an emphasis on social tourism development. This entails conducting research to develop and update provincial and regional tourism profiles, developing and facilitating the implementation of tourism support packages informed by relevant strategies with a specific focus on product support, implementing the rural tourism strategy, and supporting national tourism programmes in the region. This subprogramme had a staff complement of 20 in 2012/13.
- *Social Responsibility Implementation* is discussed in more detail below.
- *Domestic Tourism Management: Tourism Support Programme* is currently being established and by 2013/14 a fully functional tourism incentive unit will be established. The subprogramme stimulates new investment in the domestic tourism sector across all subsectors; facilitates licensing and professional association member registration fees to remove major barriers to entry in the business tourism market; provides tourism infrastructure support to SMMEs to stimulate innovation, authenticity and conversion to green systems; and provides international trade exhibition support to improve access to international buyers and markets. Outcomes in 2013/14 will be measured based on the triple bottom line approach to sustainable development. Being new, this subprogramme had no staff complement in 2012/13.
- *Strategic Partners in Tourism* makes transfers and subsidies for small businesses. Portions of this subprogramme's total budget are transferred to the Ezemvelo wildlife programme and the Tourism Enterprise Partnership. Strategic partners function as specialist agencies for the department. This subprogramme had no staff complement in 2012/13.

## Expenditure estimates

Table 35.10 Domestic Tourism

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Domestic Tourism Management	7.0	9.9	4.9	15.3	29.9%	2.8%	9.7	10.5	11.0	-10.4%	2.4%
Domestic Tourism Management: Southern Region	15.1	5.9	6.6	14.5	-1.3%	3.1%	12.4	13.0	13.3	-2.8%	2.8%
Domestic Tourism Management: Northern Region	-	11.2	6.2	13.0	-	2.3%	17.0	17.5	17.4	10.4%	3.4%
Social Responsibility Implementation	266.0	270.2	301.4	279.2	1.6%	83.1%	305.6	430.0	633.7	31.4%	86.2%
Strategic Partners in Tourism	52.1	20.0	20.0	25.0	-21.7%	8.7%	25.0	25.0	25.0	-	5.2%
<b>Total</b>	<b>340.2</b>	<b>317.1</b>	<b>339.1</b>	<b>347.0</b>	<b>0.7%</b>	<b>100.0%</b>	<b>369.8</b>	<b>496.0</b>	<b>700.5</b>	<b>26.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				9.5			(3.5)	102.5	-		

Table 35.10 Domestic Tourism (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>36.2</b>	<b>38.4</b>	<b>42.7</b>	<b>71.6</b>	<b>25.5%</b>	<b>14.1%</b>	<b>72.8</b>	<b>75.8</b>	<b>77.3</b>	<b>2.6%</b>	<b>15.5%</b>
Compensation of employees	23.3	26.6	27.6	35.0	14.6%	8.4%	47.5	50.2	51.5	13.7%	9.6%
Goods and services	12.9	11.8	15.1	36.5	41.3%	5.7%	25.3	25.5	25.8	-11.0%	5.9%
<i>of which:</i>											
Administration fees	0.4	0.0	0.0	0.1	-49.0%	-	0.0	0.1	0.1	-3.1%	-
Computer services	0.7	0.0	0.0	0.0	-81.2%	0.1%	2.0	0.5	0.5	365.1%	0.2%
Consultants and professional services: Business and advisory services	0.5	1.5	2.7	6.9	135.7%	0.9%	0.6	1.1	1.2	-43.9%	0.5%
Travel and subsistence	4.9	5.5	6.3	13.5	40.3%	2.3%	12.5	13.3	13.3	-0.6%	2.8%
Interest and rent on land	-	-	0.0	0.0	-	-	0.0	0.0	0.0	-3.6%	-
<b>Transfers and subsidies</b>	<b>304.0</b>	<b>277.4</b>	<b>294.4</b>	<b>273.4</b>	<b>-3.5%</b>	<b>85.5%</b>	<b>295.2</b>	<b>418.3</b>	<b>621.2</b>	<b>31.5%</b>	<b>84.1%</b>
Departmental agencies and accounts	-	-	-	4.1	-	0.3%	6.0	6.3	6.6	17.9%	1.2%
Non-profit institutions	59.1	27.7	22.2	26.6	-23.4%	10.1%	26.0	26.0	26.0	-0.7%	5.5%
Households	244.9	249.7	272.2	242.8	-0.3%	75.2%	263.2	386.0	588.6	34.3%	77.4%
<b>Payments for capital assets</b>	<b>-</b>	<b>1.3</b>	<b>2.0</b>	<b>2.0</b>	<b>-</b>	<b>0.4%</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>-1.2%</b>	<b>0.4%</b>
Machinery and equipment	-	1.3	2.0	1.9	-	0.4%	1.7	1.8	1.9	-1.1%	0.4%
Software and other intangible assets	-	-	-	0.1	-	-	0.1	0.1	0.1	-3.0%	-
<b>Total</b>	<b>340.2</b>	<b>317.1</b>	<b>339.1</b>	<b>347.0</b>	<b>0.7%</b>	<b>100.0%</b>	<b>369.8</b>	<b>496.0</b>	<b>700.5</b>	<b>26.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>29.7%</b>	<b>27.7%</b>	<b>27.1%</b>	<b>25.3%</b>			<b>24.6%</b>	<b>29.3%</b>	<b>36.7%</b>		

## Details of selected transfers and subsidies

Households											
<b>Other transfers to households</b>											
<b>Current</b>	<b>244.9</b>	<b>249.7</b>	<b>272.2</b>	<b>242.8</b>	<b>-0.3%</b>	<b>75.2%</b>	<b>263.2</b>	<b>386.0</b>	<b>588.6</b>	<b>34.3%</b>	<b>77.4%</b>
Expanded public works programme	244.9	238.3	253.0	202.7	-6.1%	69.9%	214.1	225.6	236.4	5.3%	45.9%
Expanded public works programme incentive	-	11.4	19.2	40.1	-	5.3%	49.1	66.2	58.2	13.3%	11.2%
Tourism incentive programme	-	-	-	-	-	-	-	94.3	294.0	-	20.3%
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.1</b>	<b>-</b>	<b>0.3%</b>	<b>6.0</b>	<b>6.3</b>	<b>6.6</b>	<b>17.9%</b>	<b>1.2%</b>
Eastern Cape Parks and Tourism Agency	-	-	-	3.0	-	0.2%	3.0	3.3	3.6	6.6%	0.7%
Tourism accelerated apprenticeship programme	-	-	-	1.1	-	0.1%	3.0	3.0	3.0	41.9%	0.5%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>59.1</b>	<b>27.7</b>	<b>22.2</b>	<b>26.6</b>	<b>-23.4%</b>	<b>10.1%</b>	<b>26.0</b>	<b>26.0</b>	<b>26.0</b>	<b>-0.7%</b>	<b>5.5%</b>
Strategic partners in tourism	52.1	20.0	20.0	25.0	-21.7%	8.7%	25.0	25.0	25.0	-	5.2%
National Tourism Business Initiative	2.0	2.2	1.2	-	-100.0%	0.4%	-	-	-	-	-
Tourism hospitality and sports education and training authority	4.0	-	-	-	-100.0%	0.3%	-	-	-	-	-
Ezemvelo KwaZulu-Natal Wildlife	-	-	0.5	0.5	-	0.1%	0.5	0.5	0.5	-	0.1%
Tourism Business Council	0.5	0.5	-	0.5	-	0.1%	-	-	-	-100.0%	-
Federated Hospitality Association of South Africa	0.5	5.0	0.5	0.5	1.6%	0.5%	0.5	0.5	0.5	-1.6%	0.1%
Tourism accelerated apprenticeship programme	-	-	-	0.1	-	-	-	-	-	-100.0%	-

## Personnel information

**Table 35.11 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number						
		Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)					
Number of funded posts	Number of posts additional to the establishment	2011/12		2012/13			2013/14		2014/15			2015/16			2012/13 - 2015/16					
		Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost					
<b>Domestic Tourism</b>																				
Salary level	110			82	28.4	0.3	101	39.9	0.4	110	43.0	0.4	110	45.5	0.4	110	48.2	0.4	2.9%	100.0%
1 – 6	10			8	1.5	0.2	9	1.8	0.2	10	1.9	0.2	10	2.0	0.2	10	2.1	0.2	3.6%	9.0%
7 – 10	52			47	13.0	0.3	48	13.4	0.3	52	14.7	0.3	52	15.6	0.3	52	16.5	0.3	2.7%	47.3%
11 – 12	36			21	9.5	0.5	33	16.2	0.5	36	17.2	0.5	36	18.2	0.5	36	19.2	0.5	2.9%	32.7%
13 – 16	12			6	4.4	0.7	11	8.6	0.8	12	9.2	0.8	12	9.7	0.8	12	10.3	0.9	2.9%	10.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on tourism infrastructure projects under the expanded public works programme, which is discussed in further detail in the *Social Responsibility Implementation* subprogramme section that follows. The balance of the spending will be in the tourism incentive programme, which was previously managed by the Department of Trade and Industry, to support SMMEs and established businesses to improve access to international buyers and markets and to promote economic development.

Between 2009/10 and 2012/13, the increase in expenditure in this programme was mainly due to the implementation of the infrastructure and training projects for the expanded public works programme under the *Social Responsibility Implementation*, and the implementation of the newly approved programme structure for domestic tourism.

Expenditure over the medium term is expected to increase, mainly in transfer payments, due to additional funding provided for the tourism incentive programme. An additional R100 million is received from the economic competitive support package for the tourism incentive programme in respect of the incentive investment projects in 2015/16. This falls under the *Social Responsibility Implementation* subprogramme until the *Tourism Support Programme* is fully functional. Other major cost drivers include items in goods and services such as computer services, operating payments and travel and subsistence.

As part of the Cabinet approved reductions, the department will reduce spending by R5.4 million on contractors in 2013/14 in the *Social Responsibility Implementation* subprogramme. This reduction does not relate to service delivery items and is not expected to have a negative impact on service delivery.

The programme has a funded establishment of 110 posts, 9 of which were vacant at the end of September 2012. These vacancies are mainly as a result of natural attrition and will be filled in 2013/14.

Consultants in this programme are mainly used to provide business and advisory services.

## Subprogramme: Social Responsibility Implementation

This subprogramme facilitates the development of tourism infrastructure projects under the expanded public works programme through the use of labour intensive methods targeting the unemployed, youth, women, the disabled and SMME's. The subprogramme also provides skills development initiatives like the young chefs training programme. In 2010/11, 1 864 full time equivalent jobs were produced, which increased to 5 036 in 2011/12. Since the launch of the young chefs training programme in 2010/11, 500 trainees completed chef certificate courses, 300 of which are now completing diploma level courses. About 120 of these learners are currently placed in hospitality establishments. Owing to the success of this programme, another 500 young people have been enrolled for a second intake. In 2012/13, active infrastructure projects were implemented and can be classified as heritage tourism projects; trails and adventure tourism; recreational tourism; accommodation in terms of lodges, camp sites, resorts; cultural and niche tourism projects; and tourism information centres. In

2012/13, the following youth training projects were implemented: the young chefs training programme, the hospitality youth programme and the sommeliers programme.

## Expenditure estimates

**Table 35.12 Social Responsibility Implementation**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
<b>Current payments</b>	<b>21.1</b>	<b>19.6</b>	<b>27.4</b>	<b>35.3</b>	<b>18.7%</b>	<b>9.3%</b>	<b>41.3</b>	<b>42.8</b>	<b>44.0</b>	<b>7.6%</b>	<b>9.9%</b>
Compensation of employees	13.4	13.9	17.4	18.7	11.7%	5.7%	27.7	29.3	30.1	17.1%	6.4%
Goods and services	7.7	5.6	10.0	16.6	29.2%	3.6%	13.6	13.5	13.9	-5.7%	3.5%
<i>of which:</i>											
Administration fees	0.4	0.0	–	0.0	-56.8%	–	0.0	0.0	0.0	-7.6%	–
Computer services	0.5	0.0	–	0.0	-81.5%	–	2.0	0.5	0.5	451.1%	0.2%
Consultants and professional services: Business and advisory services	0.4	–	2.0	3.9	104.7%	0.6%	0.6	1.1	1.2	-32.7%	0.4%
Travel and subsistence	2.9	3.9	4.3	8.1	40.3%	1.7%	6.5	7.1	7.3	-3.5%	1.8%
Interest and rent on land	–	–	0.0	0.0	–	–	0.0	0.0	0.0	-10.3%	–
<b>Transfers and subsidies</b>	<b>244.9</b>	<b>249.7</b>	<b>272.2</b>	<b>242.8</b>	<b>-0.3%</b>	<b>90.4%</b>	<b>263.2</b>	<b>386.0</b>	<b>588.6</b>	<b>34.3%</b>	<b>89.8%</b>
Households	244.9	249.7	272.2	242.8	-0.3%	90.4%	263.2	386.0	588.6	34.3%	89.8%
<b>Payments for capital assets</b>	<b>–</b>	<b>0.9</b>	<b>1.8</b>	<b>1.1</b>	<b>–</b>	<b>0.3%</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1</b>	<b>1.1%</b>	<b>0.3%</b>
Machinery and equipment	–	0.9	1.8	1.1	–	0.3%	1.0	1.1	1.1	1.4%	0.3%
Software and other intangible assets	–	–	–	0.0	–	–	0.0	0.0	0.0	-8.7%	–
<b>Total</b>	<b>266.0</b>	<b>270.2</b>	<b>301.4</b>	<b>279.2</b>	<b>1.6%</b>	<b>100.0%</b>	<b>305.6</b>	<b>430.0</b>	<b>633.7</b>	<b>31.4%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>78.2%</b>	<b>85.2%</b>	<b>88.9%</b>	<b>80.5%</b>			<b>82.7%</b>	<b>86.7%</b>	<b>90.5%</b>		

## Personnel information

**Table 35.13 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number								
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)							
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16										
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost						
<b>Social Responsibility Implementation</b>		<b>64</b>		–	<b>42</b>	<b>14.8</b>	<b>0.4</b>	<b>55</b>	<b>21.7</b>	<b>0.4</b>	<b>64</b>	<b>23.5</b>	<b>0.4</b>	<b>64</b>	<b>24.9</b>	<b>0.4</b>	<b>64</b>	<b>26.4</b>	<b>0.4</b>	<b>5.2%</b>	<b>100.0%</b>	
Salary level																						
1 – 6		4		–	2	0.4	0.2	3	0.6	0.2	4	0.6	0.2	4	0.7	0.2	4	0.7	0.2	10.1%	6.1%	
7 – 10		31		–	27	7.5	0.3	27	7.5	0.3	31	8.4	0.3	31	8.9	0.3	31	9.5	0.3	4.7%	48.6%	
11 – 12		24		–	9	4.1	0.5	21	10.7	0.5	24	11.3	0.5	24	11.9	0.5	24	12.6	0.5	4.6%	37.7%	
13 – 16		5		–	4	2.9	0.7	4	3.0	0.7	5	3.2	0.6	5	3.4	0.7	5	3.6	0.7	7.7%	7.7%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on facilitating the development of tourism infrastructure projects under the expanded public works programme, through the use of labour intensive methods targeting the unemployed, youth, women and the disabled, and SMMEs, thus creating 5 575 full time equivalent jobs by 2015/16.

Between 2009/10 and 2012/13, expenditure on compensation of employees increased due to additional funding for improved conditions of service, and transfers to households increased due to the implementation of social responsibility implementation infrastructure and training projects. In this period, 86.1 per cent of the subprogramme's allocation was spent on project implementation and 13.9 per cent on administration. The *Social Responsibility Implementation* subprogramme spent 92 per cent of its project allocation in 2010/11 and 100 per cent in 2011/12.

Expenditure over the medium term is expected to increase mainly on transfers to households as a result of additional funding provided for the tourism incentive programme. Expenditure on compensation of employees and travel and subsistence are also major cost drivers in the MTEF period.

As part of the Cabinet approved reductions, the department will reduce spending by R33.4 million over the medium term on transfers to households.

The subprogramme has a funded establishment of 64, of which 9 posts were vacant at the end of September 2012. These vacancies are mainly as a result of natural attrition and will all be filled in 2013/14.

## Public entities and other agencies

### South African Tourism

#### Mandate and goals

In terms of the Tourism Act (1993), South African Tourism is mandated to market South Africa internationally and domestically as a preferred tourism destination, and to ensure that tourist facilities and services aim to be of the highest standard. The organisation is also required to monitor and evaluate the performance of the tourism sector.

The organisation's main strategic goal over the medium term is to ensure an increased contribution by the tourism sector to economic growth. Other goals include increasing the annual volume of international tourists visiting the country, growing the trended revenue contribution from tourists to the economy through their spending while visiting, growing international brand awareness of South Africa as a travel and business destination, and increasing the number of graded accommodation establishments.

#### Selected performance indicators

Table 35.14 South African Tourism

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of international tourist arrivals by land	Increase annual foreign visitor arrivals to South Africa	7 490 425	8 498 735	9 333 505	8 959 083	9 648 86	10 048 643	10 257 533
Number of international tourist arrivals by air	Increase annual foreign visitor arrivals to South Africa	2 443 541	2 896 965	2 921 650	2 963 117	3 373 115	3 251 892	3 322 466
Average spend per international tourist in the country per year	Increase tourism trended revenue contribution to the economy	R8 400	R8 900	R8 600	R12 536	R13 162	R13 820	R14 483
Percentage of global brand awareness campaigns	Increase South African brand awareness	79% (15 061 350)	79% (15 061 350)	78% (22 534 050)	79% (22 534 050)	79% (22 534 050)	80% (22 534 050)	80% (87 618 900)
Number of domestic travellers per year <sup>1</sup>	Increase domestic tourism in South Africa	- <sup>1</sup>	13.5 million	13.9 million	14.44 million	15 million	15.6 million	16.2 million

1. South African Tourism began measuring this indicator in 2010/11.

## Programmes/activities/objectives

Table 35.15 South African Tourism

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Increase annual foreign visitor arrivals to South Africa	432.1	224.7	257.5	255.6	-16.1%	33.6%	337.0	353.9	352.3	11.3%	32.3%
Increase domestic tourism in South Africa	293.7	-	-	40.0	-48.6%	9.7%	42.4	43.7	44.0	3.2%	4.2%
Increase tourism trended revenue contribution to the economy	61.2	297.0	290.4	271.7	64.4%	26.3%	337.0	353.9	352.3	9.0%	32.7%
Increase South Africa brand awareness	31.1	297.0	290.4	271.7	106.0%	25.4%	206.8	219.2	232.4	-5.1%	23.4%
Provide quality assurance for tourism products	35.4	37.5	25.1	39.7	3.9%	3.9%	37.1	37.4	39.3	-0.3%	3.8%
Increase business events	-	-	-	39.5	-	1.1%	32.1	33.6	34.0	-4.9%	3.5%
<b>Total expense</b>	<b>853.5</b>	<b>856.1</b>	<b>863.3</b>	<b>918.2</b>	<b>2.5%</b>	<b>100.0%</b>	<b>992.3</b>	<b>1 041.8</b>	<b>1 054.3</b>	<b>4.7%</b>	<b>100.0%</b>

## Expenditure estimates

Table 35.16 South African Tourism

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>91.9</b>	<b>97.7</b>	<b>62.2</b>	<b>79.2</b>	-4.9%	9.6%	<b>82.3</b>	<b>83.9</b>	<b>84.2</b>	2.1%	8.3%
<i>Other non-tax revenue</i>	91.9	97.7	62.2	79.2	-4.9%	9.6%	82.3	83.9	84.2	2.1%	8.3%
<b>Transfers received</b>	<b>775.0</b>	<b>736.7</b>	<b>766.8</b>	<b>832.9</b>	2.4%	90.4%	<b>910.0</b>	<b>957.8</b>	<b>970.2</b>	5.2%	91.7%
<b>Total revenue</b>	<b>866.9</b>	<b>834.4</b>	<b>829.0</b>	<b>912.1</b>	1.7%	100.0%	<b>992.3</b>	<b>1 041.8</b>	<b>1 054.3</b>	4.9%	100.0%
<b>Expenses</b>											
<b>Current expenses</b>	<b>853.5</b>	<b>856.1</b>	<b>863.3</b>	<b>918.2</b>	2.5%	100.0%	<b>992.3</b>	<b>1 041.8</b>	<b>1 054.3</b>	4.7%	100.0%
Compensation of employees	111.5	103.6	122.0	134.9	6.6%	13.5%	142.0	149.3	156.6	5.1%	14.5%
Goods and services	723.0	737.3	727.1	766.0	1.9%	84.6%	831.9	873.2	877.4	4.6%	83.6%
Depreciation	14.8	14.3	13.2	17.4	5.5%	1.7%	18.4	19.4	20.4	5.5%	1.9%
Interest, dividends and rent on land	4.2	0.8	0.9	-	-100.0%	0.2%	-	-	-	-	-
<b>Total expenses</b>	<b>853.5</b>	<b>856.1</b>	<b>863.3</b>	<b>918.2</b>	2.5%	100.0%	<b>992.3</b>	<b>1 041.8</b>	<b>1 054.3</b>	4.7%	100.0%
<b>Surplus/(Deficit)</b>	<b>13.0</b>	<b>(22.0)</b>	<b>(34.0)</b>	<b>(6.0)</b>	-177.3%		<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	74.3	68.2	78.1	55.4	-9.3%	21.3%	73.6	77.3	81.2	13.6%	28.9%
<i>of which:</i>											
<i>Acquisition of assets</i>	10.9	9.1	23.2	6.5	-16.0%	4.1%	8.5	9.0	-	-100.0%	2.2%
Loans	-	0.3	0.1	-	-	0.0%	-	-	-	-	-
Receivables and prepayments	75.8	29.8	8.4	32.5	-24.6%	10.3%	8.0	8.0	8.0	-37.3%	5.0%
Cash and cash equivalents	224.7	270.0	170.3	250.3	3.7%	68.4%	180.0	150.0	122.2	-21.3%	66.1%
<b>Total assets</b>	<b>374.7</b>	<b>368.4</b>	<b>256.9</b>	<b>338.2</b>	-3.4%	100.0%	<b>261.6</b>	<b>235.3</b>	<b>211.4</b>	<b>-14.5%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	68.2	46.7	12.4	12.4	-43.3%	9.8%	12.4	12.4	12.4	-	4.9%
Capital and reserves	17.5	17.3	17.3	19.6	3.8%	5.5%	18.2	19.1	20.1	0.8%	7.6%
Finance lease	2.9	-	-	3.0	0.6%	0.4%	2.7	2.8	3.0	0.2%	1.1%
Deferred income	56.6	50.2	40.0	50.2	-3.9%	14.8%	79.5	61.7	46.3	-2.7%	23.3%
Trade and other payables	209.8	230.4	154.1	231.4	3.3%	61.7%	130.0	120.0	110.0	-22.0%	55.3%
Provisions	19.8	21.1	30.5	10.4	-19.4%	6.5%	10.4	10.4	10.4	-0.0%	4.1%
Derivatives financial instruments	-	2.6	2.6	11.2	-	1.3%	8.4	8.9	9.3	-6.1%	3.7%
<b>Total equity and liabilities</b>	<b>374.7</b>	<b>368.4</b>	<b>256.9</b>	<b>338.2</b>	-3.4%	100.0%	<b>261.6</b>	<b>235.3</b>	<b>211.4</b>	<b>-14.5%</b>	<b>100.0%</b>



## Personnel information

Table 35.17 South African Tourism

Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number		
Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Salary level	158	-	158	122.0	0.8	158	134.9	0.9	166	142.0	0.9	166	149.3	0.9	166	156.6	0.9	1.7%	100.0%
1-6	11	-	-	-	-	11	1.5	0.1	11	1.6	0.1	11	1.7	0.2	11	1.7	0.2	-	6.7%
7-10	31	-	-	-	-	31	8.4	0.3	31	8.9	0.3	31	9.3	0.3	31	9.8	0.3	5.1%	18.9%
11-12	55	-	15	1.0	0.1	55	38.1	0.7	53	40.2	0.8	53	42.2	0.8	53	44.3	0.8	5.1%	32.6%
13-16	59	-	142	118.0	0.8	59	81.5	1.4	69	85.8	1.2	69	90.2	1.3	69	94.6	1.4	5.4%	40.5%
17-22	2	-	1	3.0	3.0	2	5.3	2.7	2	5.6	2.8	2	5.9	3.0	2	6.2	3.1	-	1.2%

1. Rand million.

## Expenditure trends

South African Tourism receives 91.7 per cent of its revenue over the medium term from the Department of Tourism to fund its operations. In 2011/12, the entity received a transfer of R90 million from the Tourism Business Council of South Africa. This is a voluntary industry tourism levy collected by Tourism Marketing South Africa. Other revenue sources include the annual Tourism Indaba, Meetings Africa exhibitions, and the grading of establishments. Meetings Africa is owned by South African Tourism.

The spending focus in the 2013/14 allocation will be on marketing activities outside Southern Africa to increase the number of foreign visitor arrivals annually. Other expenditure includes R57.8 million on research, R43.6 million by the National Convention Bureau and R42.4 million on marketing for the domestic and SADC markets. South African Tourism plans to open 3 African offices by 31 December 2015, in Nigeria, Kenya and Angola.

The main cost drivers are goods and services and compensation of employees. Between 2009/10 and 2012/13, the increase in expenditure on goods and services was mainly due to increased international marketing to promote tourism to South Africa. Expenditure on compensation of employees over the medium term is expected to increase as a result of additional funding for improved conditions of service.

A spending reduction of R40.7 million is to be effected on transfers received from the Department of Tourism in 2015/16 as part of the Cabinet approved budget reductions. The entity will manage this reduction by decreasing expenditure on consultants and travelling and subsistence, so as not to impact negatively on service delivery.

The entity had a funded establishment of 158 posts and no vacancies as at the end of September 2012. Personnel numbers are expected to increase to 166 in 2013/14. The ratio of support to line function staff is 1:5.23.

Consultants are hired for providing advertising services.



# Vote 36

## Trade and Industry

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	690.1	681.4	2.6	6.1	720.6	748.3
International Trade and Economic Development	138.6	97.7	40.4	0.6	150.7	156.9
Broadening Participation	968.3	106.7	861.0	0.6	1 004.0	1 054.9
Industrial Development: Policy Development	1 606.5	122.8	1 482.8	0.9	1 771.3	2 049.8
Consumer and Corporate Regulation	256.2	71.8	183.6	0.8	248.2	258.3
Incentive Development: Incentive Administration	5 543.1	175.4	5 358.2	9.5	5 645.7	6 704.1
Trade and Investment South Africa	369.7	237.6	130.6	1.5	417.4	432.4
<b>Total expenditure estimates</b>	<b>9 572.6</b>	<b>1 493.3</b>	<b>8 059.3</b>	<b>20.0</b>	<b>9 958.0</b>	<b>11 404.7</b>

Executive authority: Minister of Trade and Industry  
Accounting officer: Director General of Trade and Industry  
Website address: [www.thedti.gov.za](http://www.thedti.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

Lead and facilitate access to sustainable economic activity and employment for all South Africans through the understanding of the economy, knowledge of economic opportunities and potential, and anticipation of future economic trends. Catalyse economic transformation and development and provide a predictable, competitive, equitable and socially responsible environment for investment, enterprise and trade for economic citizens. Contribute to achieving government's vision of an adaptive and restructured economy, characterised by accelerated economic growth, employment creation and greater equity.

### Mandate

The department's mandate is derived from a wide legislative framework that includes, among others:

- the Companies Act (2008)
- the Manufacturing Development Act (1993)
- the Broad Based Black Economic Empowerment Act (2003)
- the Consumer Protection Act (2008)
- the National Small Enterprise Act (1996)
- the Small Business Development Act (1981)
- the Customs and Excise Act (1964).

### Strategic goals

The department's strategic goals over the medium term are to:

- facilitate the transformation of the economy to promote industrial development, investment, competitiveness and employment creation

- build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives
- facilitate broad based economic participation through targeted interventions to achieve more inclusive growth
- create a fair regulatory environment that enables investment, trade and enterprise development in an equitable and socially responsible manner
- promote a professional, ethical, dynamic, competitive and customer focused working environment that ensures effective and efficient service delivery.

## **Programme purposes**

### **Programme 1: Administration**

**Purpose:** Provide strategic leadership to the department and its entities to ensure the successful implementation of the department's mandate through sustainable and integrated resource solutions and services that are customer driven including conducting research on industrial development, growth and equity.

### **Programme 2: International Trade and Economic Development**

**Purpose:** Build an equitable global trading system that facilitates development by strengthening trade and investment links with key economies and fostering African development, including regional and continental integration and development cooperation in line with the New Partnership for Africa's Development.

### **Programme 3: Broadening Participation**

**Purpose:** Develop policies and strategies that create an enabling environment for small, medium and micro enterprises, and enhance the competitiveness of local and provincial economies to achieve equity, growth and job creation.

### **Programme 4: Industrial Development: Policy Development**

**Purpose:** Design and implement policies, strategies and programmes to develop the manufacturing and related sectors of the economy. Contribute to the creation of decent jobs, add value to manufactured products and enhance competitiveness in the domestic and export markets.

### **Programme 5: Consumer and Corporate Regulation**

**Purpose:** Develop and implement coherent, predictable and transparent regulatory solutions that facilitate easy access to redress and efficient regulation for economic citizens.

### **Programme 6: Incentive Development**

**Purpose:** Stimulate and facilitate the development of sustainable, competitive enterprises through the efficient provision of effective and accessible incentive measures that support national priorities.

### **Programme 7: Trade and Investment South Africa**

**Purpose:** Increase export capacity and support direct investment flows through strategies for targeted markets and an effectively managed network of foreign trade offices.

## Selected performance indicators

**Table 36.1 Trade and Industry**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of bilateral and regional trade and investment agreements signed per year	International Trade and Economic Development		12	12	12	12	12	12	12
Number of successful technical and business missions to foreign countries and companies undertaken per year	International Trade and Economic Development	Outcome 11: Create a better South Africa and contribute to a better and safer Africa in a better world	15	23	15	15	16	17	18
Number of government-to-government platforms per year	International Trade and Economic Development		18	18	18	18	20	22	24
Number of projects supported under the support programme for industrial innovation per year	Broadening Participation	Outcome 4: Decent employment through inclusive economic growth	100	110	52	20	20	25	25
Value of support for industrial innovation projects per year	Broadening Participation		R160m	R110m	R153m	R20m	R43m	R46m	R46m
Number of technology incubators supported per year	Broadening Participation		29	34	34	38	42	46	52
Number of technology transfer interventions supported per year	Broadening Participation		40	40	33	40	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Number of students supported by the technology and human resources for industry programme per year	Broadening Participation	Outcome 5: A skilled and capable workforce to support an inclusive growth path	2 500	2 000	1 339	2 200	1 350	1 350	1 400
Number of researchers supported by technology and human resources for industry programme per year <sup>1</sup>	Broadening Participation		750	798	850	700	700	700	750
Number of quarterly reports on industrial policy action plan tabled at ministers review meetings <sup>2</sup>	Industrial Development: Policy Development	Outcome 4: Decent Employment Through Inclusive Economic Growth	-	4	4	4	4	4	4
Number of templates submitted to National Treasury for designation of sectors or sub-sectors <sup>2</sup>	Industrial Development: Policy Development		-	-	5	3	2	2	2
Number of students enrolled in the tool-making apprenticeship programme per year <sup>2</sup>	Industrial Development: Policy Development		-	-	650	420	385	200	120
Number of workers trained through the industrial skills upgrading programme per year <sup>2</sup>	Industrial Development: Policy Development		-	-	262	200	220	250	300
Total number of projects implemented under the national industrial participation programme since inception <sup>1</sup>	Industrial Development: Policy Development		250	275	-	-	-	-	-
Total value of investment and export credits under the national industrial participation programme since inception <sup>1</sup>	Industrial Development: Policy Development		US\$14bn	US\$15.4bn	-	-	-	-	-
Total number of direct jobs created under the national industrial participation programme since inception <sup>1</sup>	Industrial Development: Policy Development		18 500	19 000	-	-	-	-	-
Number of companies financially assisted per year through:	Incentive Development: Incentive Administration								
- Export market and investment assistance			1 500	1 753	664	692	891	922	933
- Black business supplier development programme			1 600	1 104	1 086	283	1 560	1 872	2 246
- Enterprise development programme <sup>1</sup>		1 800	600	300	-	-	-	-	
- Enterprise investment programme		300	759	530	316	235	250	265	
- Cooperatives incentive scheme		220	232	115	290	375	431	490	
- Automotive incentive scheme <sup>3</sup>		-	36	92	20	25	25	25	
Number of film and television productions assisted per year	Industrial Development: Incentive Administration	80	49	40	36	65	70	76	
Key performance indicators for the critical infrastructure programme: Number of new projects per year	Industrial Development: Incentive Administration	12	12	6	3	12	13	13	

**Table 36.1 Trade and Industry (continued)**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of direct jobs facilitated per year:	Industrial Development: Incentive Administration	Outcome 4: Decent Employment Through Inclusive Economic Growth	1 025	15 018	6 875	6 024	4 200	4 500	4 800
– Enterprise investment programme – Business process services and off-shoring			2 340	806	800	2 583	4 000	6 000	8 000
Number of new incubators created per year <sup>2</sup>	Broadening Participation	Outcome 4: Decent Employment Through Inclusive Economic Growth	–	–	–	–	4	6	8
Number of small medium micro enterprise supported (incubation, quality and technology transfers) per year <sup>2</sup>	Broadening Participation		–	–	–	295	842	842	850

1. The measurement of these indicators has been discontinued.

2. No past data, as these are new indicators.

3. No past data, as reporting on this indicator began in 2010/11.

## The national development plan

The department's strategic goals are aligned with the key priorities of the national development plan and the new growth path. These goals include working to achieve economic growth, generate employment and create equity by expanding the employment base, addressing regional inequality, diversifying the economy, promoting investment and reducing dependence on resources. The plan recognises the importance of broadening opportunities for historically disadvantaged sectors of the population, supporting small and expanding businesses, and working on the regulatory environment to improve growth.

Some of the department's initiatives in this regard include:

- deepening and broadening industrial development through the activities set out in the industrial policy action plan, including the provision of targeted financial incentives
- diversifying exports and developing a new pool of exporters through integrated trade policy and export facilitation initiatives
- encouraging programmes to address constraints to investment by improving the business environment and supporting integrated spatial planning through the industrial development and special economic zones
- stimulating domestic opportunities by promoting local procurement by both government and the private sector, and providing a supportive regulatory environment for entrepreneurship, black economic empowerment and small business development.

## Expenditure estimates

**Table 36.2 Trade and Industry**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14			2014/15
R million													
Administration	443.2	480.0	639.4	697.2	700.3	16.5%	8.4%	690.1	720.6	748.3	2.2%	7.3%	
International Trade and Economic Development	123.0	106.9	132.9	134.7	135.7	3.3%	1.9%	138.6	150.7	156.9	5.0%	1.5%	
Broadening Participation	1 160.6	798.1	887.5	940.0	950.0	-6.5%	14.2%	968.3	1 004.0	1 054.9	3.6%	10.1%	
Industrial Development: Policy	425.5	1 145.1	1 321.7	1 492.7	1 502.7	52.3%	16.4%	1 606.5	1 771.3	2 049.8	10.9%	17.7%	
Development Consumer and Corporate Regulation	133.8	145.0	218.6	248.1	248.1	22.9%	2.8%	256.2	248.2	258.3	1.3%	2.6%	
Incentive Development: Incentive Administration	3 338.2	2 793.0	3 283.5	4 560.9	4 450.9	10.1%	51.7%	5 543.1	5 645.7	6 704.1	14.6%	56.9%	
Trade and Investment South Africa	299.0	328.6	317.4	277.5	317.5	2.0%	4.7%	369.7	417.4	432.4	10.8%	3.9%	
<b>Total</b>	<b>5 923.3</b>	<b>5 796.7</b>	<b>6 801.0</b>	<b>8 351.1</b>	<b>8 305.2</b>	<b>11.9%</b>	<b>100.0%</b>	<b>9 572.6</b>	<b>9 958.0</b>	<b>11 404.7</b>	<b>11.2%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(741.0)	(786.8)			(779.8)	(1 160.1)	(224.9)			

Table 36.2 Trade and Industry (continued)

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16			
<b>Current payments</b>	<b>935.1</b>	<b>990.0</b>	<b>1 160.8</b>	<b>1 422.2</b>	<b>1 486.4</b>	<b>16.7%</b>	<b>17.0%</b>	<b>1 493.3</b>	<b>1 569.2</b>	<b>1 641.6</b>	<b>3.4%</b>	<b>15.8%</b>
Compensation of employees	437.7	514.5	567.0	736.0	779.0	21.2%	8.6%	854.2	897.9	955.0	7.0%	8.9%
Goods and services	497.4	475.2	593.7	686.3	707.4	12.5%	8.5%	639.1	671.3	686.6	-1.0%	6.9%
of which:												
Consultants and professional services: Business and advisory services	39.8	40.3	47.3	79.1	79.1	25.8%	0.8%	73.8	81.9	86.4	3.0%	0.8%
Operating leases	179.4	191.4	200.0	209.1	209.1	5.2%	2.9%	202.6	196.5	203.6	-0.9%	2.1%
Travel and subsistence	74.7	78.7	110.4	123.0	133.0	21.2%	1.5%	127.7	119.9	124.8	-2.1%	1.3%
Venues and facilities	41.8	26.2	31.2	55.7	65.7	16.3%	0.6%	38.6	53.3	37.7	-16.9%	0.5%
Interest and rent on land	-	0.3	0.1	-	-		0.0%	-	-	-		
<b>Transfers and subsidies</b>	<b>4 961.9</b>	<b>4 789.2</b>	<b>5 568.1</b>	<b>6 862.9</b>	<b>6 752.9</b>	<b>10.8%</b>	<b>82.3%</b>	<b>8 059.3</b>	<b>8 368.2</b>	<b>9 742.4</b>	<b>13.0%</b>	<b>83.9%</b>
Departmental agencies and accounts	1 200.9	839.0	1 058.6	1 126.2	1 126.2	-2.1%	15.7%	1 234.7	1 316.5	1 425.1	8.2%	13.0%
Higher education institutions	15.5	14.8	14.8	10.0	10.0	-13.6%	0.2%	12.8	15.8	12.5	7.6%	0.1%
Foreign governments and international organisations	31.4	36.6	40.2	36.4	36.4	5.1%	0.5%	39.7	37.8	31.3	-5.0%	0.4%
Public corporations and private enterprises	3 704.0	3 859.3	4 440.6	5 668.7	5 558.7	14.5%	65.5%	6 751.2	6 939.7	8 212.5	13.9%	70.0%
Non-profit institutions	7.6	37.8	10.1	17.9	17.9	33.1%	0.3%	18.9	56.8	59.4	49.2%	0.4%
Households	2.6	1.7	3.8	3.7	3.7	12.3%	0.0%	1.9	1.6	1.7	-23.1%	0.0%
<b>Payments for capital assets</b>	<b>23.2</b>	<b>15.2</b>	<b>36.5</b>	<b>66.0</b>	<b>66.0</b>	<b>41.8%</b>	<b>0.5%</b>	<b>20.0</b>	<b>20.7</b>	<b>20.6</b>	<b>-32.1%</b>	<b>0.3%</b>
Machinery and equipment	20.4	12.9	20.1	38.8	38.8	23.8%	0.3%	10.9	12.0	11.4	-33.6%	0.2%
Software and other intangible assets	2.7	2.3	16.4	27.2	27.2	115.4%	0.2%	9.2	8.7	9.3	-30.2%	0.1%
<b>Payments for financial assets</b>	<b>3.2</b>	<b>2.3</b>	<b>35.6</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.2%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>5 923.3</b>	<b>5 796.7</b>	<b>6 801.0</b>	<b>8 351.1</b>	<b>8 305.2</b>	<b>11.9%</b>	<b>100.0%</b>	<b>9 572.6</b>	<b>9 958.0</b>	<b>11 404.7</b>	<b>11.2%</b>	<b>100.0%</b>

## Personnel information

Table 36.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
<b>Trade and Industry</b>			<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>		
<b>Salary level</b>	<b>1 486</b>	<b>141</b>	<b>1 328</b>	<b>567.0</b>	<b>0.4</b>	<b>1 567</b>	<b>779.0</b>	<b>0.5</b>	<b>1 764</b>	<b>854.2</b>	<b>0.5</b>	<b>1 763</b>	<b>897.9</b>	<b>0.5</b>	<b>1 794</b>	<b>955.0</b>	<b>0.5</b>	<b>4.6%</b>	<b>100.0%</b>
1 - 6	228	89	194	72.4	0.4	242	195.0	0.8	258	227.6	0.9	257	256.3	1.0	260	287.3	1.1	2.4%	14.8%
7 - 10	647	42	587	152.2	0.3	704	196.8	0.3	789	206.2	0.3	789	210.7	0.3	793	215.8	0.3	4.1%	44.6%
11 - 12	379	5	328	158.2	0.5	375	183.0	0.5	427	194.6	0.5	427	212.0	0.5	439	229.0	0.5	5.4%	24.2%
13 - 16	232	5	219	184.2	0.8	246	204.2	0.8	290	225.8	0.8	290	218.8	0.8	302	222.9	0.7	7.1%	16.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on implementing policies, strategies, programmes and incentives to promote industrial development while broadening participation in the economy. These activities are carried out mostly through the *Incentive Development: Incentive Administration* and *Industrial Development: Policy Development* programmes, which use the bulk of the department's allocation over the medium term.

Spending in the *Industrial Development: Policy Development* programme grew significantly between 2009/10 and 2012/13 due to the introduction of the clothing and textile production incentive programme. Expenditure in the *Consumer and Corporate Regulation* programme also increased significantly over this period due to the establishment of new entities such as the National Consumer Commission, the Companies and Intellectual Property Commission, and the Companies Tribunal.

Over the medium term, spending in the *Incentive Development: Incentive Administration* programme is projected to increase significantly due to the introduction of the economic competitive support package. This also accounts for the projected increase in spending on transfers and subsidies over the medium term. The department receives additional allocations of R45 million in 2013/14, R59 million in 2014/15 and R84 million in 2015/16 for improved conditions of service in the department and its public entities.

The department has effected Cabinet approved budget reductions of R1.3 billion over the medium term. The reductions have been made mainly in spending on goods and services and transfers and subsidies, the details of which are discussed within each programme.

The department has a funded establishment of 1 486 posts and 141 posts additional to the establishment. There were 60 vacancies across all subprogrammes at the end of September 2012. The vacancies were mostly due to resignations and the difficulty in recruiting individuals with the necessary skills. Over the medium term, filled positions are expected to increase to 1 794 due to the expanded mandate of the department, which includes new incentive schemes and the introduction of new policies.

Spending on consultants and professional services is also expected to increase over the medium term. Consultants are used to provide legal services for incentive contracts and industrial research, and conduct incentive reviews. As the department was not able to recruit staff on a timely basis, it had to appoint contractors with the applicable expertise while the recruitment process was under way. Payments to contractors increased significantly between 2009/10 and 2012/13.

### Infrastructure spending

The department's spending on infrastructure relates mainly to the industrial development zones and the critical infrastructure programme.

#### Mega project: Industrial development zones

44 investors have invested R2.9 billion in the industrial development zones since the inception of the programme in 2001 and over 38 071 jobs have been created. In addition, R8.5 billion was allocated to the Coega, East London and Richard's Bay industrial development zones between 2002/03 and 2012/13. R5.3 billion of this was transferred by the department and R3.2 billion was transferred by provincial governments. The department has allocated R438 million in 2013/14 to these three industrial development zones and is considering a new policy on special economic zones.

The **Coega industrial development zone** was designated in 2001 to attract private sector investment in export orientated industries in order to create jobs, promote the growth of domestic industries and boost growth through increased exports. Since inception, 13 private investors have relocated to the zone since inception and another 7 investors have been secured, contributing about R1.6 billion and potentially 125 new jobs. Coega is in discussions to bring aboard another 5 investors. The sectors at Coega include agro-processing, general manufacturing, business process services, energy, automotives and petrochemicals. The infrastructure programmes include road construction, earthworks, electricity, water, sewerage, factories and office buildings. The total project cost is R5.7 billion to date for the Coega industrial development zone and R308.2 million has been allocated in 2013/14 to fund investment promotion efforts, infrastructure development and bulk municipal infrastructure for Nelson Mandela Bay logistics park, the servicing of each zone, operations, water infrastructure, and the expansion of the electricity supplies to serve Kalagadi and PetroSA in the future. The allocations include allowances for bulk minerals and infrastructure planning.

The **East London industrial development zone** was designated in 2001. Its key focus sectors are: automotive, marine aquaculture, agro-processing (bio-fuels, food and timber), pharmaceuticals, ICT and electronics, business process services, and the automotive supplier park. The latter supports the main component suppliers for the Mercedes Benz C-class export programme. The total project cost is R1.8 billion for the East London industrial development zone to date and R100 million has been allocated in 2013/14.



23 investors have committed R1.1 billion to this industrial development zone since 2002. The investment has created 1 223 direct jobs and 10 383 construction jobs. The East London industrial development zone is set to attract another 8 investors over the medium term to secure R2.2 billion worth of investment with the potential to create 1 100 jobs. 3 new investors were secured in 2012/13, providing R74.5 million worth of investment with the potential to create 318 jobs. The projects planned for the future include the expansion of the automotive supplier park, a new e-coating facility, a shared warehousing facility and a multimodal original equipment manufacturer.

The **Richards Bay industrial development zone** is located in KwaZulu-Natal and is in the process of developing infrastructure to attract investors. Its key strategic industrial sectors include aluminium clustering, wood, chemicals and mineral beneficiation. In 2009/10 and 2010/11, the industrial development zone attracted investments worth R650 million. The total project cost is R672 million for the Richards Bay industrial development zone to date and R30 million has been allocated in 2012/13.

The **OR Tambo International Airport industrial development zone** was designated in 2002 and received an operator permit in 2010. The first phase of construction, which is scheduled to begin in 2013/14, is to take place on the 6.1 hectares of land leased from the Airports Company of South Africa on a 45 year lease. The bulk works of the jewellery manufacturing precinct will be the first phase the industrial development zone, with the capital expenditure over two years estimated at R578 million.

The **Saldanha Bay industrial development zone** is scheduled to be designated in March 2013. R8.5 million was spent in 2012/13 to finalise the business case for the application for designation. The capital requirements for infrastructure projects would include the water demand management programme, bulk sewerage, upgrading of the Saldanha waste water treatment system, public transport facilities, bulk water supply services, solid waste transfer systems, and internal engineering services for inside the industrial development zone area. Funding will be considered for these capital projects during the next budget process.

*Large project: Critical infrastructure development programme*

The critical infrastructure development programme is a cost sharing grant for projects designed to improve critical infrastructure in South Africa. The programme supports infrastructure projects in mining, tourism, manufacturing and services on a reimbursement basis. R486.7 million was spent on this programme between 2009/10 and 2012/13. R190 million, R203 million and R209 million is allocated over the medium term for grants that subsidise qualifying development costs, from a minimum of 10 per cent to a maximum of 30 per cent, towards the total development costs for qualifying infrastructure projects. Over the medium term, the programme expects to provide financial support to a total 38 enterprises with an estimated investment value of R19 billion.

**New building for the National Metrology Institute of South Africa**

The project for a new building for the National Metrology Institute of South Africa, which is responsible for South Africa's internationally accepted measurement system, is currently at the feasibility study stage, for which R25 million was allocated in 2011/12. R50 million in 2013/14 and R100 million in 2014/15 has been allocated to complete the feasibility study and acquire new equipment.

## Departmental receipts

Table 36.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2009/10 - 2012/13	2013/14		
R thousand												
<b>Departmental receipts</b>	<b>52 570</b>	<b>35 630</b>	<b>78 707</b>	<b>92 410</b>	<b>92 410</b>	<b>20.7%</b>	<b>100.0%</b>	<b>89 205</b>	<b>96 631</b>	<b>102 777</b>	<b>3.6%</b>	<b>100.0%</b>
Tax receipts	3 008	3 161	3 280	5 000	5 000	18.5%	5.6%	5 200	5 300	5 350	2.3%	5.5%
Sales of goods and services produced by department	-	213	350	400	400	-	0.4%	391	413	516	8.9%	0.5%
Sales by market establishments	-	213	189	200	200	-	0.2%	125	127	215	2.4%	0.2%
of which:												
Rental of parking	-	213	189	200	200	-	0.2%	125	127	215	2.4%	0.2%
Administration fees	-	-	51	-	-	-	-	1	1	1	-	-
of which:												
Request information: to Access Information Act	-	-	51	-	-	-	-	1	1	1	-	-
Other sales	-	-	110	200	200	-	0.1%	265	285	300	14.5%	0.3%
of which:												
Commission on insurance and gamishie orders	-	-	110	200	200	-	0.1%	210	230	240	6.3%	0.2%
Academic Service: Registration tuition and exam fees	-	-	-	-	-	-	-	55	55	60	-	-
Sales of scrap, waste, arms and other used current goods	-	-	-	-	-	-	-	1	1	1	-	-
of which:												
Paper	-	-	-	-	-	-	-	1	1	1	-	-
Fines, penalties and forfeits	-	14	189	10	10	-	0.1%	195	195	210	175.9%	0.2%
Interest, dividends and rent on land	1 950	513	20 470	25 000	25 000	134.0%	18.5%	25 032	26 000	26 500	2.0%	26.9%
Interest	1 950	513	20 470	25 000	25 000	134.0%	18.5%	25 032	26 000	26 500	2.0%	26.9%
Sales of capital assets	2	93	10	-	-	-100.0%	-	150	200	200	-	0.1%
Transactions in financial assets and liabilities	47 610	31 636	54 408	62 000	62 000	9.2%	75.4%	58 236	64 522	70 000	4.1%	66.9%
<b>Total</b>	<b>52 570</b>	<b>35 630</b>	<b>78 707</b>	<b>92 410</b>	<b>92 410</b>	<b>20.7%</b>	<b>100.0%</b>	<b>89 205</b>	<b>96 631</b>	<b>102 777</b>	<b>3.6%</b>	<b>100.0%</b>

## Programme 1: Administration

### Expenditure estimates

Table 36.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Ministry	27.6	30.0	37.7	37.4	10.7%	5.9%	39.4	41.8	43.7	5.4%	5.7%
Office of the Director General	39.9	49.6	66.9	84.5	28.5%	10.7%	84.6	97.1	102.4	6.6%	12.9%
Corporate Services	293.0	313.2	376.7	409.6	11.8%	61.6%	372.5	394.5	408.4	-0.1%	55.5%
Office Accommodation	7.1	7.8	8.3	5.2	-10.0%	1.3%	9.2	9.7	10.2	25.3%	1.2%
Financial Management	32.6	35.1	69.8	49.2	14.7%	8.3%	95.5	80.4	82.0	18.6%	10.8%
Media Relations and Public Relations	3.5	4.6	4.6	11.0	46.5%	1.0%	14.1	18.3	19.1	20.3%	2.2%
Communications	39.6	39.6	75.5	100.3	36.3%	11.3%	74.8	78.8	82.5	-6.3%	11.8%
<b>Total</b>	<b>443.2</b>	<b>480.0</b>	<b>639.4</b>	<b>697.2</b>	<b>16.3%</b>	<b>100.0%</b>	<b>690.1</b>	<b>720.6</b>	<b>748.3</b>	<b>2.4%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				88.4			(0.4)	(1.6)	(7.1)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>419.5</b>	<b>464.2</b>	<b>571.6</b>	<b>659.8</b>	<b>16.3%</b>	<b>93.6%</b>	<b>681.4</b>	<b>712.1</b>	<b>739.4</b>	<b>3.9%</b>	<b>97.8%</b>
Compensation of employees	122.1	151.6	178.1	222.3	22.1%	29.8%	278.7	280.9	288.8	9.1%	37.5%
Goods and services	297.4	312.3	393.5	437.5	13.7%	63.8%	402.6	431.2	450.5	1.0%	60.3%
of which:											
Consultants and professional services:	12.9	15.0	16.0	29.4	31.7%	3.2%	31.7	30.1	30.5	1.2%	4.3%
Business and advisory services											
Operating leases	165.8	175.3	182.4	198.2	6.1%	31.9%	178.9	184.7	191.1	-1.2%	26.4%
Travel and subsistence	13.9	17.2	28.3	31.7	31.6%	4.0%	31.1	32.1	36.0	4.4%	4.6%
Venues and facilities	5.5	6.6	11.0	20.0	53.9%	1.9%	13.5	14.5	14.7	-9.8%	2.2%
Interest and rent on land	-	0.3	0.1	-	-	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2.8</b>	<b>3.5</b>	<b>7.0</b>	<b>3.5</b>	<b>8.1%</b>	<b>0.7%</b>	<b>2.6</b>	<b>2.3</b>	<b>2.4</b>	<b>-11.3%</b>	<b>0.4%</b>
Public corporations and private enterprises	0.6	2.6	4.6	0.7	2.9%	0.4%	0.7	0.7	0.8	5.3%	0.1%
Households	2.2	0.9	2.4	2.8	9.4%	0.4%	1.9	1.6	1.7	-16.2%	0.3%

Table 36.5 Administration (continued)

R million	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Payments for capital assets</b>	<b>18.3</b>	<b>9.9</b>	<b>26.0</b>	<b>33.9</b>	<b>22.7%</b>	<b>3.9%</b>	<b>6.1</b>	<b>6.2</b>	<b>6.5</b>	<b>-42.2%</b>	<b>1.8%</b>
Machinery and equipment	16.6	7.7	13.5	30.8	22.9%	3.0%	5.0	6.0	6.3	-41.1%	1.7%
Software and other intangible assets	1.7	2.3	12.5	3.1	21.2%	0.9%	1.2	0.2	0.2	-58.3%	0.2%
<b>Payments for financial assets</b>	<b>2.6</b>	<b>2.3</b>	<b>34.8</b>	<b>-</b>	<b>-100.0%</b>	<b>1.8%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>443.2</b>	<b>480.0</b>	<b>639.4</b>	<b>697.2</b>	<b>16.3%</b>	<b>100.0%</b>	<b>690.1</b>	<b>720.6</b>	<b>748.3</b>	<b>2.4%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>7.5%</b>	<b>8.3%</b>	<b>9.4%</b>	<b>8.3%</b>			<b>7.2%</b>	<b>7.2%</b>	<b>6.6%</b>		
<b>Details of transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>1.2</b>	<b>0.7</b>	<b>2.1</b>	<b>2.8</b>	<b>34.3%</b>	<b>0.3%</b>	<b>1.9</b>	<b>1.6</b>	<b>1.7</b>	<b>-16.2%</b>	<b>0.3%</b>
Gifts, donations and sponsorships	0.4	0.1	0.2	0.1	-34.2%	-	-	-	-	-100.0%	-
Employee social benefits	-	-	0.5	0.1	-	-	-	-	-	-100.0%	-
Bursaries non-employees	0.8	0.6	1.4	2.6	46.9%	0.2%	1.9	1.6	1.7	-13.6%	0.3%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>1.0</b>	<b>0.2</b>	<b>0.2</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Gifts, donations and sponsorships	0.2	0.2	-	-	-100.0%	-	-	-	-	-	-
Employee social benefits	0.8	-	0.2	-	-100.0%	-	-	-	-	-	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>0.6</b>	<b>2.6</b>	<b>4.6</b>	<b>0.7</b>	<b>2.9%</b>	<b>0.4%</b>	<b>0.7</b>	<b>0.7</b>	<b>0.8</b>	<b>5.3%</b>	<b>0.1%</b>
Industrial Development Corporation: Fund for research into industrial development, growth and equity	0.6	2.6	4.6	0.7	2.9%	0.4%	0.7	0.7	0.8	5.3%	0.1%

## Personnel information

Table 36.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%) 2012/13 - 2015/16	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16									
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Administration</b>																			
Salary level	558	93	499	178.1	0.4	591	224.3	0.4	669	278.7	0.4	669	280.9	0.4	689	288.8	0.4	5.2%	100.0%
1 - 6	148	50	134	19.3	0.1	167	26.9	0.2	177	55.6	0.3	177	51.1	0.3	177	53.0	0.3	2.0%	26.7%
7 - 10	227	37	196	58.8	0.3	246	70.6	0.3	281	69.8	0.2	281	73.8	0.3	281	73.2	0.3	4.5%	41.6%
11 - 12	123	5	114	49.5	0.4	118	63.0	0.5	136	69.4	0.5	136	77.2	0.6	147	94.3	0.6	7.6%	20.5%
13 - 16	60	1	55	50.5	0.9	60	63.8	1.1	75	83.9	1.1	75	78.8	1.1	84	68.4	0.8	11.9%	11.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing for the department's accommodation, human resource and strategic management, and marketing needs through the *Office of the Director-General, Corporate Services* and *Communications* subprogrammes.

Spending on compensation of employees increased significantly between 2009/10 and 2012/13 as former *Communications and Marketing* programme was shifted into this programme in the *Media Relations and Public Relations* and *Communications* subprogrammes in 2012/13 in order to better align the department's activities

and programmes. Over the same period, spending in the *Office of the Director General* subprogramme increased significantly due to the creation of the strategic planning, internal audit, monitoring and evaluation, strategic and agency management, and economic research and policy units in 2010/11. The new units increased spending on compensation of employees, goods and services and machinery, and equipment for the additional staff.

Expenditure in the *Communications and Media Relations and Public Relations* subprogrammes also increased significantly over this period due to an increase in publications and media statements released regarding the activities and initiatives of the department. These increases will have a carry through effect over the medium term, with increased spending planned for several multimedia awareness campaigns for the department's projects and programmes.

The significant increase in spending on the *Financial Management* subprogramme over the medium term is due to an upgrade of the chief financial officer's position to that of a deputy director general, and the creation of a new chief directorate in the finance unit in order to address increased volumes of payments on incentive schemes and financial reporting requirements.

To give effect to the Cabinet approved budget reductions, the department has reduced spending on goods and services by R29.4 million over the medium term. The reductions have been effected in spending on items such as operating leases, external audit and computer services, and are not expected to adversely affect service delivery.

The programme has a funded establishment of 558 posts and 93 additional positions. There were 60 vacant posts at the end of September 2012, mostly as a result of natural attrition. The number of filled posts is expected to increase to 689 in 2015/16, as the department fills vacancies and creates additional positions in, among others, the *Financial Management* subprogramme. Consultants are used to provide specialist business advisory and legal services to senior management, because the department does not have these skills and expertise.

## **Programme 2: International Trade and Economic Development**

### **Objectives**

- Promote African economic integration and development at bilateral, regional and continental levels by:
  - consolidating the Southern African Customs Union and Southern African Development Community (SADC) free trade area by 2014
  - launching the SADC-East African community common market by 2014.
- Advance South Africa's trade, industrial policy and economic development objectives through cooperation with key economies in order to overcome the tariff and non-tariff barriers that inhibit South African value-added exports by 2014.
- Build national consensus around trade and investment policy, strategy and negotiation by strengthening research and national consultation as a basis for agreed national policy positions by 2014.

### **Subprogrammes**

- *International Trade Development* facilitates bilateral and multilateral trade relations and agreements. In 2013/14, trade negotiations will be finalised with the European Union (EU) in terms of the economic partnership agreement, and with the South African Customs Union, India and the SADC. Transfer payments are made annually to the Organisation for the Prohibition of Chemical Weapons and Protechnik Laboratories, an Armaments Corporation of South Africa institute, as part of South Africa's contribution to international non-proliferation treaties and regimes, and the World Trade Organisation for membership fees. This subprogramme had a staff complement of 99 in 2012/13.
- *African Economic Development* facilitates bilateral and multilateral African trade relations aimed at deepening regional integration. Transfer payments are made quarterly to the Development Bank of Southern Africa for regional spatial development initiatives. R18.6 million is allocated to the bank in 2013/14. This subprogramme had a staff complement of 54 in 2012/13.

## Expenditure estimates

Table 36.7 International Trade and Economic Development

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
International Trade Development	80.2	63.6	72.9	83.9	1.5%	60.4%	85.6	93.2	96.6	4.8%	61.9%
African Economic Development	42.8	43.4	60.0	50.8	5.8%	39.6%	53.0	57.5	60.2	5.9%	38.1%
<b>Total</b>	<b>123.0</b>	<b>106.9</b>	<b>132.9</b>	<b>134.7</b>	<b>3.1%</b>	<b>100.0%</b>	<b>138.6</b>	<b>150.7</b>	<b>156.9</b>	<b>5.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				1.2			0.8	0.9	0.1		
<b>Economic classification</b>											
<b>Current payments</b>	<b>88.8</b>	<b>75.8</b>	<b>98.9</b>	<b>99.2</b>	<b>3.7%</b>	<b>72.9%</b>	<b>97.7</b>	<b>106.1</b>	<b>114.7</b>	<b>5.0%</b>	<b>71.9%</b>
Compensation of employees	47.2	53.5	63.5	73.0	15.6%	47.7%	77.3	82.0	85.0	5.2%	54.6%
Goods and services	41.6	22.3	35.4	26.2	-14.3%	25.2%	20.3	24.1	29.7	4.3%	17.3%
<i>of which:</i>											
<i>Consultants and professional services:</i>	1.3	0.9	0.5	1.6	6.9%	0.9%	0.6	0.7	2.2	10.9%	0.9%
<i>Business and advisory services</i>	0.1	0.1	0.1	0.1	12.2%	0.1%	-	-	0.2	28.8%	-
<i>Operating leases</i>	0.1	0.1	0.1	0.1	12.2%	0.1%	-	-	0.2	28.8%	-
<i>Travel and subsistence</i>	15.6	14.6	24.5	17.9	4.8%	14.6%	15.6	20.2	20.1	3.9%	12.7%
<i>Venues and facilities</i>	1.4	1.0	4.9	1.5	2.5%	1.8%	1.4	0.4	2.1	11.5%	0.9%
<b>Transfers and subsidies</b>	<b>33.6</b>	<b>30.6</b>	<b>33.3</b>	<b>34.9</b>	<b>1.3%</b>	<b>26.6%</b>	<b>40.4</b>	<b>43.8</b>	<b>41.4</b>	<b>5.9%</b>	<b>27.6%</b>
Foreign governments and international organisations	10.3	10.8	12.4	12.9	7.7%	9.3%	18.2	19.3	15.8	7.0%	11.4%
Public corporations and private enterprises	23.3	19.7	20.8	21.9	-2.0%	17.2%	22.2	24.5	25.6	5.4%	16.2%
Households	-	0.1	0.1	0.1	-	0.1%	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>0.6</b>	<b>0.5</b>	<b>0.7</b>	<b>0.6</b>	<b>0.4%</b>	<b>0.5%</b>	<b>0.6</b>	<b>0.9</b>	<b>0.8</b>	<b>11.1%</b>	<b>0.5%</b>
Machinery and equipment	0.6	0.5	0.7	0.6	0.4%	0.5%	0.6	0.9	0.8	9.4%	0.5%
<b>Total</b>	<b>123.0</b>	<b>106.9</b>	<b>132.9</b>	<b>134.7</b>	<b>3.1%</b>	<b>100.0%</b>	<b>138.6</b>	<b>150.7</b>	<b>156.9</b>	<b>5.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>2.1%</b>	<b>1.8%</b>	<b>2.0%</b>	<b>1.6%</b>			<b>1.4%</b>	<b>1.5%</b>	<b>1.4%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>10.3</b>	<b>10.8</b>	<b>12.4</b>	<b>12.9</b>	<b>7.7%</b>	<b>9.3%</b>	<b>18.2</b>	<b>19.3</b>	<b>15.8</b>	<b>7.0%</b>	<b>11.4%</b>
Organisation for the Prohibition of Chemical Weapons	2.6	2.3	2.6	3.4	9.4%	2.2%	4.2	4.5	4.7	11.2%	2.9%
World Trade Organisation	7.7	8.5	9.7	9.5	7.2%	7.1%	10.0	10.6	11.1	5.4%	7.1%
Council for Geosciences	-	-	-	-	-	-	1.0	1.0	-	-	0.3%
Comprehensive Nuclear Test-Ban Treaty Organisation	-	-	-	-	-	-	3.0	3.2	-	-	1.1%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>18.0</b>	<b>18.7</b>	<b>19.8</b>	<b>20.9</b>	<b>5.1%</b>	<b>15.6%</b>	<b>21.1</b>	<b>23.4</b>	<b>24.5</b>	<b>5.4%</b>	<b>15.5%</b>
Protechnik Laboratories	2.1	2.2	2.3	2.4	4.1%	1.8%	2.5	2.7	2.8	5.2%	1.8%
Development Bank of Southern Africa: Regional spatial development initiative	15.9	16.5	17.5	18.5	5.2%	13.7%	18.6	20.7	21.7	5.4%	13.7%
<b>Capital</b>	<b>5.3</b>	<b>1.0</b>	<b>1.0</b>	<b>1.0</b>	<b>-42.6%</b>	<b>1.7%</b>	<b>1.1</b>	<b>1.1</b>	<b>1.2</b>	<b>5.0%</b>	<b>0.7%</b>
Protechnik Laboratories	5.3	1.0	1.0	1.0	-42.6%	1.7%	1.1	1.1	1.2	5.0%	0.7%

## Personnel information

Table 36.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
International Trade and Economic Development		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
Salary level	148	1	141	63.5	0.5	153	74.0	0.5	153	77.3	0.5	153	82.0	0.5	153	85.0	0.6	-	100.0%
1 – 6	-	-	1	1.2	1.2	1	(6.0)	(6.0)	1	(2.8)	(2.8)	1	1.7	1.7	1	4.5	4.5	-	0.7%
7 – 10	57	1	63	13.7	0.2	69	22.7	0.3	69	22.7	0.3	69	22.7	0.3	69	22.7	0.3	-	45.1%
11 – 12	58	-	41	20.1	0.5	47	28.3	0.6	47	28.3	0.6	47	28.3	0.6	47	28.3	0.6	-	30.7%
13 – 16	33	-	36	28.5	0.8	36	29.1	0.8	36	29.2	0.8	36	29.4	0.8	36	29.5	0.8	-	23.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on developing international trade relations and facilitating African economic development initiatives in order to build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives. This accounts for the significant spending on compensation of employees, travel and subsistence, and transfers to international organisations and public corporations over this period.

Spending on compensation of employees increased between 2009/10 and 2012/13 due to expanding personnel capacity in the programme to strengthen trade relations on the continent and globally. Over the medium term, expenditure on transfers is expected to increase due to additional payments for international trade development and the Comprehensive Nuclear Test-Ban Treaty Organisation.

In 2012/13, South Africa will host the fifth Brazil-Russia-India-China-South Africa (BRICS) group of countries summit in March 2013 in Durban. The summit will allow participants to work towards fostering stronger economic relations among the BRICS group of countries, resolving issues around inter-country trade, and championing cooperation and collaboration to advance the economic development agenda for developing countries.

To give effect to the Cabinet approved budget reductions, the department has reduced spending in this programme by R3.8 million over the medium term. These reductions have been effected in spending on compensation of employees, catering and entertainment, and are not expected to adversely affect service delivery.

The programme has a funded establishment of 148 posts and 1 post additional to the establishment. Consultants are used for specialised business and legal services due to shortages of relevant skills and expertise within the department.

## Programme 3: Broadening Participation

### Objectives

- Enhance economic growth and employment through fostering the growth of SMMEs and cooperatives by:
  - facilitating an increase in the number of SMMEs receiving business development support from the Small Enterprise Development Agency to 2 738 over the medium term and the creation of 1 976 new enterprises and 5 900 jobs over the period
  - assisting in the establishment of 1 026 small scale cooperatives to contribute to poverty reduction over the medium term
  - promoting entrepreneurship through the creation and support of centres of entrepreneurship, and increasing the number of centres over the medium term

- supporting 70 industrial innovation projects and enabling 4 100 students to participate in the development of new technologies over the medium term
- supporting the development of 15 industrial clusters in underdeveloped areas by 2016
- strengthening the incubator programme to increase the number of incubators to 84 by 2016.
- Supporting 900 companies through the workplace challenge programme by:
  - developing the informal sector strategy over the medium term
  - implementing the youth enterprise development strategy by 2016.
- Strengthen the department's capacity to implement the Broad Based Black Economic Empowerment Act (2003) by, among other interventions, establishing the BEE Commission by 2013/14.

## Subprogrammes

- *Enterprise Development* creates an enabling environment that is conducive to the development and growth of SMMEs and cooperative enterprises, and provides a broad range of business development support services. This entails making transfer payments to the Small Enterprise Development Agency, which provides non-financial business development and support services for small enterprises. R595 million was transferred in 2012/13. Over the medium term, the focus will be on technology and skills development programmes and promoting centres of entrepreneurship as part of improving the enabling environment for the development of SMMEs. This subprogramme had a staff complement of 37 in 2012/13.
- *Equity and Empowerment* promotes broad based black economic empowerment (BEE) and women empowerment. This entails making transfer payments to organisations that support entrepreneurial empowerment and transformation. In 2012/13, R7.9 million was transferred to the South African Women Entrepreneurs' Network, which supports women's entrepreneurship through networking facilities. This subprogramme had a staff complement of 31 in 2012/13.
- *Regional Economic Development* promotes spatially balanced economic development and productivity improvements by developing policies, strategies and programmes that focus on underdeveloped regions. This entails making monthly transfer payments to the University of Johannesburg's capacity building programme for economic development. In 2012/13, R10 million was transferred. This subprogramme had a staff complement of 63 in 2012/13.

## Expenditure estimates

**Table 36.9 Broadening Participation**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Enterprise Development	657.7	732.2	816.8	847.9	8.8%	80.7%	876.1	904.6	947.7	3.8%	90.1%
Equity and Empowerment	461.6	39.5	36.0	38.5	-56.3%	15.2%	42.8	46.5	51.7	10.3%	4.5%
Regional Economic Development	41.3	26.4	34.7	53.6	9.1%	4.1%	49.4	52.8	55.5	1.1%	5.3%
<b>Total</b>	<b>1 160.6</b>	<b>798.1</b>	<b>887.5</b>	<b>940.0</b>	<b>-6.8%</b>	<b>100.0%</b>	<b>968.3</b>	<b>1 004.0</b>	<b>1 054.9</b>	<b>3.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				60.1			39.9	18.4	23.9		
<b>Economic classification</b>											
<b>Current payments</b>	<b>63.4</b>	<b>62.0</b>	<b>77.9</b>	<b>99.1</b>	<b>16.0%</b>	<b>8.0%</b>	<b>106.7</b>	<b>111.5</b>	<b>119.5</b>	<b>6.4%</b>	<b>11.0%</b>
Compensation of employees	35.7	41.0	49.5	60.7	19.3%	4.9%	74.2	75.7	88.6	13.4%	7.5%
Goods and services	27.7	21.1	28.4	38.4	11.5%	3.1%	32.5	35.8	30.9	-7.0%	3.5%
<i>of which:</i>											
<i>Consultants and professional services:</i>											
<i>Business and advisory services</i>	10.6	6.5	8.6	13.9	9.6%	1.0%	12.1	15.1	12.8	-2.8%	1.4%
<i>Operating leases</i>	0.1	0.2	0.1	0.3	57.3%	-	0.4	0.4	0.4	6.4%	-
<i>Travel and subsistence</i>	8.0	7.0	12.1	15.0	23.1%	1.1%	11.0	10.5	7.7	-19.9%	1.1%
<i>Venues and facilities</i>	2.3	2.0	2.4	2.8	6.5%	0.3%	2.6	3.1	-	-100.0%	0.2%

Table 36.9 Broadening Participation (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Transfers and subsidies</b>	<b>1 096.8</b>	<b>735.5</b>	<b>808.7</b>	<b>839.9</b>	<b>-8.5%</b>	<b>91.9%</b>	<b>861.0</b>	<b>891.8</b>	<b>934.8</b>	<b>3.6%</b>	<b>88.9%</b>
Departmental agencies and accounts	1 012.5	640.1	726.8	762.0	-9.0%	83.0%	773.0	799.4	842.4	3.4%	80.1%
Higher education institutions	11.5	–	–	10.0	-4.5%	0.6%	12.8	15.7	12.5	7.6%	1.3%
Public corporations and private enterprises	65.1	85.0	78.5	59.7	-2.8%	7.6%	66.9	67.8	70.7	5.7%	6.7%
Non-profit institutions	7.6	10.3	3.1	7.9	1.3%	0.8%	8.3	8.8	9.2	5.4%	0.9%
Households	0.1	0.1	0.4	0.3	35.3%	–	–	–	–	-100.0%	–
<b>Payments for capital assets</b>	<b>0.4</b>	<b>0.5</b>	<b>0.8</b>	<b>1.0</b>	<b>32.7%</b>	<b>0.1%</b>	<b>0.6</b>	<b>0.6</b>	<b>0.6</b>	<b>-12.6%</b>	<b>0.1%</b>
Machinery and equipment	0.4	0.5	0.8	1.0	32.7%	0.1%	0.6	0.6	0.6	-12.6%	0.1%
<b>Total</b>	<b>1 160.6</b>	<b>798.1</b>	<b>887.5</b>	<b>940.0</b>	<b>-6.8%</b>	<b>100.0%</b>	<b>968.3</b>	<b>1 004.0</b>	<b>1 054.9</b>	<b>3.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>19.6%</b>	<b>13.8%</b>	<b>13.0%</b>	<b>11.3%</b>			<b>10.1%</b>	<b>10.1%</b>	<b>9.2%</b>		

## Details of selected transfers and subsidies

Departmental agencies and accounts											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>700.9</b>	<b>640.1</b>	<b>726.8</b>	<b>762.0</b>	<b>2.8%</b>	<b>74.7%</b>	<b>773.0</b>	<b>799.4</b>	<b>842.4</b>	<b>3.4%</b>	<b>80.1%</b>
Small Enterprise Development Agency	331.2	401.6	441.5	442.3	10.1%	42.7%	484.5	498.3	527.5	6.0%	49.2%
National Empowerment Fund	116.0	–	–	–	-100.0%	3.1%	–	–	–	–	–
Small Enterprise Development Agency: Technology Programme	78.3	76.0	120.0	153.0	25.0%	11.3%	119.2	126.4	132.2	-4.8%	13.4%
National Research Foundation: Technology and human resource for Industry programme	163.8	151.0	155.0	157.0	-1.4%	16.6%	160.6	165.6	174.6	3.6%	16.6%
National Productivity Institute: Workplace Challenge	11.5	11.5	9.5	8.2	-10.7%	1.1%	8.7	9.2	8.1	-0.4%	0.9%
Independent Regulatory Board of Auditors	–	–	0.8	1.5	–	0.1%	–	–	–	-100.0%	–
<b>Capital</b>	<b>311.6</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>8.2%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
National Empowerment Fund	311.6	–	–	–	-100.0%	8.2%	–	–	–	–	–
<b>Non-profit institutions</b>											
<b>Current</b>	<b>7.6</b>	<b>10.3</b>	<b>3.1</b>	<b>7.9</b>	<b>1.3%</b>	<b>0.8%</b>	<b>8.3</b>	<b>8.8</b>	<b>9.2</b>	<b>5.4%</b>	<b>0.9%</b>
South African Women Entrepreneurs Network	7.6	10.3	3.1	7.9	1.3%	0.8%	8.3	8.8	9.2	5.4%	0.9%
<b>Higher education institutions</b>											
<b>Current</b>	<b>11.5</b>	<b>–</b>	<b>–</b>	<b>10.0</b>	<b>-4.5%</b>	<b>0.6%</b>	<b>12.8</b>	<b>15.7</b>	<b>12.5</b>	<b>7.6%</b>	<b>1.3%</b>
University of Johannesburg: Capacity building programme for economic development	5.0	–	–	10.0	26.0%	0.4%	12.8	15.7	12.5	7.6%	1.3%
Wits Business School: Centre for entrepreneurship	6.5	–	–	0.0	-94.6%	0.2%	0.0	0.0	–	-100.0%	–
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>9.9</b>	<b>10.5</b>	<b>10.7</b>	<b>–</b>	<b>-100.0%</b>	<b>0.8%</b>	<b>11.5</b>	<b>11.2</b>	<b>11.3</b>	<b>–</b>	<b>0.9%</b>
Industrial Development Corporation: Isivande Women's Fund	9.9	10.5	10.7	–	-100.0%	0.8%	11.5	11.2	11.3	–	0.9%
<b>Capital</b>	<b>53.1</b>	<b>74.5</b>	<b>64.8</b>	<b>57.7</b>	<b>2.8%</b>	<b>6.6%</b>	<b>53.9</b>	<b>55.2</b>	<b>57.8</b>	<b>–</b>	<b>5.7%</b>
Industrial Development Corporation: Support Programme for Industrial Innovation	47.7	74.5	59.8	52.7	3.4%	6.2%	53.9	55.2	57.8	3.1%	5.5%
Industrial Development Corporation: Technology venture capital	5.5	–	5.0	5.0	-2.9%	0.4%	0.0	0.0	–	-100.0%	0.1%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Public corporations - subsidies on products and production</b>											
<b>Current</b>	<b>2.0</b>	<b>–</b>	<b>3.0</b>	<b>2.0</b>	<b>–</b>	<b>0.2%</b>	<b>1.5</b>	<b>1.5</b>	<b>1.6</b>	<b>-7.7%</b>	<b>0.2%</b>
Council for Scientific and Industrial Research: Fibre and textile centre of excellence	2.0	–	3.0	2.0	–	0.2%	1.5	1.5	1.6	-7.7%	0.2%



## Personnel information

**Table 36.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost	
Broadening Participation		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	2012/13 - 2015/16		
Salary level	133	15	115	49.5	0.4	129	70.7	0.5	179	74.2	0.4	179	75.7	0.4	179	88.6	0.5	11.5%	100.0%
1 – 6	17	11	9	0.2	0.0	13	18.9	1.5	15	18.7	1.2	15	19.1	1.3	15	29.2	1.9	4.9%	8.7%
7 – 10	45	–	40	9.9	0.2	46	10.6	0.2	65	11.2	0.2	65	11.7	0.2	65	12.3	0.2	12.2%	36.2%
11 – 12	33	–	31	13.0	0.4	33	13.0	0.4	55	13.6	0.2	55	14.3	0.3	55	15.0	0.3	18.6%	29.7%
13 – 16	38	4	35	26.5	0.8	37	28.2	0.8	44	30.7	0.7	44	30.6	0.7	44	32.1	0.7	5.9%	25.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on financing the development of small enterprises, promoting entrepreneurship and small enterprise development, and implementing the cooperatives development strategy. This will facilitate the development and growth of SMMEs and cooperative enterprises, and expand their contribution to job creation and economic growth. These activities will be undertaken through the *Enterprise Development* subprogramme, which uses 88.9 per cent of the programme's allocation over the medium term to make transfers payments to the Small Enterprise Development Agency, the National Research Foundation and the Industrial Development Corporation of South Africa.

Between 2009/10 and 2012/13, spending decreased due to the discontinuation of transfer payments to the National Empowerment Fund in 2010/11. The increase in expenditure in 2011/12 was due to the disbursement of R809 million to provide financial and business development support to SMMEs and cooperatives, the support programme for industrial innovation, the technology and human resources for industry programme, the workplace challenge manufacturing programme, and the Isivande Women's Fund.

To give effect to the Cabinet approved budget reductions, the department reduced spending in the programme by R59.3 million over the medium term. These reductions were effected in spending on compensation of employees, consultants and travel and subsistence. No adverse effects on service delivery are expected.

The programme has a funded establishment of 133 posts and 15 posts are additional to the establishment. There were 19 vacancies at the end of September 2012 due to resignations. Over the medium term, the BEE Commission and the Cooperatives Agency and Tribunal are to be established, which requires the department to increase personnel to strengthen the capacity for the department to exercise oversight over the new entities. R14.8 million was spent on consultants in 2012/13, mainly for policy research for cooperatives and BEE strategies.

## Programme 4: Industrial Development: Policy Development

### Objectives

- Grow the economy, and add value and competitiveness in the domestic and export markets by:
  - facilitating the ongoing diversification of commodities and non-tradable services and converting them, through value addition, into tradable goods and services
  - implementing the three-year industrial policy action plan by 2014/15.
- Promote the long term industrialisation process by moving towards a knowledge economy, expanding the trade of information, and producing and consuming goods and services in the ICT sector by 2018.
- Improve employment creation by promoting a labour absorbing industrialisation path emphasising tradable labour absorbing goods and services and economic linkages by 2018.

- Promote a broad based industrialisation path by increasing the participation of historically disadvantaged people in the economy and promote economic development of underdeveloped regions by 2016.
- Contribute to industrial development on the African continent by attracting foreign direct investment, skills and technology by 2018, showing annual achievements over the five years.

## Subprogrammes

- *Industrial Competitiveness* develops policies, strategies and programmes to strengthen the ability of manufacturing and other value adding sectors to create decent jobs, and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan. This subprogramme makes annual transfer payments to various public entities. In 2012/13, transfers payments were made as follows: R187.2 million to the South African Bureau of Standards, R82.2 million to the National Metrology Institute of South Africa; R79.7 million to the National Regulator for Compulsory Specifications, and R30.6 million to the South African National Accreditation System. This subprogramme had a staff complement of 49 in 2012/13.
- *Customised Sector Programmes* develops and implements high impact sector strategies focused on manufacturing and other value added sectors, to create decent jobs, and increase value addition and competitiveness in domestic and export markets, as set out in the annual three-year rolling industrial policy action plan. This subprogramme makes annual transfer payments various public entities. In 2012/13, transfer payments were made as follows: R750 million to the Industrial Development Corporation of South Africa for the clothing and textiles production incentive, and R56.4 million for the customised sector programmes; R21.3 million to the Council for Scientific and Industrial Research for the aerospace industry programme and R41.2 million for the national cleaner production centre; R21 million to the National Foundry Technology Network; R49 million to the Intsimbi national tooling initiative; and R15 million to the Centurion Aerospace Village. This subprogramme had a staff complement of 120 in 2012/13.

## Expenditure estimates

**Table 36.11 Industrial Development: Policy Development**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Industrial Competitiveness	323.6	539.0	512.5	508.1	16.2%	42.9%	589.6	684.1	786.7	15.7%	37.1%
Customised Sector Programmes	101.8	606.2	809.2	984.6	113.0%	57.1%	1 016.9	1 087.3	1 263.1	8.7%	62.9%
<b>Total</b>	<b>425.5</b>	<b>1 145.1</b>	<b>1 321.7</b>	<b>1 492.7</b>	<b>52.0%</b>	<b>100.0%</b>	<b>1 606.5</b>	<b>1 771.3</b>	<b>2 049.8</b>	<b>11.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				9.9			70.7	98.1	299.7		
<b>Economic classification</b>											
<b>Current payments</b>	<b>62.4</b>	<b>69.8</b>	<b>85.7</b>	<b>102.3</b>	<b>17.9%</b>	<b>7.3%</b>	<b>122.8</b>	<b>133.8</b>	<b>132.6</b>	<b>9.0%</b>	<b>7.1%</b>
Compensation of employees	45.1	54.0	62.1	77.5	19.8%	5.4%	89.4	98.2	95.7	7.3%	5.2%
Goods and services	17.3	15.7	23.6	24.8	12.6%	1.9%	33.4	35.6	36.9	14.2%	1.9%
of which:											
Consultants and professional services:	6.4	3.4	10.0	7.7	6.7%	0.6%	12.8	14.4	16.5	28.7%	0.7%
Business and advisory services	0.1	0.1	0.1	0.1	3.2%	-	0.1	0.1	0.1	14.2%	-
Operating leases	7.3	7.4	8.2	10.6	13.5%	0.8%	12.7	12.3	11.5	2.8%	0.7%
Travel and subsistence	0.8	1.3	1.3	1.9	35.1%	0.1%	2.7	3.2	3.1	17.0%	0.2%
Venues and facilities											
<b>Transfers and subsidies</b>	<b>362.8</b>	<b>1 074.8</b>	<b>1 234.1</b>	<b>1 389.3</b>	<b>56.5%</b>	<b>92.6%</b>	<b>1 482.8</b>	<b>1 636.8</b>	<b>1 916.5</b>	<b>11.3%</b>	<b>92.8%</b>
Departmental agencies and accounts	105.4	108.8	155.4	192.6	22.2%	12.8%	282.4	348.0	404.7	28.1%	17.7%
Higher education institutions	4.0	14.8	14.8	0.0	-90.9%	0.8%	0.0	0.0	0.0	-	-
Foreign governments and international organisations	8.1	12.1	13.0	7.2	-3.7%	0.9%	7.5	7.8	8.2	4.2%	0.4%
Public corporations and private enterprises	245.3	938.9	1 050.7	1 189.4	69.3%	78.1%	1 192.9	1 281.0	1 503.7	8.1%	74.7%
Households	-	0.2	0.3	0.1	-	-	-	-	-	-100.0%	-

Table 36.11 Industrial Development: Policy Development (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million					2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
<b>Payments for capital assets</b>	<b>0.3</b>	<b>0.5</b>	<b>1.1</b>	<b>1.1</b>	<b>57.6%</b>	<b>0.1%</b>	<b>0.9</b>	<b>0.7</b>	<b>0.7</b>	<b>-15.5%</b>	<b>-</b>
Machinery and equipment	0.3	0.5	1.1	1.1	57.6%	0.1%	0.9	0.7	0.7	-15.5%	-
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>0.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>425.5</b>	<b>1 145.1</b>	<b>1 321.7</b>	<b>1 492.7</b>	<b>52.0%</b>	<b>100.0%</b>	<b>1 606.5</b>	<b>1 771.3</b>	<b>2 049.8</b>	<b>11.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>7.2%</b>	<b>19.8%</b>	<b>19.4%</b>	<b>17.9%</b>			<b>16.8%</b>	<b>17.8%</b>	<b>18.0%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>105.4</b>	<b>108.8</b>	<b>130.4</b>	<b>192.6</b>	<b>22.2%</b>	<b>12.3%</b>	<b>222.4</b>	<b>237.0</b>	<b>250.1</b>	<b>9.1%</b>	<b>13.0%</b>
South African National Accreditation System	14.7	18.2	30.6	30.7	27.8%	2.1%	33.5	35.7	37.7	7.1%	2.0%
National Metrology Institute of South Africa	54.8	57.5	62.6	82.2	14.5%	5.9%	85.9	91.6	96.3	5.4%	5.1%
National Regulator for Compulsory Specifications	35.9	33.0	37.2	79.7	30.4%	4.2%	103.0	109.7	116.1	13.4%	5.9%
<b>Capital</b>	<b>-</b>	<b>-</b>	<b>25.0</b>	<b>-</b>	<b>-</b>	<b>0.6%</b>	<b>60.0</b>	<b>111.0</b>	<b>154.6</b>	<b>-</b>	<b>4.7%</b>
National Metrology Institute of South Africa: Infrastructure	-	-	25.0	-	-	0.6%	60.0	111.0	154.6	-	4.7%
<b>Higher education institutions</b>											
<b>Current</b>	<b>4.0</b>	<b>14.8</b>	<b>14.8</b>	<b>0.0</b>	<b>-90.9%</b>	<b>0.8%</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>
University of the Witwatersrand: National aerospace skills sector support centre	4.0	9.0	6.3	0.0	-93.7%	0.4%	0.0	0.0	0.0	-	-
University of the North West: Advanced manufacturing skills sector support programme	-	5.8	8.5	0.0	-	0.3%	0.0	0.0	0.0	-	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>8.1</b>	<b>12.1</b>	<b>13.0</b>	<b>7.2</b>	<b>-3.7%</b>	<b>0.9%</b>	<b>7.5</b>	<b>7.8</b>	<b>8.2</b>	<b>4.2%</b>	<b>0.4%</b>
United Nations Industrial Development Organisation	3.1	3.1	3.6	5.0	17.7%	0.3%	5.3	5.6	5.8	5.4%	0.3%
United Nations Industrial Development Organisation: Automotive component supplier development programme	5.0	7.0	7.2	-	-100.0%	0.4%	-	-	-	-	-
French Institute of South Africa: African programme on rethinking development economics	-	2.0	2.2	2.2	-	0.1%	2.2	2.2	2.3	1.5%	0.1%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	<b>227.9</b>	<b>669.9</b>	<b>887.2</b>	<b>1 055.9</b>	<b>66.7%</b>	<b>64.8%</b>	<b>1 097.4</b>	<b>1 180.1</b>	<b>1 398.3</b>	<b>9.8%</b>	<b>68.4%</b>
Council for Mineral Technology and Research: Customised sector programmes	-	0.4	-	-	-	-	-	-	-	-	-
Council for Scientific and Industrial Research: National cleaner production centre	19.0	32.0	40.1	41.2	29.5%	3.0%	43.7	55.2	70.5	19.6%	3.0%
South African Bureau of Standards: Research contribution	153.7	178.8	181.5	185.9	6.5%	16.0%	205.0	220.1	253.3	10.9%	12.5%
South African Bureau of Standards: Small business consulting	1.2	1.1	1.1	1.3	2.7%	0.1%	1.3	1.4	1.4	3.6%	0.1%
Industrial Development Corporation: Clothing and textile production incentive	-	400.0	600.0	750.0	-	39.9%	758.3	803.7	950.7	8.2%	47.1%
Council for Scientific and Industrial Research: Maritime industry project	-	-	-	0.0	-	-	-	-	-	-100.0%	-
Industrial Development Corporation: Customised sector programmes	48.7	51.1	57.4	56.5	5.1%	4.9%	68.0	75.5	87.2	15.6%	4.2%
South African Nuclear Energy Corporation: Nuclear skills development	5.3	-	-	-	-100.0%	0.1%	-	-	-	-	-
Council for Scientific and Industrial Research: National foundry technology network: Metals	-	6.5	7.0	21.0	-	0.8%	21.2	24.2	35.1	18.7%	1.5%

**Table 36.11 Industrial Development: Policy Development (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15			2015/16
	R million							2012/13 - 2015/16				
<b>Capital</b>	<b>9.9</b>	<b>184.1</b>	<b>117.5</b>	<b>69.4</b>	<b>91.1%</b>	<b>8.7%</b>	<b>21.2</b>	<b>22.5</b>	<b>23.5</b>	<b>-30.2%</b>	<b>2.0%</b>	
South African Bureau of Standards: Upgrading of vehicle testing facility	-	-	7.0	-	-	0.2%	-	-	-	-	-	
South African Bureau of Standards	-	174.2	93.2	48.0	-	7.2%	-	-	-	-100.0%	0.7%	
Council for Scientific and Industrial Research: Aerospace industry	9.9	9.9	17.3	21.4	29.1%	1.3%	21.2	22.5	23.5	3.3%	1.3%	
<b>Public corporations and private enterprises</b>												
<b>Private enterprises</b>												
<b>Other transfers to private enterprises</b>												
<b>Current</b>	<b>7.5</b>	<b>52.4</b>	<b>46.0</b>	<b>64.2</b>	<b>105.0%</b>	<b>3.9%</b>	<b>74.2</b>	<b>78.4</b>	<b>81.9</b>	<b>8.5%</b>	<b>4.3%</b>	
Intsimbi national tooling initiative	7.5	47.4	36.0	49.2	87.6%	3.2%	54.4	57.7	60.4	7.1%	3.2%	
Centurion Aerospace Village	-	5.0	10.0	15.0	-	0.7%	15.8	16.7	17.5	5.3%	0.9%	
Trade and Industrial Policy Strategies	-	-	-	-	-	-	4.0	4.0	4.0	-	0.2%	
<b>Capital</b>	<b>-</b>	<b>32.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Centurion Aerospace Village	-	32.5	-	-	-	0.7%	-	-	-	-	-	

## Personnel information

**Table 36.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost			Unit Cost			
Industrial Development: Policy Development	162	15	137	62.1	0.5	164	87.5	0.5	169	89.4	0.5	169	98.2	0.6	179	95.7	0.5	3.0%	100.0%	
Salary level																				
1 - 6	12	12	2	(5.5)	(2.8)	10	18.4	1.8	10	16.9	1.7	10	22.0	2.2	11	15.7	1.4	4.7%	6.1%	
7 - 10	62	3	57	13.9	0.2	64	17.5	0.3	65	18.3	0.3	65	19.3	0.3	69	20.2	0.3	2.8%	38.7%	
11 - 12	44	-	36	17.7	0.5	45	18.6	0.4	47	19.5	0.4	47	20.5	0.4	48	21.5	0.4	2.1%	27.4%	
13 - 16	44	-	42	36.0	0.9	45	33.0	0.7	47	34.7	0.7	47	36.4	0.8	50	38.2	0.8	3.7%	27.8%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on implementing the clothing and textile production incentive, which is the core funding mechanism of the clothing and textile competitiveness programme, and addressing the manufacturing skills gap through the Intsimbi South African national tooling initiative. The clothing and textile programme and production incentive are administered by the Industrial Development Corporation and assist this key, labour absorbing sector to upgrade processes, improve products and develop people in order for the sector to compete in local and international markets.

Between 2009/10 and 2012/13, expenditure increased significantly due the introduction of the clothing and textile competitiveness programme in 2010/11, which increased expenditure in the *Customised Sector Programmes* subprogramme over the period. Spending on transfers and subsidies also increased significantly over this period to provide for additional resources for the National Regulator for Compulsory Specifications to build a culture of compliance. Expenditure on transfers and subsidies is expected to continue increasing over the medium term for the same reason.

To give effect to the Cabinet approved budget reductions, the department reduced spending in this programme by R2.1 million over the medium term. The reductions were effected in spending on consultants, and travel and subsistence. The reductions are not expected to adversely affect service delivery.

The programme has a funded establishment of 162 posts and 15 additional posts. There were 13 vacancies at the end of September 2012, mostly due to natural attrition. Consultants are mainly used to provide skills which the department does not possess.

## Programme 5: Consumer and Corporate Regulation

### Objectives

- Increase access to economic opportunities for small businesses and historically disadvantaged citizens by attracting domestic and foreign investment by 2016.
- Increase investor confidence and certainty in the economy by:
  - developing world class regulatory frameworks for monitoring, compliance and enforcement by 2017
  - conducting regulatory impact assessments that address financial, economic and social assessments, annually.
  - Create competitive, fair and efficient markets by:
    - having effective financial, economic, governance and related regulatory institutions in place by 2015
    - conducting biannual regulatory impact assessments.
- Enhance and protect consumer rights through improved consumer awareness of the dispute resolution institutions by monitoring the performance of the institutions on an ongoing basis.
- Improve the distribution of lottery grants by finalising the regulatory framework for gaming and lotteries by 2015.
- Protect intellectual property rights by formulating policies and drafting legislation by 2018.

### Subprogrammes

- *Policy and Legislative Development* develops policies, laws and regulatory frameworks. Key activities include research and stakeholder consultation to facilitate drafting. This subprogramme had a staff complement of 21 in 2012/13.
- *Enforcement and Compliance* conducts trends analyses, impact assessments, and market surveys, and monitors the effectiveness of regulation. Key activities include research. This subprogramme had a staff complement of 29 in 2012/13.
- *Regulatory Services* transfers funds to and oversees the following regulatory agencies: the National Consumer Tribunal, which adjudicates credit and consumer disputes, and received R33 million in 2012/13; the National Credit Regulator, which regulates the consumer credit industry to enhance consumer protection in the credit market and provides debt counselling and reviews mechanisms, and received R54.6 million in 2012/13; the National Gambling Board, which provides a regulatory framework for gambling and monitors the socioeconomic effects of gambling on citizens, and received R25.9 million in 2012/13; the National Consumer Commission, which ensures well-functioning markets that are fair, competitive and responsible to consumers, and received R48 million in 2012/13; the Companies and Intellectual Property Commission, which manages the registration of companies, adherence to financial standards, the provision of business rescue interventions and enforcement in cases of non-compliance, and received R4.1 million in 2012/13; the Companies Tribunal, a new agency which is responsible for adjudicating disputes arising in terms of the Companies Act (2008), and received R10 million in 2012/13; the National Lotteries Board, which does not receive funding from the department but regulates the lotteries sector and facilitates the distribution of lottery funds to worthy organisations that serve public interest; and the Takeover Regulations Panel and the Financial Reporting Standards Council, which do not receive funding from the department but are responsible for regulating applicable transactions and the issuance of standards. This subprogramme had a staff complement of 19 in 2012/13.

## Expenditure estimates

Table 36.13 Consumer and Corporate Regulation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Policy and Legislative Development	10.1	9.6	12.9	27.0	38.6%	8.0%	25.4	21.7	24.1	-3.7%	9.7%
Enforcement and Compliance	32.9	36.3	16.1	20.3	-14.9%	14.2%	24.2	39.4	40.5	25.9%	12.3%
Regulatory Services	90.7	99.0	189.5	200.9	30.3%	77.8%	206.5	187.2	193.7	-1.2%	78.0%
<b>Total</b>	<b>133.8</b>	<b>145.0</b>	<b>218.6</b>	<b>248.1</b>	<b>22.9%</b>	<b>100.0%</b>	<b>256.2</b>	<b>248.2</b>	<b>258.3</b>	<b>1.3%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				3.4			(3.4)	(0.2)	(1.6)		

**Economic classification**

<b>Current payments</b>	<b>48.1</b>	<b>51.8</b>	<b>38.5</b>	<b>71.0</b>	<b>13.9%</b>	<b>28.1%</b>	<b>71.8</b>	<b>73.7</b>	<b>75.5</b>	<b>2.1%</b>	<b>28.9%</b>
Compensation of employees	36.4	39.7	26.5	40.2	3.3%	19.1%	49.3	49.6	52.3	9.2%	18.9%
Goods and services	11.7	12.1	12.0	30.9	38.3%	8.9%	22.4	24.1	23.2	-9.0%	10.0%
<i>of which:</i>											
<i>Consultants and professional services:</i>											
<i>Business and advisory services</i>	2.8	4.3	3.2	9.8	51.6%	2.7%	5.8	10.0	10.9	3.8%	3.6%
<i>Operating leases</i>	0.1	0.2	0.1	0.1	-	0.1%	0.1	0.0	0.0	-17.3%	-
<i>Travel and subsistence</i>	3.0	4.7	4.5	8.1	38.7%	2.7%	7.1	6.3	5.8	-10.4%	2.7%
<i>Venues and facilities</i>	0.9	0.9	0.9	5.3	77.3%	1.1%	1.7	1.8	1.7	-31.3%	1.0%
<b>Transfers and subsidies</b>	<b>85.5</b>	<b>92.9</b>	<b>179.6</b>	<b>175.6</b>	<b>27.1%</b>	<b>71.6%</b>	<b>183.6</b>	<b>173.5</b>	<b>182.7</b>	<b>1.3%</b>	<b>70.8%</b>
Departmental agencies and accounts	82.9	90.1	176.5	171.6	27.4%	69.9%	179.4	169.1	178.0	1.2%	69.1%
Foreign governments and international organisations	2.6	2.6	3.1	4.0	16.0%	1.6%	4.2	4.5	4.7	5.4%	1.7%
Households	-	0.2	0.1	-	-	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>1.5</b>	<b>78.6%</b>	<b>0.3%</b>	<b>0.8</b>	<b>1.0</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>
Machinery and equipment	0.3	0.3	0.4	1.5	78.6%	0.3%	0.8	1.0	-	-100.0%	0.3%
<b>Total</b>	<b>133.8</b>	<b>145.0</b>	<b>218.6</b>	<b>248.1</b>	<b>22.9%</b>	<b>100.0%</b>	<b>256.2</b>	<b>248.2</b>	<b>258.3</b>	<b>1.3%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>2.3%</b>	<b>2.5%</b>	<b>3.2%</b>	<b>3.0%</b>			<b>2.7%</b>	<b>2.5%</b>	<b>2.3%</b>		

**Details of selected transfers and subsidies**

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>82.9</b>	<b>90.1</b>	<b>176.5</b>	<b>171.6</b>	<b>27.4%</b>	<b>69.9%</b>	<b>179.4</b>	<b>169.1</b>	<b>178.0</b>	<b>1.2%</b>	<b>69.1%</b>
National Credit Regulator	43.9	46.0	53.0	54.7	7.6%	26.5%	60.7	59.8	63.2	5.0%	23.6%
National Gambling Board	21.6	22.0	37.6	25.9	6.3%	14.4%	27.7	27.2	28.6	3.4%	10.8%
National Consumer Tribunal	17.5	22.1	28.8	33.0	23.5%	13.6%	36.1	38.2	40.0	6.6%	14.6%
Companies and Intellectual Property Commission	-	-	14.0	-	-	1.9%	-	-	-	-	-
National Consumer Commission	-	-	33.0	48.0	-	10.9%	44.5	43.4	45.6	-1.7%	18.0%
Companies Tribunal	-	-	10.0	10.0	-	2.7%	10.3	0.5	0.6	-61.1%	2.1%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>2.6</b>	<b>2.6</b>	<b>3.1</b>	<b>4.0</b>	<b>16.0%</b>	<b>1.6%</b>	<b>4.2</b>	<b>4.5</b>	<b>4.7</b>	<b>5.4%</b>	<b>1.7%</b>
World Intellectual Property Organisation	2.6	2.6	3.1	4.0	16.0%	1.6%	4.2	4.5	4.7	5.4%	1.7%

## Personnel information

**Table 36.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16
Consumer and Corporate Regulation		69	26.5	0.4	69	40.2	0.6	87	49.4	0.6	86	49.6	0.6	87	52.3	0.6	8.2%	100.0%	
Salary level	69	1	61	26.5	0.4	69	40.2	0.6	87	49.4	0.6	86	49.6	0.6	87	52.3	0.6	8.2%	100.0%
1 – 6	1	–	2	(4.3)	(2.1)	1	9.3	9.3	1	16.9	16.9	–	15.5	–	1	16.6	16.6	–	0.9%
7 – 10	35	1	30	9.9	0.3	34	9.9	0.3	35	10.4	0.3	35	11.0	0.3	35	11.5	0.3	1.3%	42.4%
11 – 12	16	–	13	6.7	0.5	17	6.8	0.4	17	7.1	0.4	17	7.5	0.4	17	7.9	0.5	–	20.6%
13 – 16	17	–	16	14.2	0.9	17	14.2	0.8	34	14.9	0.4	34	15.6	0.5	34	16.4	0.5	26.1%	36.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on optimising the business regulatory environment to promote competitive, fair and efficient markets through making transfers to the National Credit Regulator, the National Consumer Tribunal and the National Consumer Commission. Specific attention will be directed through these entities towards enforcement and compliance with the regulatory framework.

Expenditure on transfers and subsidies increased significantly in 2011/12 due to the establishment of several new entities, including the National Consumer Commission, the Companies Tribunal, and the Companies and Intellectual Property Commission. Over the medium term, expenditure on transfers and subsidies is expected to increase due to increased allocations to these entities to enhance regulation capacity.

To give effect to the Cabinet approved budget reductions, the department reduced spending in this programme by R15.3 million over the medium term. The reductions were effected in spending on compensation of employees and are not expected to adversely affect service delivery.

The programme has a funded establishment of 69 posts and 1 post is additional to the establishment. There was 1 vacancy in the programme at the end of September 2012. Consultants in this programme are mainly used to provide regulatory skills, which are scarce and the department does not possess.

## Programme 6: Incentive Development: Incentive Administration

### Objectives

- Improve incentive administration by:
  - designing and implementing incentives and programmes that support investment, competitiveness, employment creation and equity by 2013/14
  - improving the impact of incentive programmes through implementing a monitoring and evaluation system by 2013/14
  - implementing an online system for incentive administration by 2013.

### Subprogrammes

- *Broadening Participation Incentives* provides incentive programmes that promote the broader participation in the economy of businesses owned by individuals from historically disadvantaged communities. In 2012/13, transfer payments were made to the following incentive schemes: R100 million to the black business supplier development programme for incentives to qualifying companies through which black business suppliers are supported, and R65 million to the cooperatives incentive scheme for incentives to

qualifying companies, through which cooperative enterprises in the emerging economy acquire business development services. This subprogramme had a staff complement of 43 in 2012/13.

- *Manufacturing Investment Incentives* is discussed in more detail below.
- *Services Investment Incentives* is discussed in more detail below.
- *Infrastructure Development Support* leverages off investments in the South African economy by providing infrastructure critical to industrial development, thereby increasing the export of value added commodities and creating employment opportunities. In 2012/13, transfer payments were made as follows: R417.97 million in 2012/13 to the Coega Development Corporation for bulk infrastructure development, R150 million the East London industrial development zone for bulk infrastructure development, R182 million to the Richards Bay industrial development zone, R182 million to the critical infrastructure programme for bulk infrastructure development in South Africa, and R20 million as part of the economic support package. Additional funding of R2.2 billion over the medium term is allocated to the industrial development zones programme. This subprogramme had a staff complement of 19 in 2012/13.
- *Product and Systems Development* reviews, monitors and develops incentive programmes to support the industrial policy action plan and develops sector strategies to address market failures. In 2010/11, the subprogramme reviewed the revised business process services and offshoring incentive, and revised the automotive investment scheme. Key activities include development of products and enhancement of existing ones. This subprogramme had a staff complement of 24 in 2012/13.
- *Business Development and After Care* facilitates access to targeted enterprises by reviewing the success of incentive schemes and improving such schemes. The main activity has been to assess potential partnerships. In 2010/11, a customer satisfaction survey was completed, its results were analysed and a report was presented to management. This subprogramme had a staff complement of 29 in 2012/13.

## Expenditure estimates

**Table 36.15 Incentive Development: Incentive Administration**

Subprogramme	Audited outcome				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
R million												
Broadening Participation Incentives	118.0	183.8	112.1	179.7	15.0%	4.2%	167.5	176.4	181.7	0.4%	3.1%	
Manufacturing Investment Incentives	1 526.4	1 336.8	2 100.8	2 878.6	23.5%	56.1%	3 600.3	3 839.7	3 958.4	11.2%	63.6%	
Services Investment Incentives	258.5	233.6	306.6	508.1	25.3%	9.3%	600.2	630.6	652.3	8.7%	10.6%	
Infrastructure Development Support	1 418.7	1 020.6	742.6	963.9	-12.1%	29.7%	1 141.5	963.9	1 873.7	24.8%	22.0%	
Product and Systems Development	5.5	5.8	8.5	13.3	34.3%	0.2%	15.1	15.8	16.5	7.4%	0.3%	
Business Development and After Care	11.2	12.4	13.0	17.2	15.6%	0.4%	18.6	19.4	21.5	7.6%	0.3%	
<b>Total</b>	<b>3 338.2</b>	<b>2 793.0</b>	<b>3 283.5</b>	<b>4 560.9</b>	<b>11.0%</b>	<b>100.0%</b>	<b>5 543.1</b>	<b>5 645.7</b>	<b>6 704.1</b>	<b>13.7%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(876.7)			(928.9)	(1 314.8)	(576.6)			
<b>Economic classification</b>												
<b>Current payments</b>	<b>88.7</b>	<b>99.1</b>	<b>114.0</b>	<b>162.5</b>	<b>22.4%</b>	<b>3.3%</b>	<b>175.4</b>	<b>180.5</b>	<b>197.2</b>	<b>6.7%</b>	<b>3.2%</b>	
Compensation of employees	67.7	73.5	83.1	127.3	23.4%	2.5%	142.0	143.4	158.5	7.6%	2.5%	
Goods and services	21.0	25.6	31.0	35.2	18.9%	0.8%	33.4	37.1	38.7	3.2%	0.6%	
of which:												
Consultants and professional services:	4.3	8.7	7.0	9.6	30.4%	0.2%	6.0	8.3	9.3	-1.2%	0.1%	
Business and advisory services												
Operating leases	1.0	1.0	0.8	0.6	-12.7%	-	0.6	0.6	0.6	-0.7%	-	
Travel and subsistence	8.8	9.1	13.9	15.3	20.3%	0.3%	16.6	17.0	17.2	4.1%	0.3%	
Venues and facilities	0.7	0.8	1.4	2.5	54.3%	-	2.0	2.1	2.2	-4.2%	-	
<b>Transfers and subsidies</b>	<b>3 247.5</b>	<b>2 692.6</b>	<b>3 164.9</b>	<b>4 372.7</b>	<b>10.4%</b>	<b>96.4%</b>	<b>5 358.2</b>	<b>5 455.2</b>	<b>6 496.3</b>	<b>14.1%</b>	<b>96.6%</b>	
Public corporations and private enterprises	3 247.3	2 692.6	3 164.4	4 372.3	10.4%	96.4%	5 358.2	5 455.2	6 496.3	14.1%	96.6%	
Households	0.2	0.0	0.5	0.4	23.4%	-	-	-	-	-100.0%	-	
<b>Payments for capital assets</b>	<b>1.8</b>	<b>1.3</b>	<b>4.6</b>	<b>25.6</b>	<b>142.4%</b>	<b>0.2%</b>	<b>9.5</b>	<b>10.0</b>	<b>10.6</b>	<b>-25.5%</b>	<b>0.2%</b>	
Machinery and equipment	0.8	1.3	0.7	1.5	24.3%	-	1.5	1.5	1.6	1.4%	-	
Software and other intangible assets	1.0	-	3.9	24.1	188.5%	0.2%	8.0	8.5	9.0	-28.0%	0.2%	
<b>Payments for financial assets</b>	<b>0.2</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Total</b>	<b>3 338.2</b>	<b>2 793.0</b>	<b>3 283.5</b>	<b>4 560.9</b>	<b>11.0%</b>	<b>100.0%</b>	<b>5 543.1</b>	<b>5 645.7</b>	<b>6 704.1</b>	<b>13.7%</b>	<b>100.0%</b>	
Proportion of total programme expenditure to vote expenditure	56.4%	48.2%	48.3%	54.6%			57.9%	56.7%	58.8%			



Table 36.15 Incentive Development: Incentive Administration (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16		
<b>Details of selected transfers and subsidies</b>											
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Capital</b>	<b>1 301.7</b>	<b>932.0</b>	<b>615.7</b>	<b>609.9</b>	<b>-22.3%</b>	<b>24.8%</b>	<b>438.2</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>4.7%</b>
Coega Development Corporation	859.9	714.0	383.7	417.9	-21.4%	17.0%	308.2	-	-	-100.0%	3.2%
East London Industrial Development Zone	373.4	198.0	171.3	150.0	-26.2%	6.4%	100.0	-	-	-100.0%	1.1%
Richards Bay Industrial Development Zone Company	68.4	20.0	60.7	42.0	-15.0%	1.4%	30.0	-	-	-100.0%	0.3%
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Other transfers to private enterprises</b>											
<b>Current</b>	<b>230.7</b>	<b>308.9</b>	<b>270.3</b>	<b>397.0</b>	<b>19.8%</b>	<b>8.6%</b>	<b>356.0</b>	<b>375.0</b>	<b>393.6</b>	<b>-0.3%</b>	<b>6.8%</b>
Broadening participation development incentives	108.4	175.0	101.7	165.0	15.0%	3.9%	147.0	155.0	159.4	-1.1%	2.8%
Export market and investment assistance	122.3	133.9	168.6	232.0	23.8%	4.7%	209.0	220.0	234.2	0.3%	4.0%
<b>Capital</b>	<b>105.6</b>	<b>80.6</b>	<b>118.5</b>	<b>182.0</b>	<b>19.9%</b>	<b>3.5%</b>	<b>190.0</b>	<b>200.0</b>	<b>209.2</b>	<b>4.8%</b>	<b>3.5%</b>
Critical infrastructure programme	105.6	80.6	118.5	182.0	19.9%	3.5%	190.0	200.0	209.2	4.8%	3.5%
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Private enterprises - subsidies on products and production</b>											
<b>Current</b>	<b>1 609.4</b>	<b>1 371.0</b>	<b>2 159.9</b>	<b>3 023.4</b>	<b>23.4%</b>	<b>58.4%</b>	<b>3 874.1</b>	<b>4 130.2</b>	<b>4 243.5</b>	<b>12.0%</b>	<b>68.0%</b>
Services sector development incentives	254.0	226.8	298.8	499.0	25.2%	9.1%	590.0	620.0	641.3	8.7%	10.5%
Manufacturing development incentives	1 350.6	1 144.3	1 861.2	2 524.4	23.2%	49.2%	3 284.1	3 510.2	3 602.3	12.6%	57.5%
Staple food fortification programme	0.3	-	-	-	-100.0%	-	-	-	-	-	-
Industrial development zones: Other	4.5	-	-	-	-100.0%	-	-	-	-	-	-
<b>Capital</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>160.0</b>	<b>-</b>	<b>1.1%</b>	<b>500.0</b>	<b>750.0</b>	<b>1 650.0</b>	<b>117.7%</b>	<b>13.6%</b>
Special economic zones: Investment incentives	-	-	-	160.0	-	1.1%	500.0	750.0	1 650.0	117.7%	13.6%

## Personnel information

Table 36.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number							
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)						
		2011/12		Unit	2012/13		Unit	2013/14		2014/15		2015/16				2012/13 - 2015/16					
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost					
Incentive Development: Incentive Administration		259		16	237	83 062	350	276	127 300	461	320	142 014	444	320	143 396	448	320	158 502	496	5.0%	100.0%
Salary level																					
1 - 6	30	16	23	8 930	388	30	36 597	1 220	34	41 453	1 217	34	43 752	1 285	34	59 332	1 743	4.3%	10.7%		
7 - 10	155	-	143	30 204	211	163	43 197	265	191	50 347	264	191	47 625	250	191	50 006	262	5.4%	59.5%		
11 - 12	53	-	47	24 419	520	54	25 826	478	64	27 715	433	64	33 970	531	64	30 211	472	5.8%	19.9%		
13 - 16	21	-	24	19 509	813	29	21 681	748	31	22 500	726	31	18 050	582	31	18 952	611	2.2%	9.9%		

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

2. Rand thousand.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on continuing to incentivise investment in the manufacturing and services sectors, and providing development incentives and support for the accompanying infrastructure

development in order to support job creation and regional economic development. The manufacturing and services investment incentives are discussed individually in the sections that follow.

Between 2009/10 and 2012/13, spending on compensation of employees increased significantly due additional funding to provide for improved conditions of service. The decrease in expenditure on transfers and subsidies over this period is primarily due to a decrease in allocations to the industrial development zones. Over this period, the East London industrial development zone received R892.7 million, the Richards Bay industrial development zone received R191.1 million and the Coega industrial development zone received R2.8 billion for infrastructure development through the *Infrastructure Development Support* subprogramme. Over the medium term, expenditure is expected to increase by R2.3 billion, mainly due to an increase in allocations to these industrial development zones.

To give effect to the Cabinet approved budget reductions, the department reduced spending in the programme by R3.2 billion over the medium term. The reductions will be effected on transfers to public corporations and private enterprises, and are not expected to have any adverse effect on service delivery.

The programme has a funded establishment of 259 posts and 16 additional posts. Spending on consultants made up 27.4 per cent of the goods and services budget in 2012/13. Consultants are used to provide specialist skills that the department does not possess.

### Subprogramme: Manufacturing Investment Incentives

This subprogramme provides incentives to attract manufacturers. The manufacturing investment cluster comprises the following programmes and schemes: the manufacturing competitive enhancement programme, which was launched in 2012/13 and provides funds for manufacturers in distress following the economic downturn; the enterprise investment programme, which provides incentives to qualifying local and foreign owned manufacturing companies establishing new or expanding production facilities as from 2009/10; the small and medium enterprise development programme, which provides incentives to qualifying companies starting or expanding current operations; the automotive investment scheme, which provides incentives to qualifying motor vehicle manufacturers in South Africa; and the section 12I tax incentive scheme provides incentives to qualifying investors.

Transfer payments were made as follows: R847 million to the enterprise investment programme; R924 million to the manufacturing competitiveness enhancement programme; R50 million to the small and medium enterprise development programme; R703.4 million for incentives to qualifying motor vehicle manufacturers in South Africa.

## Expenditure estimates

Table 36.17 Manufacturing Investment Incentives

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>52.0</b>	<b>57.6</b>	<b>66.1</b>	<b>96.2</b>	<b>22.8%</b>	<b>3.5%</b>	<b>97.7</b>	<b>99.5</b>	<b>111.3</b>	<b>5.0%</b>	<b>2.8%</b>
Compensation of employees	37.0	39.2	44.7	71.9	24.7%	2.5%	75.7	74.0	84.4	5.5%	2.1%
Goods and services	14.9	18.4	21.5	24.3	17.6%	1.0%	22.0	25.5	26.9	3.4%	0.7%
of which:											
Consultants and professional services:	4.3	8.7	6.9	9.6	30.4%	0.4%	6.0	8.3	9.3	-1.2%	0.2%
Business and advisory services											
Operating leases	0.1	0.3	0.3	0.2	13.7%	-	0.1	0.1	0.1	-22.0%	-
Travel and subsistence	3.9	3.4	5.8	5.5	11.9%	0.2%	6.4	6.6	6.6	6.6%	0.2%
Venues and facilities	0.7	0.8	1.4	2.4	52.4%	0.1%	2.0	2.1	2.2	-3.0%	0.1%
<b>Transfers and subsidies</b>	<b>1 473.4</b>	<b>1 278.1</b>	<b>2 030.1</b>	<b>2 756.8</b>	<b>23.2%</b>	<b>96.1%</b>	<b>3 493.1</b>	<b>3 730.2</b>	<b>3 836.5</b>	<b>11.6%</b>	<b>96.8%</b>
Households	0.2	0.0	0.3	0.4	23.4%	-	-	-	-	-100.0%	-
<b>Payments for capital assets</b>	<b>0.8</b>	<b>1.0</b>	<b>4.6</b>	<b>25.6</b>	<b>223.0%</b>	<b>0.4%</b>	<b>9.5</b>	<b>10.0</b>	<b>10.6</b>	<b>-25.5%</b>	<b>0.4%</b>
Machinery and equipment	0.8	1.0	0.7	1.5	26.2%	0.1%	1.5	1.5	1.6	1.4%	-
Payments for financial assets	0.2	0.0	-	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>1 526.4</b>	<b>1 336.8</b>	<b>2 100.8</b>	<b>2 878.6</b>	<b>23.5%</b>	<b>100.0%</b>	<b>3 600.3</b>	<b>3 839.7</b>	<b>3 958.4</b>	<b>11.2%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>45.7%</b>	<b>47.9%</b>	<b>64.0%</b>	<b>63.1%</b>			<b>64.9%</b>	<b>68.0%</b>	<b>59.0%</b>		

## Personnel information

**Table 36.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Manufacturing Investment Incentives																			
Salary level	137	9	144	44.7	0.3	149	71.9	0.5	176	75.7	0.4	176	74.0	0.4	176	84.4	0.5	5.7%	100.0%
1 – 6	17	9	15	1.3	0.1	14	23.3	1.7	15	24.8	1.6	15	26.1	1.7	15	34.2	2.3	2.4%	8.7%
7 – 10	89	–	91	19.5	0.2	97	25.7	0.3	115	27.0	0.2	115	28.3	0.2	115	29.7	0.3	5.7%	65.2%
11 – 12	22	–	24	12.4	0.5	25	11.0	0.4	31	11.6	0.4	31	12.2	0.4	31	12.8	0.4	7.4%	17.4%
13 – 16	9	–	14	11.5	0.8	13	11.9	0.9	15	12.3	0.8	15	7.4	0.5	15	7.7	0.5	4.9%	8.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on funding transfers to public corporations and private enterprises to provide incentives for investing in manufacturing and support for the accompanying infrastructure development.

Expenditure increased between 2009/10 and 2012/13 mainly due to the implementation of new incentives, such as the automotive incentives scheme and the enterprise investment programme to increase capital equipment and improve the production process. Over the medium term, expenditure in manufacturing investment incentives is expected to increase due to the introduction of the manufacturing competitive enhancement programme in 2012/13.

In 2011/12, 752 applications (468 in 2010/11) valued at R976 million were approved, creating a total of 22 899 jobs. The manufacturing investment programme created 15 586 jobs (68 per cent), the automotive incentive scheme supported 5 344 jobs (23 per cent), and the section 12I tax allowance incentive contributed 1 969 jobs (9 per cent). In 2012/13, the manufacturing competitive enhancement programme received 144 applications and disbursements commenced in October 2012. The automotive investment scheme supported 134 projects to create and sustain current jobs in the same year.

To give effect to the Cabinet approved budget reductions, the department reduced spending in this subprogramme by R2.7 billion over the medium term, mainly in transfer payments.

The programme has a funded establishment of 137 posts and 9 additional posts. Consultants in this programme are mainly used for drafting of grant agreements.

## Subprogramme: Service Investment Incentives

This subprogramme provides incentive programmes that promote increased investment and employment growth in the targeted subsectors. The services investment cluster provides incentive programmes that promote investment, job creation and growth in the services sector. These include the business process services programme; the film and television production incentive support programme for South African and foreign productions; and the tourism support programme, which will be closed down over the medium term and its functions transferred to the Department of Tourism. Between 2007/08 and 2011/12, the incentive programmes approved 822 projects and disbursed R1.2 billion, of which R677 million (55 per cent) was disbursed to the film and television programme, R274 million (22 per cent) to the business process services scheme; R204 million (17 per cent) to the tourism support programme; and R71 million (6 per cent) to the business process services programme. Transfer payments to incentive schemes were made in 2012/13 as follows: R82.2 million to the business process services programme to attract business process services operations and R290 million to the film and television production incentive scheme for incentives to qualifying companies to support film and television production in South Africa. This subprogramme had a staff complement of 12 in 2012/13.

## Expenditure estimates

**Table 36.19 Services Investment Incentives**

Economic classification				Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
Audited outcome							2012/13	2009/10 - 2012/13	2013/14		
R million	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16	
<b>Current payments</b>	<b>4.5</b>	<b>6.5</b>	<b>7.8</b>	<b>9.1</b>	<b>26.4%</b>	<b>2.1%</b>	<b>10.2</b>	<b>10.6</b>	<b>11.1</b>	<b>7.0%</b>	<b>1.7%</b>
Compensation of employees	3.7	5.4	6.3	7.4	25.5%	1.7%	8.4	8.8	9.2	7.4%	1.4%
Goods and services	0.7	1.1	1.5	1.7	30.8%	0.4%	1.8	1.8	1.9	5.1%	0.3%
<b>Transfers and subsidies</b>	<b>254.0</b>	<b>226.8</b>	<b>298.8</b>	<b>499.0</b>	<b>25.2%</b>	<b>97.8%</b>	<b>590.0</b>	<b>620.0</b>	<b>641.3</b>	<b>8.7%</b>	<b>98.3%</b>
<b>Payments for capital assets</b>	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and equipment	-	0.2	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>258.5</b>	<b>233.6</b>	<b>306.6</b>	<b>508.1</b>	<b>25.3%</b>	<b>100.0%</b>	<b>600.2</b>	<b>630.6</b>	<b>652.3</b>	<b>8.7%</b>	<b>100.0%</b>
<b>Proportion of total subprogramme expenditure to programme expenditure</b>	<b>7.7%</b>	<b>8.4%</b>	<b>9.3%</b>	<b>11.1%</b>			<b>10.8%</b>	<b>11.2%</b>	<b>9.7%</b>		

## Personnel information

**Table 36.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
Services Investment Incentives		7	6	0.9	12	7	0.6	12	8	0.7	12	9	0.7	12	9	0.8	-	100.0%	
Salary level	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1-6	-	-	3	-	1	-	-	1	-	-	1	0	0.3	1	0	0.3	-	8.3%	
7-10	6	-	3	0.6	0.2	5	1.9	0.4	5	2.0	0.4	5	2.1	0.4	5	2.2	0.4	-	41.7%
11-12	5	-	2	1.3	0.7	2	2.5	1.2	2	3.2	1.6	2	3.0	1.5	2	3.2	1.6	-	16.7%
13-16	4	-	2	1.4	0.7	4	3.1	0.8	4	3.2	0.8	4	3.4	0.8	4	3.5	0.9	-	33.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on transfers to public corporations and private enterprises to provide support to film and television production in South Africa through the film and television production incentive scheme.

Expenditure increases significantly over the seven-year period due to a different approach to supporting the film industry by introducing milestone payments in 2010/11, which will have a carry through effect over the medium.

The subprogramme has a funded establishment of 15 posts. At the end of September 2012, there were 3 posts vacant due to resignations and transfers of staff to other divisions.

## Programme 7: Trade and Investment South Africa

### Objectives

- Increase the quality and quantity of domestic and foreign direct investment by reviewing the investment strategies over the MTEF period.
- Review the export strategy over the MTEF period in order to enhance South African export capabilities.
- Promote South African products in targeted high growth markets through reaching agreement on 6 international trade and investment initiatives, participating in 54 pavilions, and funding 129 trade missions by March 2014.

- Facilitate markets for South African manufactured products and services by promoting and implementing export and investment projects in high yield targeted countries such as the Brazil-Russia-India-China-South Africa (BRICS) group of countries, African countries, and other developing countries by March 2014.
- Enhance the ongoing promotion of exports and investment through the placement of trade attaches, who would be responsible for attracting foreign direct investment and promoting South African goods and services internationally, in 29 foreign economic missions over the medium term.

## Subprogrammes

- *Investment Promotion and Facilitation* facilitates the increase in the quality and quantity of foreign and domestic direct investment by providing recruitment, problem solving and information services. The investment target is R115 billion over 3 years ending March 2014. The target for 2012/13 was R45 billion. The subprogramme is also responsible for organising the Africa Dialogue, an annual international investment conference; as well as for the promotion of outward investment. This subprogramme had a staff complement of 76 in 2012/13.
- *Export Development and Promotion* promotes exports of South African value added goods and services to increase market share in targeted high growth markets, and to sustain market share in traditional markets. The subprogramme also administers the export market and investment assistance incentives; and manages the national exporter development programme, which aims to expand exports and improve government and private sector interaction. In 2012/13, trade promotions were held in China, and R7 million and R11.8 million were allocated to the Proudly South African campaign and the Export Consultancy Trust Fund of the International Bank for Reconstruction and Development and the International Finance Corporation. This subprogramme had a staff complement of 86 in 2012/13.
- *International Operations* promotes trade and investment, and manages the department's 32 foreign representatives in 45 countries. Key activities include engagements with potential investors. This subprogramme had a staff complement of 31 in 2012/13.

## Expenditure estimates

**Table 36.21 Trade and Investment South Africa**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million												
Investment Promotion and Facilitation	42.1	54.8	35.0	61.0	13.1%	15.8%	53.2	86.6	100.1	17.9%	20.1%	
Export Development and Promotion	157.7	157.0	167.1	100.6	-13.9%	47.6%	171.2	185.7	176.5	20.6%	42.4%	
International Operations	99.2	116.8	115.3	115.8	5.3%	36.6%	145.3	145.1	155.9	10.4%	37.5%	
<b>Total</b>	<b>299.0</b>	<b>328.6</b>	<b>317.4</b>	<b>277.5</b>	<b>-2.5%</b>	<b>100.0%</b>	<b>369.7</b>	<b>417.4</b>	<b>432.4</b>	<b>15.9%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				(27.3)			41.6	39.1	36.7			
<b>Economic classification</b>												
<b>Current payments</b>	<b>164.2</b>	<b>167.3</b>	<b>174.1</b>	<b>228.2</b>	<b>11.6%</b>	<b>60.0%</b>	<b>237.6</b>	<b>251.4</b>	<b>262.8</b>	<b>4.8%</b>	<b>65.5%</b>	
Compensation of employees	83.6	101.2	104.2	134.9	17.3%	34.7%	143.2	168.1	186.1	11.3%	42.2%	
Goods and services	80.6	66.1	69.9	93.3	5.0%	25.4%	94.4	83.3	76.7	-6.3%	23.2%	
of which:												
Consultants and professional services:	1.5	1.5	1.9	7.0	68.3%	1.0%	4.8	3.3	4.3	-15.2%	1.3%	
Business and advisory services												
Operating leases	12.3	14.6	16.5	9.7	-7.6%	4.3%	22.5	10.6	11.1	4.6%	3.6%	
Travel and subsistence	18.2	18.7	19.0	24.4	10.4%	6.6%	33.7	21.5	26.3	2.6%	7.1%	
Venues and facilities	30.1	13.7	9.3	21.5	-10.5%	6.1%	14.8	28.3	13.8	-13.8%	5.2%	

Table 36.21 Trade and Investment South Africa (continued)

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Transfers and subsidies</b>	<b>133.0</b>	<b>159.2</b>	<b>140.4</b>	<b>47.0</b>	<b>-29.3%</b>	<b>39.2%</b>	<b>130.6</b>	<b>164.7</b>	<b>168.3</b>	<b>53.0%</b>	<b>34.1%</b>
Foreign governments and international organisations	10.5	11.1	11.8	12.3	5.7%	3.7%	9.8	6.3	2.6	-40.2%	2.1%
Public corporations and private enterprises	122.4	120.5	121.5	24.6	-41.4%	31.8%	110.3	110.4	115.4	67.4%	24.1%
Non-profit institutions	-	27.5	7.0	10.0	-	3.6%	10.6	48.0	50.2	71.2%	7.9%
Households	0.1	0.1	0.2	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>1.5</b>	<b>2.1</b>	<b>2.9</b>	<b>2.3</b>	<b>15.5%</b>	<b>0.7%</b>	<b>1.5</b>	<b>1.3</b>	<b>1.4</b>	<b>-</b>	<b>0.4%</b>
Machinery and equipment	1.5	2.1	2.8	2.3	15.5%	0.7%	1.5	1.3	1.4	-	0.4%
<b>Payments for financial assets</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>299.0</b>	<b>328.6</b>	<b>317.4</b>	<b>277.5</b>	<b>-2.5%</b>	<b>100.0%</b>	<b>369.7</b>	<b>417.4</b>	<b>432.4</b>	<b>15.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>5.0%</b>	<b>5.7%</b>	<b>4.7%</b>	<b>3.3%</b>			<b>3.9%</b>	<b>4.2%</b>	<b>3.8%</b>		

## Details of selected transfers and subsidies

Non-profit institutions											
<b>Current</b>	-	27.5	7.0	10.0	-	3.6%	10.6	48.0	50.2	71.2%	7.9%
Proudly South African campaign	-	27.5	7.0	10.0	-	3.6%	10.6	48.0	50.2	71.2%	7.9%
Foreign governments and international organisations											
<b>Current</b>	10.5	11.1	11.8	12.3	5.7%	3.7%	9.8	6.3	2.6	-40.2%	2.1%
Export Consultancy Trust Funds: International Bank for Reconstruction and Development	5.2	5.5	5.9	6.2	5.7%	1.9%	4.9	3.2	1.3	-40.2%	1.0%
Export Consultancy Trust Funds: International Finance Corporation	5.2	5.5	5.9	6.2	5.7%	1.9%	4.9	3.2	1.3	-40.2%	1.0%
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
<b>Current</b>	122.4	120.5	121.5	24.6	-41.4%	31.8%	110.3	110.4	115.4	67.4%	24.1%
Export Credit Insurance Corporation	122.4	120.5	121.5	24.6	-41.4%	31.8%	110.3	110.4	115.4	67.4%	24.1%

## Personnel information

Table 36.22 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Trade and Investment South Africa	Post status as at 30 September 2012	Number of funded posts	Number of posts additional to the establishment	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number	
				Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost
Salary level	157	-	138	104.2	0.8	185	154.9	0.8	187	143.2	0.8	187	168.1	0.9	187	186.1	1.0	0.4%	100.0%	
1 - 6	20	-	23	52.6	2.3	20	90.9	4.5	20	80.9	4.0	20	103.2	5.2	20	109.1	5.5	-	10.7%	
7 - 10	66	-	58	15.7	0.3	82	22.3	0.3	83	23.5	0.3	83	24.6	0.3	83	25.9	0.3	0.4%	44.4%	
11 - 12	52	-	46	26.9	0.6	61	27.5	0.5	61	28.9	0.5	61	30.3	0.5	61	31.8	0.5	-	32.7%	
13 - 16	19	-	11	9.0	0.8	22	14.2	0.6	23	10.0	0.4	23	10.0	0.4	23	19.3	0.8	1.5%	12.2%	

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on increasing the quality and quantity of domestic and foreign direct investment, promoting South African products in targeted markets, and promoting exports and investment in targeted countries by maintaining a footprint of 29 foreign based economic offices. These activities are carried out through the *Export Development and Promotion* and *International Operations* subprogrammes.

Expenditure on transfers and subsidies decreased significantly between 2009/10 and 2012/13 due to a decrease in payments to the Export Credit and Insurance Corporation for the interest make-up scheme for exporters. The decrease was due to the effects of the global economic recession. These payments are expected to increase over the medium term with an expected recovery in the global economy, thus the projected increase in expenditure on transfers and subsidies over the period. Spending on goods and services between 2009/10 and 2012/13, which includes foreign trade mission expenses, increased due to higher operating costs in foreign countries. Over the medium term, goods and services spending will decrease due to the cancellation of further expos in China in favour of targeted investment approaches that are expected to promote South African products more effectively.

To give effect to the Cabinet approved budget reductions, the department reduced spending in the programme by R22.7 million over the medium term. The reductions were effected in spending on transfers to international organisations.

Consultants in this programme are mainly used to provide specialised skills that the department does not presently possess.

## Public entities and other agencies

### Companies and Intellectual Property Commission

#### Mandate and goals

The Companies and Intellectual Property Commission was established in terms of section 185 of the Companies Act (2008) to function as an organ of state within the public administration but outside the public service. As such, it is mandated to undertake and enhance the functions of the Office of Companies and Intellectual Property Enforcement as well as those previously falling under the Companies and Intellectual Property Registration Office's mandate. The commission regulates companies, close corporations, cooperatives, trademarks, patents, designs, copyright, and enforces rules and regulations.

The commission's strategic goals over the medium term are to:

- improve the competitiveness of the South African economy by enhancing the reputation of South African businesses and the South African business environment
- contribute to a knowledge based economy and competitive local industries by promoting innovation, creativity and indigenous cultural expression and knowledge
- promote broader formal economic participation by enhancing service delivery.

#### Selected performance indicators

**Table 36.23 Companies and Intellectual Property Commission**

Indicator	Programme/Activity/Objective	Past <sup>1</sup>			Current 2012/13	Projections		
		2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
Turnaround times: Company registration	Business regulations and reputation	–	–	25 days	25 days	16 days	13 days	13 days
Turnaround times: Cooperative registration	Business regulations and reputation	–	–	15 days	15 days	10 days	8 days	8 days
Turnaround times: Patent registrations	Innovation and creativity promotion	–	–	60 days	44 days	44 days	44 days	44 days
Turnaround times: Design registrations	Innovation and creativity promotion	–	–	60 days	44 days	44 days	44 days	44 days
Turnaround times: Films registrations	Innovation and creativity promotion	–	–	88 days	44 days	44 days	44 days	44 days
Number of targeted education campaigns per year	Business regulations and reputation	–	–	–	7	6	6	6
Number of cooperatives registered per year <sup>2</sup>	Business regulations and reputation	6 054	9 279	–	–	–	–	–
Number of copy right films registrations per year <sup>2</sup>	Innovation and creativity promotion	60	47	–	–	–	–	–
Number of design applications processed per year <sup>2</sup>	Innovation and creativity promotion	1 861	844	–	–	–	–	–

**Table 36.23 Companies and Intellectual Property Commission (continued)**

Indicator	Programme/Activity/Objective	Past <sup>1</sup>			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of patent applications processed per year <sup>2</sup>	Innovation and creativity promotion	9 271	4 617	–	–	–	–	–
Number of trademarks applications processed per year <sup>2</sup>	Business regulations and reputation	27 383	15 135	–	–	–	–	–
Turnaround times: Counterfeit goods request for search and seizure processing	Innovation and creativity promotion	–	–	–	7 days	6 days	4 days	4 days
Turnaround times: Licensing of business rescue practitioners	Business regulations and reputation	–	–	3 days	2 days	2 days	2 days	2 days

1. No past data is available, as the commission only became operational in May 2011.

2. Measurement of these indicators has been discontinued.

## Programmes/activities/objectives

**Table 36.24 Companies and Intellectual Property Commission**

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Service delivery and access: To promote broader formal economic participation by enhancing service delivery and extending the reach of the Commission	422.6	236.9	190.2	248.1	-16.3%	60.7%	179.4	226.9	218.2	-4.2%	46.1%
Business regulations and reputation: To improve competitiveness of the South African economy by enhancing the reputation of South African businesses and the South African business environment	184.6	82.3	85.6	139.9	-8.8%	26.9%	178.3	188.8	200.0	12.7%	37.3%
Innovation and creativity promotion: To contribute to a knowledge based economy and competitive local industries by promoting innovation, creativity and indigenous cultural expression and knowledge	99.4	27.4	41.2	65.6	-12.9%	12.4%	78.2	82.9	87.8	10.2%	16.6%
<b>Total expense</b>	<b>706.5</b>	<b>346.6</b>	<b>317.0</b>	<b>453.6</b>	<b>-13.7%</b>	<b>100.0%</b>	<b>435.9</b>	<b>498.6</b>	<b>506.0</b>	<b>3.7%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 36.25 Companies and Intellectual Property Commission**

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>958.1</b>	<b>473.4</b>	<b>472.7</b>	<b>553.9</b>	<b>-16.7%</b>	<b>99.3%</b>	<b>435.9</b>	<b>498.6</b>	<b>506.0</b>	<b>-3.0%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	851.2	350.9	373.1	337.0	-26.6%	75.1%	339.2	346.2	349.3	1.2%	69.3%
of which:											
Administrative fees	851.2	350.9	373.1	337.0	-26.6%	75.1%	339.2	346.2	349.3	1.2%	69.3%
Other non-tax revenue	106.9	122.6	99.6	216.9	26.6%	24.2%	96.7	152.4	156.8	-10.3%	30.7%
Transfers received	–	–	14.0	–	–	0.7%	–	–	–	–	–
<b>Total revenue</b>	<b>958.1</b>	<b>473.4</b>	<b>486.7</b>	<b>553.9</b>	<b>-16.7%</b>	<b>100.0%</b>	<b>435.9</b>	<b>498.6</b>	<b>506.0</b>	<b>-3.0%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>706.5</b>	<b>346.6</b>	<b>317.0</b>	<b>453.6</b>	<b>-13.7%</b>	<b>100.0%</b>	<b>435.9</b>	<b>498.6</b>	<b>506.0</b>	<b>3.7%</b>	<b>100.0%</b>
Compensation of employees	115.4	132.8	144.9	190.0	18.1%	35.6%	214.6	247.5	279.2	13.7%	49.0%
Goods and services	586.1	204.2	164.2	241.3	-25.6%	61.7%	212.3	241.1	214.9	-3.8%	48.2%
Depreciation	4.9	9.5	7.9	22.3	65.3%	2.7%	9.0	10.0	12.0	-18.7%	2.8%
Interest, dividends and rent on land	0.1	0.1	–	–	-100.0%	0.0%	–	–	–	–	–
<b>Total expenses</b>	<b>706.5</b>	<b>346.6</b>	<b>317.0</b>	<b>453.6</b>	<b>-13.7%</b>	<b>100.0%</b>	<b>435.9</b>	<b>498.6</b>	<b>506.0</b>	<b>3.7%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>252.0</b>	<b>127.0</b>	<b>170.0</b>	<b>100.0</b>	<b>-26.5%</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	



**Table 36.25 Companies and Intellectual Property Commission (continued)**

Statement of financial position	Audited outcome			Revised estimate 2012/13	Average growth rate (%)		Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)		Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10	2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16		
R million													
Carrying value of assets of which:	122.0	21.6	15.3	108.3	-3.9%	6.8%	188.3	218.3	248.3	31.9%	20.5%		
Acquisition of assets	50.4	11.1	3.7	-	-100.0%	1.8%	80.0	140.0	190.0	-	11.7%		
Inventory	0.6	0.8	0.8	0.4	-13.6%	0.1%	0.4	0.3	0.3	-14.5%	0.0%		
Receivables and prepayments	121.0	42.9	49.2	46.7	-27.2%	6.6%	40.0	35.0	30.0	-13.7%	3.8%		
Cash and cash equivalents	644.5	956.5	1 137.7	918.8	12.5%	86.6%	939.1	746.7	450.0	-21.2%	75.6%		
<b>Total assets</b>	<b>888.2</b>	<b>1 021.8</b>	<b>1 202.9</b>	<b>1 074.2</b>	<b>6.5%</b>	<b>100.0%</b>	<b>1 167.7</b>	<b>1 000.3</b>	<b>728.5</b>	<b>-12.1%</b>	<b>100.0%</b>		
Accumulated surplus/(deficit)	803.9	930.5	1 100.2	989.3	7.2%	91.3%	1 081.9	917.9	649.5	-13.1%	91.4%		
Finance lease	0.7	-	-	-	-100.0%	0.0%	-	-	-	-	-		
Trade and other payables	71.9	19.6	15.7	70.0	-0.9%	4.5%	65.0	60.0	55.0	-7.7%	6.4%		
Provisions	11.7	12.8	15.1	14.9	8.2%	1.3%	20.8	22.4	24.0	17.2%	2.2%		
Derivatives financial instruments	-	58.9	72.0	-	-	2.9%	-	-	-	-	-		
<b>Total equity and liabilities</b>	<b>888.2</b>	<b>1 021.8</b>	<b>1 202.9</b>	<b>1 074.2</b>	<b>6.5%</b>	<b>100.0%</b>	<b>1 167.7</b>	<b>1 000.3</b>	<b>728.5</b>	<b>-12.1%</b>	<b>100.0%</b>		

## Personnel information

**Table 36.26 Companies and Intellectual Property Commission**

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Salary level	606	122	554	144.9	0.3	484	190.0	0.4	627	214.6	0.3	683	247.5	0.4	740	279.2	0.4	15.2%	100.0%
7 – 10	490	63	492	105.7	0.2	427	113.4	0.3	497	113.4	0.2	513	121.8	0.2	536	133.9	0.2	7.9%	52.4%
11 – 12	68	36	55	37.0	0.7	32	33.5	1.0	74	45.5	0.6	102	59.0	0.6	124	71.6	0.6	57.1%	22.1%
13 – 16	48	23	7	2.3	0.3	25	43.1	1.7	56	55.7	1.0	68	66.8	1.0	80	73.7	0.9	47.4%	25.5%

1. Rand million.

## Expenditure trends

The Companies and Intellectual Property Commission generates revenue from registration fees and annual returns. Operating revenue decreased significantly in 2010/11, mainly due to the discontinuation of close corporations registrations and share capital income streams in terms of the Companies Act (2008). The waiver of penalties for late filing of annual returns, due to systems problems, as well as the new annual returns fee structure, also contributed to the decrease in revenue.

The spending focus over the medium term is on the promotion of broader, formal economic participation by way of enhanced service delivery while continually improving the reputation of the South African business environment. The commission will revise its fee structure over this period to better recover costs and will cut operational costs relating to travel, entertainment, venue hire, and facilities for meetings and workshops.

Expenditure increased in 2012/13 due to additional expenditure relating to service delivery improvement projects, which decreased the turnaround times for patent, design and film registration from 60 days to 44 days. In 2013/14, expenditure is expected to decrease due to expected delays in the implementation of the new organisational structure, and lower stationery and travel costs. Expenditure is expected to increase in 2014/15 as the new structure and remuneration framework are implemented. Special projects have been identified for the improvement of service delivery, which includes the enhancement of ICT systems and the commission's new building.

The commission has a funded establishment of 606 posts. There were 122 vacancies as at 30 September 2012 due to a delay in finalising the organisational structure. Spending on compensation of employees is expected to grow in 2015/16 due to the implementation of the new structure and functions. Expenditure on consultants is expected to decrease over the medium term as additional personnel are appointed. Consultants are used to provide technical and specialised ICT services. The ratio of support staff to line function staff was 1: 2.6.

## Export Credit Insurance Corporation of South Africa

### Mandate and goals

The Export Credit Insurance Corporation of South Africa was established in terms of the Export Credit and Foreign Investments Insurance Act (1957) to facilitate and encourage South Africa's export trade by underwriting export credit loans and investments outside South Africa. The corporation is mandated to evaluate export credit and foreign investment risks; provide export credit and foreign investment insurance cover on behalf of the South African government; and manage the interest makeup subsidised interest rate arrangement for participating financial institutions, thereby enabling them to provide loans to South African firms that invest in capital projects abroad.

The corporation's strategic goals over the medium term are to:

- facilitate export trade and investments outside South Africa
- build mutually beneficial local, regional and global relations to advance South Africa's trade and economic development objectives
- promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to customers
- create enterprise wide risk awareness and effective corporate governance and risk management practices
- use sound business environment and social principles by applying international best practice.

### Selected performance indicators

**Table 36.27 Export Credit Insurance Corporation of South Africa**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Value of approved insurance applications per year	Facilitate export trade and investment outside South Africa	R3.5bn	R5.7bn	R5.1bn	R5.1bn	R6.3bn	R7.6bn	R8.8bn
Value of signed insurance policies per year	Facilitate export trade and investment outside South Africa	R1bn	R2.6bn	R1.4bn	R1.7bn	R2.109bn	R2.81bn	R3.52bn
Value of loans disbursed and/or investment insurance exposures declared per year	Facilitate export trade and investment outside South Africa	R1.1bn	R1.2bn	–	R1.5bn	R1.89bn	R1.27bn	R2.64bn
Number of cooperation agreements or arrangements initiated with export credit agencies or development finance institutions in Africa, Middle East or other members of the BRICS group of countries and other developing nations per year <sup>1</sup>	Build mutually beneficial local, regional and global relations to advance South Africa's trade and economic development objective	–	1	2	2	2	2	2
Number of product presentations or awareness sessions held per year with export promotion agencies and/or with economic development agencies or through conferences in the various provinces in South Africa <sup>1</sup>	Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to customers	–	–	9	12	15	18	18
Number articles or media reports published per year <sup>2</sup>	Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to customers	–	–	–	2	4	5	6
The single largest country exposure as a percentage of the total insurance portfolio not exceeding the target	Create an enterprise wide risk awareness and effective corporate governance and risk management practices	38%	36%	35%	28%	32%	30%	30%
The percentage value of procurement spend from BEE certified suppliers or service providers when measured against the total procurement spend of the corporation <sup>1</sup>	Consistently use sound business environment and social principles, applying international best practice.	–	52%	58%	70%	100%	110%	110%
Number of projects implemented per year for the social responsibility plan <sup>2</sup>	Consistently utilise sound business environment and social principles, applying international best practice	–	–	–	–	3	3	3
Percentage of the corporation's profit spent on social responsibility investment per year <sup>2</sup>	Consistently utilise sound business environment and social principles, applying international best practice.	–	–	–	–	1% of profit after tax	1% of profit after tax	1% of profit after tax
Number of repeat business applications per year <sup>2</sup>	Facilitate export trade and investment outside South Africa	–	–	–	–	5 applications	10 applications	15 applications
Number of SMME exports supported per year <sup>2</sup>	Facilitate export trade and investment outside South Africa	–	–	–	–	5	5	5

1. No past data, as new strategic targets have been set post 2010/11.

2. No past data, as these are new performance indicators.

## Programmes/activities/objectives

Table 36.28 Export Credit Insurance Corporation of South Africa

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Facilitate export trade and investment outside South Africa	136.4	139.1	-	-	-100.0%	13.2%	-	-	408.2	-	14.6%
Strategic alliances, build mutually beneficial local, regional and global relations to advance South Africa's trade and economic development objective	0.3	0.3	-	-	-100.0%	0.0%	-	-	0.2	-	0.0%
Promote a professional, competitive and customer focused workforce that ensures an effective and efficient service to customers	21.2	20.9	-	-	-100.0%	2.0%	-	-	12.8	-	0.5%
Fostering risk orientation, create an enterprise wide risk awareness and effective corporate governance and risk management practices	211.3	241.6	-	-	-100.0%	21.8%	-	-	0.1	-	0.0%
Effective stewardship, consistently utilise sound business environment and social principles, applying international best practice	158.4	112.0	719.7	470.7	43.8%	63.0%	531.9	618.4	279.6	-15.9%	85.0%
<b>Total expense</b>	<b>527.6</b>	<b>513.8</b>	<b>719.7</b>	<b>470.7</b>	<b>-3.7%</b>	<b>100.0%</b>	<b>531.9</b>	<b>618.4</b>	<b>701.0</b>	<b>14.2%</b>	<b>100.0%</b>

## Expenditure estimates

Table 36.29 Export Credit Insurance Corporation of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>763.3</b>	<b>805.7</b>	<b>786.8</b>	<b>644.0</b>	<b>-5.5%</b>	<b>89.0%</b>	<b>627.5</b>	<b>744.7</b>	<b>746.2</b>	<b>5.0%</b>	<b>88.8%</b>
Sale of goods and services other than capital assets	290.3	388.4	388.6	386.9	10.0%	43.8%	302.5	343.0	360.4	-2.3%	45.2%
<i>of which:</i>											
<i>Sales by market establishment</i>	290.3	388.4	388.6	386.9	10.0%	43.8%	302.5	343.0	360.4	-2.3%	45.2%
<i>Other non-tax revenue</i>	473.0	417.3	398.2	257.1	-18.4%	45.2%	325.0	401.6	385.7	14.5%	43.6%
<b>Transfers received</b>	<b>122.4</b>	<b>120.5</b>	<b>121.5</b>	<b>24.6</b>	<b>-41.4%</b>	<b>11.0%</b>	<b>110.3</b>	<b>110.4</b>	<b>115.4</b>	<b>67.4%</b>	<b>11.2%</b>
<b>Total revenue</b>	<b>885.7</b>	<b>926.2</b>	<b>908.3</b>	<b>668.6</b>	<b>-8.9%</b>	<b>100.0%</b>	<b>737.8</b>	<b>855.0</b>	<b>861.6</b>	<b>8.8%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>383.9</b>	<b>403.0</b>	<b>561.0</b>	<b>293.5</b>	<b>-8.6%</b>	<b>72.9%</b>	<b>424.1</b>	<b>429.7</b>	<b>502.5</b>	<b>19.6%</b>	<b>70.8%</b>
Compensation of employees	17.6	22.8	22.3	33.2	23.5%	4.5%	42.9	45.9	63.1	23.8%	7.9%
Goods and services	352.4	380.0	538.5	260.0	-9.6%	67.7%	379.7	382.1	439.2	19.1%	62.8%
Depreciation	0.2	0.2	0.2	0.3	24.2%	0.0%	1.4	1.6	0.2	-14.6%	0.2%
Interest, dividends and rent on land	13.7	0.0	0.0	-	-100.0%	0.6%	-	-	-	-	-
<b>Total expenses</b>	<b>527.6</b>	<b>513.8</b>	<b>719.7</b>	<b>470.7</b>	<b>-3.7%</b>	<b>100.0%</b>	<b>531.9</b>	<b>618.4</b>	<b>701.0</b>	<b>14.2%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>358.0</b>	<b>412.0</b>	<b>189.0</b>	<b>198.0</b>	<b>-17.9%</b>		<b>206.0</b>	<b>237.0</b>	<b>161.0</b>	<b>-6.7%</b>	

## Personnel information

Table 36.30 Export Credit Insurance Corporation of South Africa

Salary level	Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number		
		Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
				2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		Number	Cost	Unit Cost		
	33	2	33	22.3	0.7	40	28.2	0.7	40	42.9	1.1	41	45.9	1.1	40	49.1	1.2	-	100.0%
1-6	3	-	3	0.3	0.1	6	0.5	0.1	6	0.5	0.1	6	0.6	0.1	6	0.6	0.1	-	14.9%
7-10	3	-	3	0.7	0.2	4	2.2	0.6	4	1.1	0.3	4	1.2	0.3	4	1.3	0.3	-	9.9%
11-12	13	1	13	5.1	0.4	15	7.1	0.5	15	7.6	0.5	15	8.1	0.5	15	8.7	0.6	-	37.3%
13-16	13	-	13	12.7	1.0	15	13.9	0.9	15	14.9	1.0	15	15.9	1.1	15	17.0	1.1	-	37.3%
17-22	1	1	1	3.5	3.5	-	4.5	-	-	18.8	-	1	20.1	20.1	-	21.5	-	-	0.6%

1. Rand million.

## **Expenditure trends**

The Export Credit Insurance Corporation of South Africa generates revenue from insurance premiums and investment income. Insurance premiums are expected to increase by 19 per cent between 2013/14 and 2015/16 as a result of anticipated growth in the policies underwritten.

The spending focus over the medium term will be on modernising IT systems to provide better services.

Expenditure on compensation of employees increased in 2012/13 and will continue to increase over the medium term due to an increase in filled positions in accordance with the approved structure. Depreciation is expected to increase over the MTEF period due to the acquisition of IT systems. Due to the positive outlook on the insurance provisions, which resulted from a decrease in claims, expenditure on goods and services declined in 2012/13. There is also an anticipated increase in pipeline projects in 2014/15 and 2015/16. The corporation will look for innovative ways to underwrite its policies.

Between 2005 and 2010, the corporation's interest make-up scheme created 13 000 job opportunities, and R5.6 billion of goods and services manufactured in South Africa were exported at a cost of R900 million to the government. An additional R400 million has since been disbursed, which is expected to translate into R2.5 billion of South African goods and services exported. Over the MTEF period, the main contributor to cost increases is expected to be the facilitation of the exports objective, following the increase in staff and underwriting activities.

The corporation has a funded establishment of 33 posts. The ratio of support staff to line function staff was 1:9. Consultants are used mainly for legal issues as the entity lacked this expertise among its staff complement.

## **National Empowerment Fund**

### **Mandate and goals**

The National Empowerment Fund was established by the National Empowerment Fund Act (1998) to promote and facilitate black economic equality and transformation. In providing financial and non-financial support to black businesses and structuring accessible retail savings products for black people, the fund is mandated to implement the empowerment codes of good practice for broad based black economic empowerment. The fund has three core divisions: small and medium enterprises and rural development, venture capital and corporate finance, and asset management.

The fund's strategic goals over the medium term are to:

- promote and support business ventures pioneered and run by black people
- provide black people with the opportunity to acquire shares and/or interest in state owned enterprises
- encourage and promote savings, investment and meaningful economic participation by black people
- promote the universal understanding of equity ownership among black people, and contribute to the creation of employment opportunities
- encourage the development of a competitive and effective equities market inclusive of all persons in the country; and generally employ such schemes, businesses and enterprises as may be necessary to achieve the objectives of the National Empowerment Fund Act (1998).

## Selected performance indicators

**Table 36.31 National Empowerment Fund**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Disbursement value per year within a targeted number of transactions between R2 million and R75 million	Umnotho fund	R184.7m	R300m	R375m	R550m	R618.8m	R735m	R836.6m
Disbursement value per year within a targeted number of transactions between R250 000 and R10 million	Imbewu fund	R106m	R135m	R140m	R190m	R302m	R392m	R417.1m
Disbursement value per year within a targeted number of transactions	Rural and community development	R86.1m	R75m	R105m	R153m	R182.2m	R215.6m	R237.7m
Disbursement value per year within a targeted number of transactions and feasibility studies	Strategic projects fund	R46.5m	R70m	R130m	R250m	R198m	R196m	R194m
Number of asset management activities per year <sup>1,2</sup>	Asset management	–	18 702	9 862	–	–	–	–
Number of projects receiving non-financial support per year <sup>2</sup>	Non-financial support	–	5 554	4 400	6 000	5 832	6 858	7 331

1. Measurement of this indicator has been discontinued.

2. No past data, as reporting on this indicator began in 2010/11.

## Programme/activities/objectives

**Table 36.32 National Empowerment Fund**

R million	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
Umnotho fund	184.7	300.0	498.5	550.0	43.9%	45.6%	618.8	735.0	836.6	15.0%	48.0%	
Imbewu fund	106.2	135.0	175.0	190.0	21.4%	19.6%	302.0	392.0	417.1	30.0%	22.4%	
Rural and community development	86.1	91.3	107.9	153.0	21.1%	14.4%	182.2	215.6	237.7	15.8%	13.8%	
Strategic projects fund	46.5	70.0	381.0	250.0	75.1%	19.2%	198.0	196.0	194.0	-8.1%	15.3%	
Asset management	–	18.7	2.8	–	–	0.8%	–	–	–	–	–	
Non-financial support	–	5.6	–	6.0	–	0.4%	6.4	6.9	7.3	6.9%	0.5%	
<b>Total expense</b>	<b>423.5</b>	<b>620.6</b>	<b>1 165.2</b>	<b>1 149.0</b>	<b>39.5%</b>	<b>100.0%</b>	<b>1 307.3</b>	<b>1 545.5</b>	<b>1 692.7</b>	<b>13.8%</b>	<b>100.0%</b>	

## Expenditure estimates

**Table 36.33 National Empowerment Fund**

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
<b>Revenue</b>												
Non-tax revenue	466.7	372.0	347.3	388.4	-5.9%	95.0%	436.1	471.0	502.3	9.0%	100.0%	
Other non-tax revenue	466.7	372.0	347.3	388.4	-5.9%	95.0%	436.1	471.0	502.3	9.0%	100.0%	
Transfers received	116.0	–	–	–	-100.0%	5.0%	–	–	–	–	–	
<b>Total revenue</b>	<b>582.7</b>	<b>372.0</b>	<b>347.3</b>	<b>388.4</b>	<b>-12.6%</b>	<b>100.0%</b>	<b>436.1</b>	<b>471.0</b>	<b>502.3</b>	<b>9.0%</b>	<b>100.0%</b>	
<b>Expenses</b>												
Current expenses	383.7	297.2	353.3	344.1	-3.6%	100.0%	375.5	404.2	475.1	11.4%	100.0%	
Compensation of employees	78.1	86.6	108.6	136.5	20.5%	30.0%	146.0	156.1	166.8	6.9%	38.1%	
Goods and services	300.2	203.2	238.7	200.6	-12.6%	68.1%	222.6	241.3	301.5	14.6%	60.2%	
Depreciation	5.4	7.3	6.0	7.0	8.9%	1.9%	6.9	6.9	6.8	-1.0%	1.8%	
<b>Total expenses</b>	<b>383.7</b>	<b>297.2</b>	<b>353.3</b>	<b>344.1</b>	<b>-3.6%</b>	<b>100.0%</b>	<b>375.5</b>	<b>404.2</b>	<b>475.1</b>	<b>11.4%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>199.0</b>	<b>75.0</b>	<b>(6.0)</b>	<b>44.0</b>	<b>-39.5%</b>		<b>61.0</b>	<b>67.0</b>	<b>27.0</b>	<b>-15.0%</b>		

## Personnel information

**Table 36.34 National Empowerment Fund**

Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)
			2011/12		Unit Cost	2012/13		Unit Cost	2013/14			2014/15			2015/16				
			Number	Cost		Number	Cost		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost
Salary level	173	–	157	108.6	0.7	195	136.5	0.7	195	146.0	0.7	195	156.1	0.8	195	166.8	0.9	–	100.0%
1 – 6	10	–	10	1.6	0.2	10	1.8	0.2	10	1.9	0.2	10	2.0	0.2	10	2.1	0.2	–	5.1%
7 – 10	47	–	43	13.3	0.3	49	15.6	0.3	49	16.6	0.3	49	17.8	0.4	49	19.0	0.4	–	25.1%
11 – 12	57	–	49	31.5	0.6	77	49.4	0.6	77	52.7	0.7	77	56.3	0.7	77	60.1	0.8	–	39.5%
13 – 16	58	–	54	58.4	1.1	58	65.2	1.1	58	69.8	1.2	58	74.6	1.3	58	79.8	1.4	–	29.7%
17 – 22	1	–	1	3.9	3.9	1	4.6	4.6	1	5.0	5.0	1	5.4	5.4	1	5.8	5.8	–	0.5%

1. Rand million.

## Expenditure trends

The National Empowerment Fund's revenue is mainly generated from bank interest and interest on investments and dividends. The decrease in revenue in 2011/12 was mainly due to a reduction in the interest earned on R1 billion in cash invested with the South African Reserve Bank. The increased revenue in 2012/13 is due to the higher projected dividend in the MTN shares portfolio, for which the current market value is R1.6 billion. The fund is examining possible higher returns that could be earned from its liquid assets.

The spending focus over the medium term will mainly be on goods and services, compensation of employees and project financing. The National Empowerment Fund has a disbursement target of R1.3 billion per year over the medium term.

The increased expenditure in goods and services in 2011/12 is due to marketing, communications and impairment provisions on loans. This is in contrast to the year-on-year decrease in the impairment provision for 2010/11, when it dropped by 53 per cent. Expenditure on goods and services decreased in 2012/13 due to a reduction in the loss incurred on the disposal of assets. In addition, equity investments lost value. Over the medium term, expenditure on this item is expected to increase as a result of the increase in impairment provisioning, in line with the increased invested portfolio. Expenditure on compensation of employees increased in 2012/13 to provide for improved conditions of service and additional staff.

The fund expects to realise savings over the MTEF period of R50 million, which is not expected to have an adverse effect on service delivery. The ratio of support staff to line function staff is 1:2. The Fund has a funded establishment of 173 posts and 22 additional posts to the establishment. There are no vacancies.

## Small Enterprise Development Agency

### Mandate and goals

The Small Enterprise Development Agency was established in December 2004 in terms of the National Small Business Amendment Act (2004), and is mandated to implement government's small business strategy, design and implement a standard and common national delivery network for small enterprise development, and integrate government funded small enterprise support agencies across all tiers of government.

The agency's strategic goals over the medium term are to ensure that small enterprise sector grows; and increase its contribution to sustainable and equitable social and economic development, employment and wealth creation.

## Selected performance indicators

**Table 36.35 Small Enterprise Development Agency**

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new clients attracted per year <sup>1</sup>	Ensure equitable access to business support services	112 386	60 000	90 000	65 000	–	–	–
Number of clients working with the agency per year	Ensure equitable access to business support services	23 000	12 000	25 000	10 400	10 400	10 400	10 400
Number of adopted enterprises under the community public private partnership programme per year <sup>2</sup>	Ensure equitable access to business support services	–	18	20	22	24	24	24
Value of service provision costs covered by partners	Ensure equitable access to business support services	–	R6.8m	R7.6 m	R5m	R6m	R6m	R6m
Percentage of clients satisfied with quality of services <sup>2</sup>	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	–	80%	80%	80%	88%	88%	88%
Percentage of existing SMME clients whose turnover increased <sup>2</sup>	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	–	35%	35%	35%	35%	35%	35%
Percentage of existing SMME clients whose number of employees increased <sup>2</sup>	Enhance competitiveness and capabilities of small enterprises through coordinated services, programmes and projects	–	25%	25%	25%	25%	25%	25%
Number of partnerships operational per year <sup>2</sup>	Ensure equitable access to business support services	–	40	30	30	40	40	40
Percentage of direct service costs versus total costs <sup>3</sup>	Strengthen the organisation to deliver on its mission	–	–	–	60%	62%	62%	62%
Percentage of deviations of actual expenditure from the approved budget <sup>3</sup>	Strengthen the organisation to deliver on its mission	–	–	–	5%	5%	5%	5%
Percentage reduction in staff vacancies <sup>3</sup>	Strengthen the organisation to deliver on its mission	–	–	–	50%	50%	50%	50%
Number of potential entrepreneurs turned into trading businesses per year <sup>3</sup>	Assist SMMEs with technology through the organisation's technology programme	–	–	–	220	242	242	242
Number of jobs created per year <sup>3</sup>	Assist SMMEs with technology through the organisation's technology programme	–	–	–	945	989	989	989
Number of clients supported per year <sup>3</sup>	Assist SMMEs with technology through the organisation's technology programme	–	–	–	842	935	1 027	1 119
Number of clients assisted with technology transfer incentives per year <sup>3</sup>	Assist SMMEs with technology through the organisation's technology programme	–	–	–	30	34	39	44
Number of clients supported with conformity assessment and product testing per year <sup>3</sup>	Assist SMMEs with technology through the organisation's technology programme	–	–	–	115	127	140	153
Number of clients trained on national and international standards per year <sup>3</sup>	Assist SMMEs with technology through the organisation's technology programme	–	–	–	385	425	468	511
Number of clients supported with systems implementation per year <sup>3</sup>	Assist SMMEs with technology through the organisation's technology programme	–	–	–	30	34	39	44

1. Measurement of this indicator has been discontinued.

2. No past data is available, as the performance measures were not yet in use.

3. No past data, as these are new performance indicators.

## Programme/activities/objectives

**Table 36.36 Small Enterprise Development Agency**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Enhance competitiveness and capabilities of small enterprises through coordinated services programmes and projects	112.1	118.6	154.1	161.8	13.0%	24.0%	161.1	171.0	181.5	3.9%	26.5%
Ensure equitable access to business support services	115.7	124.6	128.8	133.3	4.8%	22.3%	138.3	143.4	148.6	3.7%	22.2%
Strengthen the organisation to deliver on its mission	194.0	188.1	191.4	204.5	1.8%	34.5%	189.9	182.3	196.9	-1.3%	30.4%
Assist SMMEs with technology through the organisation's technology programme	99.6	78.2	109.6	155.5	16.0%	19.2%	119.2	126.4	132.2	-5.3%	20.9%
<b>Total expense</b>	<b>521.4</b>	<b>509.5</b>	<b>583.9</b>	<b>655.1</b>	<b>7.9%</b>	<b>100.0%</b>	<b>608.5</b>	<b>623.0</b>	<b>659.1</b>	<b>0.2%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 36.37 Small Enterprise Development Agency**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	75.3	34.9	36.3	48.4	-13.7%	9.2%	13.0	8.0	12.0	-37.2%	3.2%
<i>Other non-tax revenue</i>	75.3	34.9	36.3	48.4	-13.7%	9.2%	13.0	8.0	12.0	-37.2%	3.2%
<b>Transfers received</b>	409.5	461.1	508.3	595.3	13.3%	90.8%	603.7	624.7	659.7	3.5%	96.8%
<b>Total revenue</b>	484.8	496.0	544.6	643.7	9.9%	100.0%	616.7	632.7	671.7	1.4%	100.0%
<b>Expenses</b>											
<b>Current expenses</b>	521.4	509.5	583.9	655.1	7.9%	100.0%	608.5	623.0	659.1	0.2%	100.0%
Compensation of employees	169.6	189.8	206.1	225.4	9.9%	34.9%	241.2	258.1	276.1	7.0%	39.3%
Goods and services	339.1	303.8	360.8	413.1	6.8%	62.4%	351.0	348.8	367.2	-3.9%	58.1%
Depreciation	10.5	13.7	14.9	14.6	11.6%	2.4%	14.5	14.4	14.2	-0.9%	2.3%
Interest, dividends and rent on land	2.2	2.2	2.1	1.9	-4.6%	0.4%	1.8	1.7	1.6	-6.8%	0.3%
<b>Total expenses</b>	521.4	509.5	583.9	655.1	7.9%	100.0%	608.5	623.0	659.1	0.2%	100.0%
<b>Surplus/(Deficit)</b>	(37.0)	(14.0)	(39.0)	(11.0)	-33.3%		8.0	10.0	13.0	-205.7%	
<b>Statement of financial position</b>											
Carrying value of assets	45.0	45.5	40.7	45.8	0.6%	21.4%	44.6	44.0	43.5	-1.7%	23.9%
<i>of which:</i>											
<i>Acquisition of assets</i>	20.9	15.6	12.9	14.6	-11.2%	7.7%	13.5	13.3	13.3	-3.1%	7.4%
Inventory	0.4	0.3	0.2	0.3	-14.4%	0.1%	0.3	0.3	0.3	4.5%	0.1%
Receivables and prepayments	6.4	4.1	32.1	10.0	15.9%	6.1%	9.8	9.6	9.0	-3.5%	5.2%
Cash and cash equivalents	162.1	155.9	153.7	132.2	-6.6%	72.4%	130.5	131.3	132.0	-0.0%	70.8%
<b>Total assets</b>	213.9	205.9	226.7	188.2	-4.2%	100.0%	185.1	185.2	184.8	-0.6%	100.0%
Accumulated surplus/(deficit)	71.4	57.9	18.6	18.0	-36.8%	19.8%	18.0	18.0	18.0	-	9.7%
Capital reserve fund	7.6	9.1	6.6	3.1	-26.1%	3.1%	0.1	-	-	-100.0%	0.4%
Finance lease	12.2	12.2	12.2	11.8	-1.0%	5.8%	11.0	10.3	9.1	-8.5%	5.7%
Trade and other payables	109.5	110.9	173.0	138.0	8.0%	63.7%	137.5	137.0	136.5	-0.4%	73.9%
Provisions	13.1	15.8	16.2	17.4	9.7%	7.5%	18.6	19.9	21.3	7.0%	10.4%
<b>Total equity and liabilities</b>	213.9	205.9	226.7	188.2	-4.2%	100.0%	185.1	185.2	184.8	-0.6%	100.0%

## Expenditure trends

The Small Enterprise Development Agency derives revenue mainly through transfers from the department. R54.6 million was added to the 2012/13 allocation for the technology transfer fund and the transfer to Western Cape provincial government for the province's small business assistance project.

The spending focus over the MTEF period will be on developing, supporting and promoting small enterprises to ensure their growth and sustainability by providing them with non-financial services. This is to ensure that the small enterprise sector grows and increases its contribution to sustainable and equitable social and economic development, employment and wealth creation.

Expenditure on compensation of employees represents 35 per cent of total expenditure in 2012/13, of which 76 per cent is for personnel directly involved with service delivery. Over the medium term, expenditure on compensation of employees is expected to increase due to inflation related adjustment to salaries.

The agency has a funded establishment of 697 posts. There were 86 vacancies across its 140 offices countrywide as at 30 September. These vacancies are due to natural attrition and will be filled over the medium term. Consultants are used for specialised business services, including legal expertise. The ratio of line to support staff is 1.86:1



## South African Bureau of Standards

### Mandate and goals

The South African Bureau of Standards was established as a statutory body in terms of the Standards Act (2008), and is part of South Africa's standardisation, quality assurance, accreditation and metrology technical infrastructure. The bureau is mandated to provide standardisation and conformity assessment services to protect the integrity of the South African market, protect consumers, create a competitive advantage for South African industry, and facilitate access by South Africans to local and international markets. The bureau is the sole publisher of South African national standards, and is responsible for the technical work of the industrial policy action plan.

The bureau's strategic goals over the medium term are to:

- increase the use of standardisation services by broadening the geographic footprint and the scope of services offered, and being client focused
- provide standardisation and conformity assessment services that facilitate development and regulation of national and regional economic activity, and support the industrial policy framework and the industrial policy action plan
- develop standards and provide conformity assessment services that protect the integrity of the South African market
- provide the conformity assessment services on a commercial basis.

### Selected performance indicators

Table 36.38 South Africa Bureau of Standards

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of South African national standards developed per year <sup>1</sup>	Development of South African national standards	857	650	522	-	-	-	-
Number of days taken to produce a standard	Development of South African national standards	241	300	407	340	320	300	280
Value of sales of standards per year (R 000)	Development of South African national standards	16 782	16 631	19 265	26 484	30 361	34 612	39 804
Tests and services revenue per year (R 000)	Tests and conformity assessments	199 916	192 277	166 663	201 268	266 032	295 951	313 533
Products and systems certification revenue (R 000) per year	Tests and conformity assessments	173 819	184 128	215 671	265 226	299 705	338 667	382 694
Number of test reports per year	Tests and conformity assessments	527 983	412 539	360 486	365 000	422 000	442 000	455 000
Number of certification certificates per year	Tests and conformity assessments	9 628	10 356	12 135	12 000	11 960	12 315	12 500
Number of home grown South African National Standards per year <sup>2</sup>	Development of South African national standards	-	-	259	160	145	150	160

1. Indicator discontinued.

2. New indicator introduced in 2011/12.

### Programmes/activities/objectives

Table 36.39 South Africa Bureau of Standards

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million					2009/10 - 2012/13					2012/13 - 2015/16	
Development of South African national standards	97.8	121.5	108.3	155.6	16.7%	20.4%	162.3	181.0	184.8	5.9%	20.3%
Tests and conformity assessments	420.2	417.8	470.1	565.1	10.4%	79.6%	646.3	706.1	774.4	11.1%	79.7%
<b>Total expense</b>	<b>518.0</b>	<b>539.4</b>	<b>578.4</b>	<b>720.7</b>	<b>11.6%</b>	<b>100.0%</b>	<b>808.6</b>	<b>887.1</b>	<b>959.2</b>	<b>10.0%</b>	<b>100.0%</b>

## Expenditure estimates

Table 36.40 South Africa Bureau of Standards

Statement of financial position	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Carrying value of assets	198.8	274.6	318.9	515.6	37.4%	37.7%	721.1	792.4	814.2	16.5%	65.5%
<i>of which:</i>											
Acquisition of assets	30.2	110.4	78.4	238.3	99.1%	12.5%	200.5	120.2	75.0	-32.0%	15.0%
Investments	201.5	291.9	284.3	310.4	15.5%	32.3%	163.5	132.9	153.5	-20.9%	17.9%
Inventory	0.5	1.5	1.1	1.0	24.4%	0.1%	1.0	1.0	1.0	-	0.1%
Receivables and prepayments	52.4	54.7	60.3	72.3	11.3%	7.2%	86.8	104.2	125.0	20.0%	8.9%
Cash and cash equivalents	122.2	190.4	262.3	84.3	-11.6%	19.8%	52.7	49.5	46.3	-18.1%	5.5%
Non-current assets held for sale	1.9	1.7	0.1	-	-100.0%	0.1%	-	-	-	-	-
Taxation	23.9	21.1	22.7	22.7	-1.7%	2.8%	22.7	22.7	22.7	-	2.1%
<b>Total assets</b>	<b>601.2</b>	<b>835.9</b>	<b>949.7</b>	<b>1 006.3</b>	<b>18.7%</b>	<b>100.0%</b>	<b>1 047.9</b>	<b>1 102.8</b>	<b>1 162.8</b>	<b>4.9%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	321.9	376.6	413.0	425.6	9.8%	46.1%	441.0	472.1	505.8	5.9%	42.7%
Capital and reserves	62.7	68.7	69.0	66.0	1.7%	8.1%	86.3	102.7	120.2	22.1%	8.6%
Capital reserve fund	15.9	165.6	247.5	281.0	160.4%	19.1%	272.3	263.6	254.9	-3.2%	24.9%
Borrowings	14.9	14.9	-	-	-100.0%	1.1%	-	-	-	-	-
Finance lease	0.8	0.0	-	-	-100.0%	0.0%	-	-	-	-	-
Trade and other payables	90.2	107.6	118.9	130.2	13.0%	13.3%	143.2	157.6	173.3	10.0%	14.0%
Provisions	94.4	102.3	101.2	103.5	3.1%	12.2%	105.1	106.8	108.6	1.6%	9.8%
Derivatives financial instruments	0.3	0.2	0.1	-	-100.0%	0.0%	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>601.2</b>	<b>835.9</b>	<b>949.7</b>	<b>1 006.3</b>	<b>18.7%</b>	<b>100.0%</b>	<b>1 047.9</b>	<b>1 102.8</b>	<b>1 162.8</b>	<b>4.9%</b>	<b>100.0%</b>

## Personnel information

Table 36.41 South Africa Bureau of Standards

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14			2014/15					2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			Number	Cost	Unit Cost
Salary level	1 239	194	1 031	333.0	0.3	1 045	421.9	0.4	1 261	469.0	0.4	1 285	515.0	0.4	1 301	544.2	0.4	7.6%	100.0%
1 - 6	216	28	184	28.3	0.2	188	35.5	0.2	187	32.8	0.2	173	33.1	0.2	155	26.7	0.2	-6.2%	14.5%
7 - 10	629	93	526	121.7	0.2	536	161.8	0.3	592	152.3	0.3	579	154.5	0.3	552	148.8	0.3	1.0%	46.4%
11 - 12	307	57	250	115.9	0.5	250	143.0	0.6	372	177.7	0.5	389	189.4	0.5	418	203.4	0.5	18.7%	29.0%
13 - 16	86	16	70	65.0	0.9	70	79.1	1.1	107	100.2	0.9	141	131.6	0.9	168	149.4	0.9	33.9%	9.8%
17 - 22	1	-	1	2.1	2.1	1	2.5	2.5	3	6.0	2.0	3	6.5	2.2	8	15.9	2.0	100.0%	0.3%

1. Rand million.

## Expenditure trends

The South African Bureau of Standards derives revenue mainly from fees for certification and testing services. Revenue is expected to grow significantly over the medium term, mainly due to commercial operations which are projected to grow by 12.2 per cent each year over the medium term.

The spending focus over the medium term will be on goods and services, particularly for upgrading laboratories and streamlining operations in the testing laboratories to provide standardisation and conformity assessment services that facilitate development and regulation of national and regional economic activity, and support the industrial policy framework and the industrial policy action plan.

Expenditure on compensation of employees is expected to increase over the medium term to allow the bureau to attract talent and retain skills, particularly with regard to test officers and certification auditors. Expenditure on goods and services increased in 2012/13 and is expected to increase over the medium term due to the cost of maintaining aging laboratory infrastructure and equipment, the travelling costs of certification auditors, the support of South African delegates attending international standards development meetings, and on marketing activities.

The entity has a funded establishment of 1 239 posts, of which 194 were vacant at the end of September 2012. Vacancies are a result of a shortage of specialised skills. The ratio of support to line function staff is 1:8. Consultants are mainly used to provide specialised support for core ICT applications that are not cost effective to support internally.

### Other public entities and agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Companies Tribunal** mandate is to adjudicate any application made to it in terms of the Companies Act (2008); to assist in the resolution of disputes and to perform any other function assigned to it by or in terms of the act, or any law mentioned in the act. The organisation's total budget for 2013/14 is R10.3 million which is received from the department for establishment costs.
- The **National Consumer Commission** ensures the enforcement of consumer legislation by establishing a regulatory framework to achieve and maintain a consumer market that is fair, accessible, efficient, sustainable, and promotes and protects consumer interests. The budget for 2013/14 is R44.8 million, of which 99 per cent is received from the department.
- The **National Consumer Tribunal** ensures equity in the credit market and balances the rights and responsibilities of credit providers and consumers. The budget for 2013/14 is R36.9 million, of which 98 per cent is received from the department.
- The **National Credit Regulator** regulates the consumer credit industry in order to **improve consumer protection** and the efficiency and fairness of the end user credit market. The budget for 2013/14 is R117.7 million, of which R60.7 million is received from the department.
- The **National Gambling Board of South Africa** oversees regulation in the gambling industry throughout South Africa and preserves the integrity of South Africa as a responsible global citizen. The budget for 2013/14 is R28.1 million, of which R27.7 million is received from the department.
- The **National Metrology Institute of South Africa** maintains the international system of units and ensures that South African measurements, standards and units are internationally comparable and scientifically valid. The budget for 2013/14 is R157.8 million, of which 92 per cent is received from the department.
- The **National Regulator for Compulsory Specifications** regulates adherence to compulsory specifications and technical regulations. The budget for 2013/14 is R271.3 million, of which R103 million is from the department.
- The **National Lotteries Board** monitors and enforces the implementation of the national lottery and the establishment of private lotteries and promotional competitions. The budget for 2013/14 is R176.1 million, of which R174.5 million is received from the department.
- The **South African National Accreditation System** is mandated to accredit or monitor for compliance purposes, promote accreditation as a means of facilitating international trade and enhancing South Africa's economic performance and transformation, promote the competence and equivalence of accredited bodies, and promote the competence and equivalence of facilities compliance. The budget for 2013/14 is R77 million, of which R33.5 million is received from the department.

**Additional table: Summary of expenditure on infrastructure**

Project name R million	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation 2012/13	Medium-term expenditure estimate	
				2009/10	2010/11		2011/12	2013/14
<b>Infrastructure transfers to other spheres, agencies and departments</b>								
Coega Development Corporation	Infrastructure developments to enable investment in the zone	Various	5 689.0	859.9	714.0	417.9	308.2	–
East London industrial development zone	Infrastructure developments to enable investment in the zone	Various	1 817.5	373.4	198.0	150.0	100.0	–
Critical Infrastructure programme	Infrastructure projects supporting investment in mining, tourism, manufacturing and services	Various	1 473.2	105.6	80.6	182.0	190.0	200.0
Richards Bay industrial development zone	Infrastructure developments to enable investment in the zone	Various	672.0	68.4	20.0	42.0	30.0	–
Centurion Aerospace Village	Aerospace in the form of industry infrastructure	Construction	407.3	–	37.5	15.0	15.8	16.7
South African Bureau of Standards	Technical Industrial Infrastructure: testing facilities	Construction	315.4	–	174.2	48.0	–	–
<b>Total</b>			<b>10 374.5</b>	<b>1 407.3</b>	<b>1 224.3</b>	<b>854.9</b>	<b>644.0</b>	<b>216.7</b>
								<b>226.7</b>

# Vote 37

## Transport

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	353.1	340.4	10.5	2.2	371.0	387.0
Integrated Transport Planning	80.6	79.8	–	0.8	84.5	87.9
Rail Transport	11 240.8	35.1	11 205.6	0.1	14 686.8	18 024.3
Road Transport	19 541.5	103.3	19 437.5	0.6	21 418.9	22 683.2
Civil Aviation	140.0	105.5	34.1	0.4	146.4	152.1
Maritime Transport	105.3	81.2	23.8	0.3	110.8	115.6
Public Transport	10 814.1	171.8	10 642.1	0.2	11 404.9	11 927.6
<b>Total expenditure estimates</b>	<b>42 275.3</b>	<b>917.0</b>	<b>41 353.8</b>	<b>4.6</b>	<b>48 223.2</b>	<b>53 377.7</b>
Executive authority	Minister of Transport					
Accounting officer	Director General of Transport					
Website address	www.transport.gov.za					

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Lead the provision of an integrated, sustainable, reliable and safe transport system through planning, developing, coordinating, promoting and implementing transport policies, regulations and strategies.*

### Mandate

The Constitution identifies the legislative responsibilities of different levels of government with regard to airports, roads, traffic management and public transport. Transport is a function that is legislated and executed at all levels of government. In addition, for transport functions at the national level, most of the implementation takes place in public entities that are overseen by the department, each with a specific delivery mandate, as specified in the respective sections below.

The 1996 White Paper on Transport defines the different subsectors in the transport sector. Broadly, these are the infrastructure and operations of rail, pipelines, roads, airports, harbours as well as the cross-modal operations of public transport and freight. The Department of Transport is responsible for the legislation and policies for all these subsectors.

For the cross-modal functions of public transport and freight, the guiding documents are the National Land Transport Act (2009), the public transport strategy and the national freight logistics strategy.

The Department of Transport is therefore responsible for conducting sector research, formulating legislation and policy to set the strategic direction of subsectors, assigning responsibilities to public entities and other levels of government, regulating through setting norms and standards, and monitoring implementation.

## Strategic goals

The department's strategic goals over the medium term are to:

- ensure an efficient and integrated infrastructure network that serves as a catalyst for social and economic development
- ensure a transport sector that is safe and secure
- improve access, infrastructure and mobility in rural areas
- improve public transport systems
- increase the contribution of the transport sector to job creation
- enhance the contribution of the transport sector to environmental protection.

## Programme purposes

### Programme 1: Administration

**Purpose:** Coordinate and render effective, efficient strategic support and administrative services to the minister, director general and department and develop transport skills for the sector.

### Programme 2: Integrated Transport Planning

**Purpose:** Manage and facilitate national strategic planning, including planning for new projects, and conduct research and formulate national transport policy, including for the cross-modal area of logistics. Coordinate international and intersphere relations.

### Programme 3: Rail Transport

**Purpose:** Facilitate and coordinate the development of sustainable rail transport policies, strategies and systems. Oversee rail public entities.

### Programme 4: Road Transport

**Purpose:** Regulate road traffic management. Ensure the maintenance and development of an integrated road network through the development of standards and guidelines, and oversight of the road agencies and provincial and local road expenditure.

### Programme 5: Civil Aviation

**Purpose:** Facilitate through regulation and investigation the development of an economically viable air transport industry that is safe, secure, efficient, environmentally friendly and compliant with international standards. Oversee the aviation public entities.

### Programme 6: Maritime Transport

**Purpose:** Coordinate the development of a safe, reliable and viable maritime transport sector by developing policies and monitoring and exercising oversight of maritime public entities.

### Programme 7: Public Transport

**Purpose:** Develop norms and standards, regulations and legislation to guide the development of public transport for rural and urban passengers. Regulate interprovincial public transport and tourism transport services. Monitor and evaluate the implementation of the public transport strategy and the National Land Transport Act (2009).

## Selected performance indicators

**Table 37.1 Transport**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projection		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Kilometres of secondary road network in poor and very poor condition	Road Transport	Outcome 6: An efficient, competitive and responsive infrastructure network	65 966	63 278	59 674	56 071	52 773	51 000	50 000
Number of average weekday bus rapid transit passengers: Rea Vaya in Johannesburg	Public Transport		11 800	30 000	36 000	43 000	50 000	85 000	150 000
Number of average weekday bus rapid transit passengers: MyCiti in Cape Town <sup>1</sup>	Public Transport		- <sup>1</sup>	- <sup>1</sup>	22 000	30 000	60 000	80 000	112 000
Implementation of national household travel survey	Integrated Transport Planning		- <sup>1</sup>	Travel analysis zones updated; 2003 questionnaire reviewed	Service provider appointed; questionnaire piloted in 3 provinces	Pilot data report completed; draft training manual for national household travel survey data collection developed	Statistical tables produced	Provincial reports produced	Implementation plan for next national household travel survey developed
Establishment of a single transport economic regulator <sup>2</sup>	Integrated Transport Planning		- <sup>2</sup>	Project plan developed	Detailed workflow plan and inception report compiled	Draft position paper developed	Setup of regulators legislated	Regulator established	
Development of the rail transport policy <sup>2</sup>	Rail Transport		- <sup>2</sup>	Develop draft paper on rail transport policy	Publish draft green paper on rail transport	Publish and adopt white paper	Draft legislation	Promulgate act	
Development of the national airports development plan <sup>3</sup>	Aviation transport		- <sup>3</sup>	Draft national airports development plan	Internal consultation to review the national airports development plan	Consultation with 2 provinces	Consultation with remaining provinces and other stakeholders. Updated national airports development plan	Departmental and Cabinet approval	- <sup>3</sup>
Number of municipal and provincial transport regulatory entities established per year <sup>4</sup>	Public Transport	- <sup>4</sup>	- <sup>4</sup>	- <sup>4</sup>	3	2	2	1	

1. Service began in 2011/12.

2. These initiatives began in 2011/12, hence no data in previous years.

3. This project began in 2010/11, and is planned to finish in 2014/15, hence no data in previous years or in 2015/16.

4. The regulators were set up in 2012/13 as a result of the National Land Transport Act (2009).

## The national development plan

In its discussions on social and economic development, the national development plan emphasises the necessity of sound economic infrastructure as a pre-condition for economic growth. The country's transport infrastructure is thus a key priority. The major recommendations of the national development plan are to improve public transport planning and integrate it with spatial planning, emphasise asset management, and make institutional arrangements to ensure safe, reliable and affordable public transport and renew the commuter rail fleet. In this regard, the plan highlights the need to focus on the Gauteng-Durban corridor for freight, to incentivise public transport and to focus on transport systems rather than modes. The need to invest heavily in transport is recognised as is the need to carefully prioritise these investments.

Many of these priorities are being addressed by the department, and will continue to be part of its objectives, particularly the focus on public transport. The public transport infrastructure grant and the public transport network operations grant ensure that emphasis is placed on networks rather than modes and that planning is improved in cities. The devolution of public transport contracting and regulating to metropolitan cities will also see the provincial public transport operations grant and the national Metrorail subsidies devolved to cities. This will ensure that transport planning is seen in the context of spatial planning, thus using existing subsidies more effectively. The asset management approach is strongly supported through the provincial roads maintenance grant and the rural roads asset management systems grant to district municipalities. The capital transfers to the Passenger Rail Agency of South Africa will ensure that the commuter fleet is renewed over a 10-year period from 2015/16 onwards and that the necessary complementary investments are made.

## Expenditure estimates

Table 37.2 Transport

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)	
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15			2015/16
R million													
Administration	288.9	246.1	280.4	333.8	330.7	4.6%	0.8%	353.1	371.0	387.0	5.4%	0.8%	
Integrated Transport Planning	60.6	58.7	90.2	118.5	112.0	22.7%	0.2%	80.6	84.5	87.9	-7.8%	0.2%	
Rail Transport	10 527.7	9 259.7	9 532.2	10 301.4	10 296.2	-0.7%	28.6%	11 240.8	14 686.8	18 024.3	20.5%	29.6%	
Road Transport	10 422.1	11 360.7	21 729.8	18 230.7	18 227.7	20.5%	44.5%	19 541.5	21 418.9	22 683.2	7.6%	44.6%	
Civil Aviation	53.2	53.1	65.0	520.3	471.1	106.9%	0.5%	140.0	146.4	152.1	-31.4%	0.5%	
Maritime Transport	135.5	143.5	138.8	149.0	147.2	2.8%	0.4%	105.3	110.8	115.6	-7.7%	0.3%	
Public Transport	7 176.1	8 033.3	9 360.1	9 993.5	9 991.7	11.7%	24.9%	10 814.1	11 404.9	11 927.6	6.1%	24.1%	
<b>Total</b>	<b>28 664.0</b>	<b>29 155.1</b>	<b>41 196.5</b>	<b>39 647.2</b>	<b>39 576.5</b>	<b>11.4%</b>	<b>100.0%</b>	<b>42 275.3</b>	<b>48 223.2</b>	<b>53 377.7</b>	<b>10.5%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				818.3	747.5			571.4	157.0	3 100.4			

## Economic classification

<b>Current payments</b>	<b>1 015.9</b>	<b>929.1</b>	<b>1 149.1</b>	<b>1 692.5</b>	<b>1 622.9</b>	<b>16.9%</b>	<b>3.4%</b>	<b>917.0</b>	<b>960.9</b>	<b>1 000.3</b>	<b>-14.9%</b>	<b>2.5%</b>
Compensation of employees	228.1	250.8	274.5	319.3	313.7	11.2%	0.8%	360.1	383.4	406.5	9.0%	0.8%
Goods and services	787.7	678.3	874.6	1 373.2	1 309.3	18.5%	2.6%	556.8	577.5	593.9	-23.2%	1.7%
<i>of which:</i>												
<i>Consultants and professional services: Business and advisory services</i>	559.9	398.7	664.3	1 161.0	1 099.1	25.2%	2.0%	326.0	310.8	317.8	-33.9%	1.1%
<i>Consultants and professional services: Infrastructure and planning</i>	43.2	171.4	0.0	5.3	5.3	-50.3%	0.2%	44.2	44.8	47.3	107.3%	0.1%
<i>Operating leases</i>	23.4	14.2	27.6	49.7	49.7	28.5%	0.1%	48.6	50.6	52.1	1.6%	0.1%
<i>Travel and subsistence</i>	37.9	33.6	45.9	41.8	41.8	3.3%	0.1%	40.3	41.2	41.6	-0.2%	0.1%
<b>Transfers and subsidies</b>	<b>27 640.9</b>	<b>28 222.7</b>	<b>40 044.1</b>	<b>37 948.4</b>	<b>37 948.4</b>	<b>11.1%</b>	<b>96.6%</b>	<b>41 353.8</b>	<b>47 257.4</b>	<b>52 372.3</b>	<b>11.3%</b>	<b>97.5%</b>
Provinces and municipalities	13 263.1	12 102.4	15 503.0	17 324.5	17 324.5	9.3%	42.0%	18 850.9	19 855.0	21 015.3	6.6%	42.0%
Departmental agencies and accounts	5 873.7	6 985.7	14 578.3	9 896.4	9 896.4	19.0%	26.9%	10 782.8	12 209.6	12 803.3	9.0%	24.9%
Higher education institutions	8.2	8.7	9.2	9.6	9.6	5.7%	0.0%	10.2	10.8	11.3	5.4%	0.0%
Foreign governments and international organisations	4.3	4.7	8.1	9.1	9.1	28.3%	0.0%	9.5	10.1	10.5	4.9%	0.0%
Public corporations and private enterprises	7 850.1	8 765.2	9 474.1	10 227.9	10 227.9	9.2%	26.2%	11 159.1	14 598.3	17 931.7	20.6%	29.4%
Non-profit institutions	15.0	16.0	22.4	17.8	17.8	5.8%	0.1%	18.8	19.9	20.9	5.4%	0.0%
Households	626.5	340.0	449.1	463.0	463.0	-9.6%	1.4%	522.4	553.8	579.2	7.8%	1.2%
<b>Payments for capital assets</b>	<b>6.8</b>	<b>1.9</b>	<b>3.2</b>	<b>6.4</b>	<b>5.2</b>	<b>-8.5%</b>	<b>0.0%</b>	<b>4.6</b>	<b>4.9</b>	<b>5.1</b>	<b>-0.5%</b>	<b>0.0%</b>
Machinery and equipment	6.8	1.9	3.2	6.4	5.2	-8.5%	0.0%	4.6	4.9	5.1	-0.5%	0.0%
<b>Payments for financial assets</b>	<b>0.4</b>	<b>1.5</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Total</b>	<b>28 664.0</b>	<b>29 155.1</b>	<b>41 196.5</b>	<b>39 647.2</b>	<b>39 576.5</b>	<b>11.4%</b>	<b>100.0%</b>	<b>42 275.3</b>	<b>48 223.2</b>	<b>53 377.7</b>	<b>10.5%</b>	<b>100.0%</b>



## Personnel information

**Table 37.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit Cost	2012/13		Unit Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Transport</b>																			
<b>Salary level</b>	<b>767</b>	<b>69</b>	<b>547</b>	<b>233.6</b>	<b>0.4</b>	<b>524</b>	<b>281.1</b>	<b>0.5</b>	<b>801</b>	<b>360.1</b>	<b>0.4</b>	<b>801</b>	<b>383.4</b>	<b>0.5</b>	<b>801</b>	<b>406.5</b>	<b>0.5</b>	<b>15.2%</b>	<b>100.0%</b>
1 – 6	82	26	115	18.6	0.2	73	21.5	0.3	91	11.3	0.1	91	12.2	0.1	91	14.5	0.2	7.6%	11.8%
7 – 10	365	18	216	65.0	0.3	252	78.9	0.3	378	90.9	0.2	378	96.5	0.3	378	99.6	0.3	14.5%	47.4%
11 – 12	174	7	112	63.7	0.6	100	77.5	0.8	174	92.1	0.5	174	98.5	0.6	174	104.4	0.6	20.3%	21.3%
13 – 16	146	18	104	86.3	0.8	99	103.2	1.0	158	165.9	1.0	158	176.2	1.1	158	188.0	1.2	16.9%	19.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on maintaining road infrastructure, upgrading rail infrastructure and services, and constructing and operating public transportation infrastructure. The expenditure on these three items will meet the strategic objectives of the department, and is in line with the need for an efficient, competitive and responsive infrastructure network (outcome 6) and the national development plan priorities, as detailed in the above discussion of the plan.

These three items are also the main driver of significant increases in expenditure over the medium term. The spending on rail infrastructure in particular is expected to increase over the MTEF period, especially in 2014/15 and 2015/16, as the Passenger Rail Agency of South Africa builds depots, starts procuring new trains from 2015/16 onwards and continues to upgrade its signalling infrastructure.

In 2011/12, the department's expenditure increased significantly as a result of increased spending in the *Road Transport* programme in the form of an additional allocation of R5.8 billion to the South African National Roads Agency. This was due to the delay in implementing the e-tolling on Gauteng's freeways. Spending in the *Public Transport* programme also increased significantly from 2011/12 due to the public transport infrastructure and systems grant to municipalities. The grant was used to fund public transport networks in cities, including bus rapid transit systems. Since the initiation of the grant in 2005/06, Johannesburg and Cape Town have begun their initial phases; several cities have advanced significantly in planning their public transport networks; and others have begun building their infrastructure. Spending in the *Rail Transport* programme in 2009/10 was significant due to the Gautrain rapid rail link project, which was completed in 2010/11. Final transfers of R3.3 billion and R438.4 million for the Gautrain were made in 2009/10 and 2010/11.

Expenditure on consultants increased significantly in 2011/12 and 2012/13 as a result of spending on the electronic national traffic information system and the Mthatha airport upgrade. The amounts spent on consultants for the electronic national traffic information system varied each year. Spending on eNatis consultants is not reflected for the medium term as it will only be allocated once the transaction fees have been collected. Expenditure on consultants in 2012/13 constituted 365.3 per cent of total spending on compensation of employees.

As at 30 September 2012, the department had an establishment of 767 posts, all of which were funded and 69 posts were additional to the approved establishment. The number of posts filled decreased from 529 in 2009/10 to 524 in 2012/13, as a result of the restructuring undertaken in 2010/11 and 2011/12, when the department was reorganised around the different transport modes. No appointments were made until the structure was finalised in 2012/13. The department has now started to fill posts again for the first time since 2009.

It is expected that the number of posts will increase from 524 in 2012/13 to 801 over the medium term, 35.1 per cent of which will be in the *Administration* programme. *Administration* has grown because it has taken

on additional functions such as the programme management unit. Over the medium term, it will capacitate the internal audit unit. The balance of the posts will be in the *Rail Transport, Road Transport, Civil Aviation, Maritime Transport* and *Public Transport* programmes which are expected over the medium term to enhance their capacity to oversee transfers to public entities and other levels of government.

At the end of September 2012, the department had 243 vacancies, 47 of which were between salary levels 13 and 16, 122 between salary levels 1 and 10, and 74 between salary levels 11 and 12. Most of these vacancies are in the *Administration* and *Road Transport* programmes and will be filled in 2013/14. The ratio of support to line function staff is 3:1.

The department receives additional allocations over the medium term as follows:

- R250 million in 2013/14, R3.2 billion in 2014/15 and R1.6 billion in 2015/16 for infrastructure for the Passenger Rail Agency of South Africa
- R156.2 million in 2013/14, R955.5 million in 2014/15 and R1 billion in 2015/16 to the South African National Roads Agency for the maintenance of additional roads taken over from provinces
- R155.7 million in 2013/14, R173.4 million in 2014/15 and R409.3 million in 2015/16 for the provincial roads maintenance grant to improve the maintenance of roads.

### Infrastructure spending

The department's infrastructure expenditure consists of transfers to public entities and other levels of government. The major components are capital transfers to the Passenger Rail Agency of South Africa and South African National Roads Agency, and conditional grants for roads to provinces and municipalities for public transport infrastructure.

## Departmental receipts

Table 37.4 Receipts

	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R thousand												
<b>Departmental receipts</b>	106 074	408 844	312 500	237 676	307 676	42.6%	100.0%	253 221	268 766	280 796	-3.0%	100.0%
<b>Sales of goods and services produced by department</b>	98 714	406 176	305 534	230 474	230 474	32.7%	91.7%	245 509	260 544	270 574	5.5%	90.7%
Sales by market establishments	18	21	34	30	30	18.6%	-	30	30	30	-	-
of which:												
Rental parking: Covered and open	18	21	34	30	30	18.6%	-	30	30	30	-	-
Administration fees	98 521	406 035	305 408	230 350	230 350	32.7%	91.7%	245 385	260 420	270 450	5.5%	90.6%
of which:												
Foreign operating permits	402	474	-	350	350	-4.5%	0.1%	385	420	450	8.7%	0.1%
E-Natis fees	98 119	405 561	305 408	230 000	230 000	32.8%	91.5%	245 000	260 000	270 000	5.5%	90.5%
Other sales	175	120	92	94	94	-18.7%	-	94	94	94	-	-
of which:												
Commission on insurance	70	77	78	70	70	-	-	70	70	70	-	-
Approval of security plans	5	2	-	-	-	-100.0%	-	-	-	-	-	-
Replacement of security cards and tender documents	64	26	2	14	14	-39.7%	-	14	14	14	-	-
Departmental publications	36	15	12	10	10	-34.8%	-	10	10	10	-	-
<b>Sales of scrap, waste, arms and other used current goods</b>	3	1	2	2	2	-12.6%	-	2	2	2	-	-
of which:												
Waste paper	3	1	2	2	2	-12.6%	-	2	2	2	-	-
<b>Fines, penalties and forfeits</b>	(5)	(1)	77	50	50	-315.4%	-	60	70	70	11.9%	-
<b>Interest, dividends and rent on land</b>	137	264	147	150	150	3.1%	0.1%	150	150	150	-	0.1%
Interest	137	264	147	150	150	3.1%	0.1%	150	150	150	-	0.1%
<b>Transactions in financial assets and liabilities</b>	7 225	2 404	6 740	7 000	77 000	120.1%	8.2%	7 500	8 000	10 000	-49.4%	9.2%
<b>Total</b>	106 074	408 844	312 500	237 676	307 676	42.6%	100.0%	253 221	268 766	280 796	-3.0%	100.0%

## Programme 1: Administration

### Expenditure estimates

Table 37.5 Administration

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Ministry	34.3	45.8	41.5	33.9	-0.4%	13.5%	34.8	36.4	37.9	3.8%	9.9%
Management	24.2	25.4	70.1	72.0	43.8%	16.7%	67.0	70.6	73.8	0.8%	19.6%
Corporate Services	146.2	129.8	120.2	155.0	2.0%	48.0%	165.9	174.9	183.1	5.7%	47.0%
Communications	65.1	35.5	23.9	28.2	-24.3%	13.3%	40.6	42.6	44.3	16.3%	10.8%
Office Accommodation	19.1	9.6	24.7	44.8	32.9%	8.5%	44.9	46.5	47.8	2.2%	12.7%
<b>Total</b>	<b>288.9</b>	<b>246.1</b>	<b>280.4</b>	<b>333.8</b>	<b>4.9%</b>	<b>100.0%</b>	<b>353.1</b>	<b>371.0</b>	<b>387.0</b>	<b>5.0%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				16.4			20.3	19.0	18.9		

#### Economic classification

<b>Current payments</b>	<b>274.7</b>	<b>234.9</b>	<b>269.2</b>	<b>319.8</b>	<b>5.2%</b>	<b>95.6%</b>	<b>340.4</b>	<b>357.5</b>	<b>372.9</b>	<b>5.3%</b>	<b>96.2%</b>
Compensation of employees	97.4	112.7	129.6	145.3	14.3%	42.2%	156.8	166.9	176.8	6.8%	44.7%
Goods and services	177.3	122.2	139.7	174.5	-0.5%	53.4%	183.6	190.6	196.0	4.0%	51.5%
of which:											
Consultants and professional services: Business and advisory services	50.0	64.3	31.5	57.9	5.0%	17.7%	38.1	40.0	39.2	-12.2%	12.1%
Operating leases	21.2	11.0	26.5	46.8	30.2%	9.2%	47.0	48.7	50.1	2.3%	13.3%
Travel and subsistence	19.0	15.3	23.0	20.1	1.9%	6.7%	19.9	20.8	20.6	0.8%	5.6%
<b>Transfers and subsidies</b>	<b>8.8</b>	<b>9.8</b>	<b>9.7</b>	<b>10.0</b>	<b>4.3%</b>	<b>3.3%</b>	<b>10.5</b>	<b>11.2</b>	<b>11.7</b>	<b>5.4%</b>	<b>3.0%</b>
Departmental agencies and accounts	-	-	0.2	0.2	-	-	0.2	0.2	0.2	5.3%	0.1%
Higher education institutions	8.2	8.7	9.2	9.6	5.7%	3.1%	10.2	10.8	11.3	5.4%	2.9%
Households	0.6	1.1	0.3	0.1	-39.4%	0.2%	0.2	0.2	0.2	5.3%	-
<b>Payments for capital assets</b>	<b>5.0</b>	<b>1.3</b>	<b>1.3</b>	<b>4.1</b>	<b>-6.9%</b>	<b>1.0%</b>	<b>2.2</b>	<b>2.3</b>	<b>2.4</b>	<b>-16.0%</b>	<b>0.8%</b>
Machinery and equipment	5.0	1.3	1.3	4.1	-6.9%	1.0%	2.2	2.3	2.4	-16.0%	0.8%
<b>Payments for financial assets</b>	<b>0.3</b>	<b>0.2</b>	<b>0.2</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>288.9</b>	<b>246.1</b>	<b>280.4</b>	<b>333.8</b>	<b>4.9%</b>	<b>100.0%</b>	<b>353.1</b>	<b>371.0</b>	<b>387.0</b>	<b>5.0%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.0%</b>	<b>0.8%</b>	<b>0.7%</b>	<b>0.8%</b>			<b>0.8%</b>	<b>0.8%</b>	<b>0.7%</b>		

#### Details of selected transfers and subsidies

<b>Higher education institutions</b>											
<b>Current</b>	<b>8.2</b>	<b>8.7</b>	<b>9.2</b>	<b>9.6</b>	<b>5.7%</b>	<b>3.1%</b>	<b>10.2</b>	<b>10.8</b>	<b>11.3</b>	<b>5.4%</b>	<b>2.9%</b>
Universities of Pretoria, KwaZulu-Natal and Stellenbosch	8.2	8.7	9.2	9.6	5.7%	3.1%	10.2	10.8	11.3	5.4%	2.9%

## Personnel information

Table 37.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12	2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16								
		Unit			Unit			Unit			Unit								
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost			
<b>Administration</b>																			
<b>Salary level</b>	373	37	277	108.2	0.4	268	135.2	0.5	362	156.8	0.4	362	166.9	0.5	362	176.8	0.5	10.5%	100.0%
1 - 6	62	15	75	12.1	0.2	49	14.4	0.3	66	7.8	0.1	66	8.6	0.1	66	10.6	0.2	10.4%	18.2%
7 - 10	182	9	113	33.2	0.3	137	39.6	0.3	182	37.3	0.2	182	39.6	0.2	182	38.5	0.2	9.9%	50.4%
11 - 12	73	5	49	28.0	0.6	41	35.2	0.9	54	30.0	0.6	54	32.0	0.6	54	33.8	0.6	9.6%	15.0%
13 - 16	56	8	40	34.9	0.9	41	46.0	1.1	60	81.6	1.4	60	86.8	1.4	60	93.9	1.6	13.5%	16.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term in the *Administration* programme is on management and corporate services, such as legal services, human resources management, financial management and facilities management. The bulk of this expenditure is on compensation of employees, operating leases and consultants.

From 2011/2012, spending in the *Management* subprogramme increased significantly, due to the expansion of the forensic investigations section. In addition, expenditure went towards relocating the programme management unit and the governance counsel to the office of the director general, following the restructuring undertaken in 2010/11 and 2011/2012 and which was completed in 2012/13.

Expenditure in the *Communications* subprogramme decreased in 2010/11, as the content development and research required for the 2010 FIFA World Cup ended on the conclusion of the event.

Over the medium term, expenditure on office accommodation is expected to increase significantly. The department was expected to occupy additional office space from 2012/13, but due to a delay in this schedule, R48.1 million of the budget for office accommodation will now be reprioritised to management and corporate services over the medium term. This will fund the performance audit, the public private partnership fleet services and the establishment of the programme management unit.

Over the medium term R16.1 million from the *Integrated Transport Planning* programme, R11.3 million from the *Road Transport* programme and R9.6 million from the *Public Transport* programme have been reprioritised to expenditure on communication services for the Arrive Alive campaign and October Transport Month. The organisation of the October Transport Month is now being centralised in *Administration*, which results in an increase in spending in the *Communications* subprogramme over the medium term.

The programme's compensation of employees is expected to increase in 2013/14, as a result of organisational realignment, creating and growing the department's internal audit capacity and providing for salary increases. The number of filled posts increases from 277 in 2011/12 to 362 in 2013/14 as all vacancies are filled after the completion of the restructuring of the department in 2012/13.

Expenditure on consultants is dependent on the particular needs in the *Ministry* and *Communications* units, due to October Transport Month. Spending on consultants by this programme constitutes 39.8 per cent of spending on compensation of employees.

## Programme 2: Integrated Transport Planning

### Objectives

- Facilitate multi-modal transport planning on an ongoing basis by:
  - developing an enabling consolidated transport planning databank by 2015
  - developing the Multi-modal Integrated Transport Planning draft Bill by 2015
  - establishing a national transport planning forum by 2015.
- Assist line function operations with socioeconomic analysis of the transport sector by providing economic modelling and transport data on an ongoing basis.
- Reduce cross border system costs as well as transit and turnaround times to enhance trade within the Southern African Development Community region and Africa as a whole, by:
  - implementing the recommendations of the freight movement optimisation plan for the border control operations coordinating committee, beginning with the Lesotho border decongestion strategy
  - completing the study on the harmonisation of standards, by the end of 2013.
- Propose innovative and applicable technologies for improved and environmentally sustainable transport systems through research, innovation, monitoring and evaluation on an ongoing basis.
- Ensure evidence based transport planning and policy making by conducting a household travel survey and publishing its result by the end of 2013/14 to support public transport and infrastructure investments.

## Subprogrammes

- *Macro Sector Planning* examines land use and transport planning in all spheres of government from a multi-modal perspective to provide guidance on future investment; and manages, coordinates and facilitates the implementation of the planning provisions contained in the National Land Transport Act (2009) and other related transportation systems, policies and strategies. In 2012/13, the national transport master plan 2050 synopsis document was completed. Outputs over the medium term will include: Cabinet approval of the master plan, developing the consolidated transport planning databank, developing the multi-modal Integrated Transport Planning draft Bill, and establishing a national transport planning forum with an allocated budget of R8.6 million. This subprogramme had a staff complement of 7 in 2012/13.
- *Logistics* develops and coordinates the implementation of freight logistics strategies aimed at unblocking bottlenecks in the freight logistics system and related supply chains, with particular emphasis on integrating elements of the system across all modes. Over the medium term, R15.4 million is budgeted for updating the national freight databank and finalising the national freight corridor framework. This subprogramme had a staff complement of 13 in 2012/13.
- *Modelling and Economic Analysis* undertakes economic studies, provides innovative and enabling transport infrastructure funding options that respond to the socioeconomic needs of the national agenda, and applies economic analysis tools and transformation imperatives to transport sector policy development. In 2012/13, a study on the macroeconomic impact of transport on the economy and a modal shift analysis were completed; a study of global competitiveness by reducing transport costs was initiated; and a greenhouse gas inventory and database were established. The processes of establishing a single transport economic regulator and a broad based black economic empowerment (BEE) charter council have begun and will be finalised over the medium term at a cost of R16.1 million. This subprogramme had a staff complement of 11 in 2012/13.
- *Regional Integration* manages, coordinates and facilitates the development of strategies for engagement in the Southern African Development Community (SADC) region as well as the rest of Africa. Over the medium term, the focus will be on conducting studies on harmonising transport standards in the SADC region and developing traffic flow optimisation plans for key border posts. This subprogramme had a staff complement of 5 in 2012/13.
- *Research and Innovation* ensures research, innovation and monitoring of the transport sector for sustainability. In 2012/13, preliminary investigations into the conversion of public transport vehicles to use compressed natural gas for climate change mitigation purposes was conducted at a cost of R1 million. Over the medium term, the following outputs will be prioritised: a set of climate change nationally appropriate mitigation actions will be established as per the 2011 White Paper on National Climate Change Response; transport sector monitoring and evaluation will be improved by setting up an electronic monitoring and evaluation framework for national and provincial departments; a study will be conducted of South Africa's rural accessibility; and an investigation will be done into road freight accidents. This subprogramme had a staff complement of 10 in 2012/13.
- *Integrated Transport Planning Administration Support* provides administrative support services to the entire programme. It is responsible for budget control, performance reporting and project administration. This subprogramme had a staff complement of 5 in 2012/13.

## Expenditure estimates

**Table 37.7 Integrated Transport Planning**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Macro Sector Planning	16.8	18.1	23.9	17.5	1.3%	23.2%	15.9	16.6	17.3	-0.4%	18.1%
Logistics	8.8	14.2	17.5	21.0	33.7%	18.8%	21.4	22.4	23.2	3.3%	23.7%
Modelling and Economic Analysis	12.8	12.8	29.1	60.0	67.2%	35.0%	22.6	23.6	24.5	-25.8%	35.2%
Regional Integration	5.1	7.7	8.1	7.6	14.7%	8.7%	7.9	8.3	8.7	4.3%	8.8%
Research and Innovation	5.9	3.4	4.0	8.0	10.5%	6.5%	8.3	8.8	9.2	4.8%	9.2%
Integrated Transport Planning Administration Support	11.1	2.6	7.6	4.4	-26.6%	7.8%	4.6	4.8	5.0	4.7%	5.1%
<b>Total</b>	<b>60.6</b>	<b>58.7</b>	<b>90.2</b>	<b>118.5</b>	<b>25.1%</b>	<b>100.0%</b>	<b>80.6</b>	<b>84.5</b>	<b>87.9</b>	<b>-9.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				30.0			(4.0)	(4.9)	(5.6)		
<b>Current payments</b>	<b>59.6</b>	<b>58.5</b>	<b>88.7</b>	<b>117.7</b>	<b>25.5%</b>	<b>98.9%</b>	<b>79.8</b>	<b>83.6</b>	<b>87.0</b>	<b>-9.6%</b>	<b>99.1%</b>
Compensation of employees	43.8	43.7	49.9	32.5	-9.5%	51.8%	34.5	36.7	38.9	6.2%	38.4%
Goods and services	15.8	14.8	38.8	85.2	75.4%	47.1%	45.3	46.9	48.1	-17.4%	60.7%
<i>of which:</i>											
<i>Consultants and professional services: Business and advisory services</i>	5.1	3.4	7.9	75.7	145.5%	28.1%	37.2	40.5	41.4	-18.2%	52.4%
<i>Consultants and professional services: Infrastructure and planning</i>	0.5	2.1	-	-	-100.0%	0.8%	-	-	-	-	-
<i>Operating leases</i>	0.3	0.4	0.3	0.3	-0.1%	0.4%	-	0.1	0.1	-38.3%	0.1%
<i>Travel and subsistence</i>	3.2	1.6	6.4	4.9	16.0%	4.9%	4.6	3.3	3.4	-11.5%	4.4%
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>-</b>	<b>0.1</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	0.0	-	0.1	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.9</b>	<b>0.2</b>	<b>1.4</b>	<b>0.8</b>	<b>-4.0%</b>	<b>1.0%</b>	<b>0.8</b>	<b>0.9</b>	<b>0.9</b>	<b>5.4%</b>	<b>0.9%</b>
Machinery and equipment	0.9	0.2	1.4	0.8	-4.0%	1.0%	0.8	0.9	0.9	5.4%	0.9%
<b>Total</b>	<b>60.6</b>	<b>58.7</b>	<b>90.2</b>	<b>118.5</b>	<b>25.1%</b>	<b>100.0%</b>	<b>80.6</b>	<b>84.5</b>	<b>87.9</b>	<b>-9.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.3%</b>			<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>		

## Personnel information

**Table 37.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
Integrated Transport Planning		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
Salary level	65	10	51	26.9	0.5	51	29.9	0.6	65	34.5	0.5	65	36.7	0.6	65	38.9	0.6	8.4%	100.0%
1-6	2	6	6	1.1	0.2	1	1.1	1.1	2	0.1	0.1	2	0.1	0.1	2	0.2	0.1	26.0%	2.8%
7-10	25	1	16	4.9	0.3	21	7.3	0.3	25	5.6	0.2	25	6.0	0.2	25	6.5	0.3	6.0%	39.0%
11-12	17	-	9	4.8	0.5	10	4.6	0.5	17	9.8	0.6	17	10.5	0.6	17	11.3	0.7	19.3%	24.8%
13-16	21	3	20	16.1	0.8	19	16.9	0.9	21	18.9	0.9	21	20.1	1.0	21	20.9	1.0	3.4%	33.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on developing and implementing strategies, and undertaking studies and analyses around developing an integrated, multi-modal national system of transport, with particular

attention to planning for a more effective and efficient public transport system for the country. The bulk of the spending is concentrated in the *Macro Sector Planning, Modelling and Economic Analysis* and the *Logistics* subprogrammes and goes mainly towards compensation of employees and the consultants who provide specialised skills and research with regard to transport planning.

Expenditure in 2012/13 increased significantly due to the national household travel survey in the *Modelling and Economic Analysis* subprogramme, which cost R40.9 million in that year and R20 million in 2011/12. This was on the hiring of consultants for the statistical analysis required for the survey. Additional consultancy projects such as the single transport economic regulator, macro planning framework, national freight corridor framework, and the update of the national freight database, account for the growth in spending on consultants from R7.9 million in 2011/12 to R75.7 million in 2012/13.

The increased travel, venue and facilities expenditure in 2011/12 and 2012/13 were due to workshops held in provinces on the Integrated Transport Sector Broad Based Black Economic Empowerment Charter.

Expenditure on compensation of employees decreased in 2010/11 due to the realignment of the organisational structure. Personnel increases from 51 in 2011/12 to 65 in 2013/14 as all vacancies are filled after the completion of the restructuring of the department in 2012/13.

In 2012/13 savings were realised in this programme and reprioritised to the *Administration* programme in order to fund the appointment of consultants to address the auditor general report and for communications related projects.

## Programme 3: Rail Transport

### Objectives

- Upgrade and expand the priority commuter rail corridors by:
  - finalising the rail policy and the rail plan strategy by 2014
  - ensuring increased service levels and improved system performance and reliability in 7 of the 21 priority commuter rail corridors in the country by 2014.
- Increase the accountability for commuter rail service delivery by facilitating the devolution of rail commuter operational subsidies to local government by:
  - signing a service level agreement between the department and the Passenger Rail Agency of South Africa by December 2013
  - signing service level agreements between capacitated metropolitan municipalities and the Passenger Rail Agency of South Africa by December 2014.
- Enhance the efficiencies and reliability of the rail transport sector by:
  - promulgating a Rail White Paper in 2014
  - enacting legislation by 2015/16 which drives investment and reform in the rail industry
  - reducing logistical cost of freight movement from 50.4 per cent to 41 per cent over the medium term
  - increasing the passenger rail volumes by 2.5 per cent annually.
- Ensure a safe railway environment by:
  - developing rail safety policy and regulations and reducing the number of accidents and incidents due to unsafe infrastructure or equipment by 10 per cent by 2014/15
  - increasing safety compliance through the introduction of a penalty regime by 2014
  - reducing the total number of incidents and accidents from 3 720 in 2011/12 by 5 per cent in 2013/14 and a further 10 per cent in 2014/15.

### Subprogrammes

- *Rail Regulation* is discussed in more detail below.
- *Rail Infrastructure and Industry Development* coordinates the development, maintenance of and investment in rail infrastructure. In 2012/13, at a cost of R2.6 million, the subprogramme coordinated an

interdepartmental steering committee, which commented on and approved a feasibility study that analysed the engineering, economic, legal and financial aspects of the rolling stock procurement process. The study's findings were approved by Cabinet in December 2011 and in April 2012 the Passenger Rail Agency of South Africa started the procurement process. A request for a proposal was published in May 2012 and a preferred bidder was announced in December 2012. The signing of the contract is targeted for June 2013. Over the medium term, the focus will be on facilitating the Passenger Rail Agency of South Africa's rolling stock procurement process. This subprogramme had a staff complement of 4 in 2012/13.

- *Rail Operations* coordinates the implementation of integrated rail services, and monitors and analyses service delivery challenges facing the rail industry. In 2012/13, at a cost of R2.9 million, steering committees were established in each of the metropolitan municipalities where the Passenger Rail Agency of South Africa provides services. A due diligence study is currently being conducted in the Cape Town municipality to quantify the financial and operational implications of devolving the rail operational subsidies to the municipality. In this regard, a steering committee has been established for metropolitan authorities that are in the process of developing a service level agreement to be entered into between the department and the agency in 2013/14. The initial step, from 2014/15, will be to reallocate to municipalities the operational funding that is presently transferred to the agency. Over the medium term, a key function will be to coordinate and facilitate the phased devolution of rail operational subsidies to metropolitan authorities. This subprogramme had a staff complement of 5 in 2012/13.
- *Rail Oversight* transfers allocations in full to the Passenger Rail Agency of South Africa and the Railway Safety Regulator. This subprogramme had no staff complement in 2012/13.
- *Rail Administration Support* provides support services to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 5 in 2012/13.

## Expenditure estimates

**Table 37.9 Rail Transport**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Rail Regulation	2.0	5.9	6.5	16.2	100.4%	0.1%	14.2	14.9	15.5	-1.4%	0.1%
Rail Infrastructure and Industry Development	5.3	4.3	2.1	6.8	8.7%	-	7.1	7.5	7.9	4.7%	0.1%
Rail Operations	21.5	5.5	3.9	6.5	-32.8%	0.1%	9.1	9.6	10.1	15.5%	0.1%
Rail Oversight	10 496.4	9 239.2	9 516.9	10 267.3	-0.7%	99.7%	11 205.6	14 649.8	17 985.6	20.5%	99.7%
Rail Administration Support	2.4	4.8	2.8	4.6	24.0%	-	4.8	5.0	5.3	4.9%	-
<b>Total</b>	<b>10 527.7</b>	<b>9 259.7</b>	<b>9 532.2</b>	<b>10 301.4</b>	<b>-0.7%</b>	<b>100.0%</b>	<b>11 240.8</b>	<b>14 686.8</b>	<b>18 024.3</b>	<b>20.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				2.5			103.1	(1 136.8)	1 472.8		
<b>Economic classification</b>											
<b>Current payments</b>	<b>31.2</b>	<b>20.4</b>	<b>15.2</b>	<b>34.0</b>	<b>2.9%</b>	<b>0.3%</b>	<b>35.1</b>	<b>36.9</b>	<b>38.6</b>	<b>4.3%</b>	<b>0.3%</b>
Compensation of employees	6.6	9.0	8.4	16.4	35.7%	0.1%	19.7	21.0	22.3	10.7%	0.1%
Goods and services	24.6	11.5	6.8	17.6	-10.6%	0.2%	15.3	15.9	16.3	-2.5%	0.1%
of which:											
Consultants and professional services: Business and advisory services	22.7	5.6	6.0	13.0	-17.0%	0.1%	5.0	5.2	5.4	-25.5%	0.1%
Consultants and professional services: Infrastructure and planning	-	2.1	-	2.3	-	-	8.1	8.8	9.2	58.6%	0.1%
Operating leases	0.1	0.2	0.1	0.1	12.2%	-	0.1	0.1	0.1	-17.7%	-
Travel and subsistence	1.3	2.1	0.5	0.9	-11.0%	-	1.1	1.0	1.0	2.8%	-



Table 37.9 Rail Transport (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Transfers and subsidies</b>	<b>10 496.4</b>	<b>9 239.2</b>	<b>9 516.9</b>	<b>10 267.3</b>	<b>-0.7%</b>	<b>99.7%</b>	<b>11 205.6</b>	<b>14 649.8</b>	<b>17 985.6</b>	<b>20.5%</b>	<b>99.7%</b>
Provinces and municipalities	2 976.7	438.4	5.3	–	-100.0%	8.6%	–	–	–	–	–
Departmental agencies and accounts	37.3	35.6	37.5	39.3	1.8%	0.4%	46.5	51.5	53.9	11.0%	0.4%
Public corporations and private enterprises	7 482.4	8 765.2	9 474.1	10 227.9	11.0%	90.7%	11 159.1	14 598.3	17 931.7	20.6%	99.4%
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>-4.2%</b>	<b>–</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>5.3%</b>	<b>–</b>
Machinery and equipment	0.1	0.1	0.1	0.1	-4.2%	–	0.1	0.1	0.1	5.3%	–
<b>Total</b>	<b>10 527.7</b>	<b>9 259.7</b>	<b>9 532.2</b>	<b>10 301.4</b>	<b>-0.7%</b>	<b>100.0%</b>	<b>11 240.8</b>	<b>14 686.8</b>	<b>18 024.3</b>	<b>20.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>36.7%</b>	<b>31.8%</b>	<b>23.1%</b>	<b>26.0%</b>			<b>26.6%</b>	<b>30.5%</b>	<b>33.8%</b>		

## Details of selected transfers and subsidies

Departmental agencies and accounts											
Departmental agencies (non-business entities)											
Current											
Railway Safety Regulator											
Public corporations and private enterprises											
Public corporations											
Other transfers to public corporations											
Capital											
Passenger Rail Agency of South Africa											
Passenger Rail Agency of South Africa (Public transport infrastructure and systems grant)											
Public corporations											
Public corporations - subsidies on products and production											
Current											
Passenger Rail Agency of South Africa											
Provinces and municipalities											
Provinces											
Provincial Revenue Funds											
Capital											
Gautrain rapid rail link											
	37.3	35.6	37.5	39.3	1.8%	0.4%	46.5	51.5	53.9	11.0%	0.4%
	37.3	35.6	37.5	39.3	1.8%	0.4%	46.5	51.5	53.9	11.0%	0.4%
	4 296.5	5 610.3	6 134.8	6 701.1	16.0%	57.4%	7 481.1	10 711.0	13 865.5	27.4%	71.4%
	3 831.8	5 110.3	6 134.8	6 701.1	20.5%	55.0%	7 481.1	10 711.0	13 865.5	27.4%	71.4%
	464.8	500.0	–	–	-100.0%	2.4%	–	–	–	–	–
	3 185.8	3 154.9	3 339.3	3 526.8	3.4%	33.3%	3 678.0	3 887.3	4 066.2	4.9%	27.9%
	3 185.8	3 154.9	3 339.3	3 526.8	3.4%	33.3%	3 678.0	3 887.3	4 066.2	4.9%	27.9%
	2 976.7	438.4	5.3	–	-100.0%	8.6%	–	–	–	–	–
	2 976.7	438.4	5.3	–	-100.0%	8.6%	–	–	–	–	–

## Personnel Information

Table 37.10 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number								
Number of funded posts	Number of posts additional to the establishment	Actual						Revised estimate <sup>3</sup>						Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16			2012/13 - 2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Rail Transport</b>		36		2	23	10.0	0.4	21	12.7	0.6	39	19.7	0.5	39	21.0	0.5	39	22.3	0.6	22.9%	100.0%	
<b>Salary level</b>																						
1 – 6	3	–	6	1.0	0.2	2	1.2	0.6	3	0.6	0.2	3	0.7	0.2	3	0.7	0.2	3	0.7	0.2	14.5%	8.0%
7 – 10	16	–	6	1.8	0.3	10	2.4	0.2	16	4.8	0.3	16	5.1	0.3	16	5.4	0.3	16	5.4	0.3	17.0%	42.0%
11 – 12	8	1	7	3.9	0.6	5	4.7	0.9	11	5.0	0.5	11	5.4	0.5	11	6.4	0.6	11	6.4	0.6	30.1%	27.5%
13 – 16	9	1	4	3.3	0.8	4	4.4	1.1	9	9.3	1.0	9	9.9	1.1	9	9.8	1.1	9	9.8	1.1	31.0%	22.5%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on making transfers to the Passenger Rail Agency of South Africa in the form of a current transfer as a subsidy for operations and maintenance, and capital transfers mainly for maintenance and upgrades of outdated infrastructure. These transfers are also the main drivers of spending increases or decreases in the programme.

The decrease in the programme's expenditure in 2010/11 was the result of the transfer to the Gauteng provincial government for the Gautrain project being reduced from R3 billion in 2009/10 to R438.4 million in 2010/11, after which transfers ceased as the project was complete.

From 2011/12 onwards, the significant increases in programme expenditure were the result of increased transfers to the Passenger Rail Agency of South Africa to replace signalling systems and upgrade infrastructure. These transfers to the agency increase significantly in 2014/15 and 2015/16, with a similar effect on programme expenditure, due to additional allocations to allow the agency to prepare infrastructure for the new trains and to acquire the new trains, for which R4.2 billion has been budgeted in 2015/16. These additional allocations are expected to significantly improve the reliability, safety and frequency of the Metrorail service beyond the medium term.

Spending on compensation of employees increased significantly in 2010/11 and again in 2012/13, driven mainly by an increase in the number of posts in the *Rail Operations* subprogramme to provide capacity to monitor public entities. Personnel increases from 23 in 2011/12 to 39 in 2013/14 as all vacancies are filled after the completion of the restructuring of the department in 2012/13. Personnel moved from the *Integrated Transport Planning* programme to the *Rail Transport* programme as part of the restructuring. R3 billion of the capital transfer to Passenger Rail Agency of South Africa was rescheduled from 2014/15 to 2015/16 as trains will only be delivered then.

The high spending on consultants in 2009/10 and 2012/13 is attributed to the restructuring of the department and the alignment of the budget with the strategic plan.

Funds over the medium term have been reprioritised within the programme, from the *Rail Regulation* subprogramme to the *Rail Operations* subprogrammes, to fund the project on the devolution of rail commuter operations from national government to municipalities.

## Subprogramme: Rail Regulation

This subprogramme develops rail policy, and safety and economic regulations to ensure improved safety and efficiency in rail transport. Development of the rail transport policy continued in 2012/13 and the associated legislation will be enacted by Parliament in 2015/16. Over the medium term, the focus will be on developing the policy and legislation, and establishing a rail economic regulator as part of the single transport economic regulator process. The White Paper on Rail Transport will be published for public comment in 2013/14, at a cost of R2.5 million.

## Expenditure Estimates

Table 37.11 Rail Regulation

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million					2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Current payments</b>	<b>2.0</b>	<b>5.9</b>	<b>6.4</b>	<b>16.2</b>	<b>100.9%</b>	<b>99.8%</b>	<b>14.2</b>	<b>14.9</b>	<b>15.5</b>	<b>-1.4%</b>	<b>100.0%</b>
Compensation of employees	1.8	3.6	1.4	5.4	43.9%	40.0%	5.8	6.1	6.5	6.2%	39.3%
Goods and services	0.2	2.3	5.1	10.7	299.6%	59.8%	8.4	8.7	9.0	-5.7%	60.7%
of which:											
Consultants and professional services: Business and advisory services	-	-	5.0	8.0	-	42.4%	-	-	-	-100.0%	13.2%
Consultants and professional services: Infrastructure and planning	-	2.1	-	2.3	-	14.4%	8.1	8.8	9.2	58.6%	46.8%
Operating leases	-	0.0	0.0	0.1	-	0.4%	0.0	0.0	0.0	-45.8%	0.2%
Travel and subsistence	0.0	0.0	0.1	0.1	49.0%	0.9%	0.3	0.2	0.2	16.4%	1.5%

Table 37.11 Rail Regulation (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
Payments for capital assets	0.0	0.0	0.0	0.0	-30.7%	0.2%	0.0	0.0	0.0	-	-
Machinery and equipment	0.0	0.0	0.0	0.0	-30.7%	0.2%	0.0	0.0	0.0	-	-
<b>Total</b>	<b>2.0</b>	<b>5.9</b>	<b>6.5</b>	<b>16.2</b>	<b>100.4%</b>	<b>100.0%</b>	<b>14.2</b>	<b>14.9</b>	<b>15.5</b>	<b>-1.4%</b>	<b>100.0%</b>
Proportion of total subprogramme expenditure to programme expenditure	0.0%	0.1%	0.1%	0.2%			0.1%	0.1%	0.1%		

## Personnel Information

Table 37.12 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
Rail Regulation																			
Salary level	12	-	7	3.5	0.5	7	4.6	0.7	12	5.8	0.5	12	6.1	0.5	12	6.5	0.5	19.7%	100.0%
1 - 6	-	-	2	0.4	0.2	-	0.5	-	-	-	-	-	-	-	-	-	-	-	-
7 - 10	5	-	1	0.4	0.4	3	0.5	0.2	5	2.0	0.4	5	2.1	0.4	5	2.1	0.4	18.6%	41.9%
11 - 12	3	-	2	1.2	0.6	2	1.5	0.8	3	0.7	0.2	3	0.8	0.3	3	0.9	0.3	14.5%	25.6%
13 - 16	4	-	2	1.6	0.8	2	2.0	1.0	4	3.1	0.8	4	3.3	0.8	4	3.5	0.9	26.0%	32.6%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

Spending increased significantly in 2012/13 as a result of consultants being appointed to develop the rail policy and legislation at a cost of R16.8 million and to set up the interim Rail Economic Regulator at a cost of R9.6 million over the medium term. The objective of setting up the interim regulator is to establish a single transport economic regulator.

The number of personnel in the subprogramme fluctuated between 2009/10 and 2012/13 as a result of the subprogramme filling only critical positions due to the restructuring process finalised in 2012/13.

## Programme 4: Road Transport

### Objectives

- Maintain and preserve the existing roads network, including reducing the kilometres of provincial roads in a poor to very poor condition from 65 966 kilometres in 2010 to 51 000 in 2014, by:
  - monitoring rural roads asset management systems and provincial roads grants expenditure performance continually
  - developing and updating guidelines and standards for roads on an ongoing basis.
- Maintain and preserve coal haulage roads through:
  - rehabilitating 2 156 kilometres of coal haulage roads by 2014
  - monitoring the spending and performance by the South African National Roads Agency and the provincial roads departments of Mpumalanga and Gauteng quarterly
  - engaging with Transnet and Eskom to facilitate the ongoing migration of coal from road to rail.

- Support the implementation of the road infrastructure strategic framework by:
  - providing grant funding on an ongoing basis
  - ensuring the use of updated road asset management systems in all provinces by 2013/14, at local government level for the initial 22 district municipalities by 2014/15, and assisting a further 7 district municipalities in 2013/14.
- Improve rural access and mobility by:
  - assisting 21 district municipalities in developing non-motorised transport infrastructure and facilities
  - developing plans and guidelines for non-motorised infrastructure design, and monitoring their implementation by 2014.
- Support the millennium development goals to reduce accidents and incidents on roads, reducing the 2011 figure of 14 000 people per annum who died on the road by 50 per cent in 2020, by changing drivers' behaviour through reviewing the existing road safety strategy during the MTEF period.

## Subprogrammes

- *Road Regulation* regulates road safety and traffic management, manages the relevant information systems and programmes, and exercises oversight over the inspectorate for driving licences and vehicle testing stations. In 2012/13, workshops were held to promote the transport management system, a strategy that focuses on load management, driver wellness, vehicle fitness and the operating safety of heavy vehicles. Comments were also received on draft regulations with regard to the capacity of testing stations to cope with additional motor vehicle testing. Over the medium term, at an approximate cost of R6 million, learner and driving licence instructions will be provided to high schools. By the end of 2013/14, 2 250 students are expected to be trained in driving skills. To achieve a reduction in accidents, drivers' driving skills will be enhanced by regulating the driving school industry through a review of the drivers' training manual. This subprogramme had a staff complement of 35 in 2012/13.
- *Road Infrastructure and Industry Development* facilitates and coordinates the planning, development, and management and maintenance of road infrastructure and asset management systems; and is responsible for broader industry development objectives. In 2012/13, R30.7 million was spent on monitoring the compliance of provinces with guidelines developed for provincial roads maintenance through the provincial road maintenance grant. Responsibilities over the medium term include developing and managing the framework for maintaining the secondary road network. This entails monitoring and evaluating the performance of provinces in efficiently and effectively maintaining their road networks. The subprogramme assesses and assists provinces on an ongoing basis in addressing specific challenges with road network development through programmes such as upgrading the coal haulage road network and roads in similar circumstances in other provinces. This subprogramme had a staff complement of 9 in 2012/13.
- *Road Oversight* reviews and analyses the performance of five road transport public entities and monitors their compliance regulations and legislation. The subprogramme's total budget is transferred to the South African National Roads Agency, Road Traffic Infringement Agency and Road Traffic Management Corporation and to provinces and municipalities for road infrastructure and systems for road maintenance and upgrading. Over the medium term, the department will continue to monitor progress and expenditure by the road public entities and provinces and municipalities on a monthly, quarterly and annual basis. This subprogramme had no staff in 2012/13.
- *Road Administration Support* provides administrative support services to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects and business planning. This subprogramme had a staff complement of 10 in 2012/13.
- *Road Engineering Standards* develops and ensures the implementation of road engineering standards to provide a safe and reliable transportation system; and preserves, protects and improves road infrastructure. This entails developing and updating road engineering norms and standards, road asset management system policy and guidelines, and performance indicators; and managing and coordinating road infrastructure audits and quality assurance, road disaster management, and environmental management. In 2012/13, a new standards document aligning the country's highways with international highway standards was developed and presented to the committee of transport officials and, at a cost of R7.4 million, the digitised road traffic

signs manual and route numbering document was updated. This subprogramme had a staff complement of 10 in 2012/13.

## Expenditure estimates

**Table 37.13 Road Transport**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Road Regulation	243.0	238.0	459.0	335.1	11.3%	2.1%	35.7	37.4	39.1	-51.1%	0.5%
Road Infrastructure and Industry Development	25.3	52.5	30.9	42.7	19.1%	0.2%	39.0	40.8	42.3	-0.3%	0.2%
Road Oversight	10 134.0	11 019.7	21 229.3	17 835.9	20.7%	97.5%	19 448.9	21 321.7	22 581.8	8.2%	99.2%
Road Administration Support	12.3	38.5	3.8	7.9	-13.9%	0.1%	8.2	8.7	9.1	5.0%	-
Road Engineering Standards	7.5	12.0	6.9	9.1	6.7%	0.1%	9.7	10.3	10.9	6.1%	-
<b>Total</b>	<b>10 422.1</b>	<b>11 360.7</b>	<b>21 729.8</b>	<b>18 230.7</b>	<b>20.5%</b>	<b>100.0%</b>	<b>19 541.5</b>	<b>21 418.9</b>	<b>22 683.2</b>	<b>7.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				301.9			430.5	1 261.3	1 598.4		
<b>Economic classification</b>											
<b>Current payments</b>	<b>287.9</b>	<b>339.5</b>	<b>500.3</b>	<b>395.5</b>	<b>11.2%</b>	<b>2.5%</b>	<b>103.3</b>	<b>108.5</b>	<b>113.4</b>	<b>-34.1%</b>	<b>0.9%</b>
Compensation of employees	28.6	34.8	28.5	43.2	14.7%	0.2%	55.9	59.5	63.1	13.4%	0.3%
Goods and services	259.3	304.8	471.8	352.3	10.8%	2.2%	47.4	49.1	50.3	-47.7%	0.6%
<i>of which:</i>											
<i>Consultants and professional services: Business and advisory services</i>	234.2	146.7	440.2	341.5	13.4%	1.9%	36.8	37.7	38.6	-51.7%	0.6%
<i>Consultants and professional services: Infrastructure and planning</i>	-	140.3	-	-	-	0.2%	-	-	-	-	-
<i>Operating leases</i>	0.4	1.3	0.3	0.5	3.9%	-	0.5	0.5	0.6	6.5%	-
<i>Travel and subsistence</i>	5.6	7.4	5.8	5.9	1.4%	-	6.1	6.4	6.6	4.0%	-
<b>Transfers and subsidies</b>	<b>10 134.0</b>	<b>11 019.7</b>	<b>21 229.4</b>	<b>17 834.6</b>	<b>20.7%</b>	<b>97.5%</b>	<b>19 437.5</b>	<b>21 309.7</b>	<b>22 569.1</b>	<b>8.2%</b>	<b>99.1%</b>
Provinces and municipalities	4 336.3	4 101.5	6 732.8	8 019.1	22.7%	37.6%	8 748.4	9 201.4	9 871.7	7.2%	43.8%
Departmental agencies and accounts	5 797.7	6 918.1	14 496.5	9 815.5	19.2%	60.0%	10 689.1	12 108.3	12 697.4	9.0%	55.3%
Households	0.0	-	0.1	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.2</b>	<b>0.1</b>	<b>0.6</b>	<b>51.9%</b>	<b>-</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>5.4%</b>	<b>-</b>
Machinery and equipment	0.2	0.2	0.1	0.6	51.9%	-	0.6	0.7	0.7	5.4%	-
<b>Payments for financial assets</b>	<b>0.0</b>	<b>1.3</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>10 422.1</b>	<b>11 360.7</b>	<b>21 729.8</b>	<b>18 230.7</b>	<b>20.5%</b>	<b>100.0%</b>	<b>19 541.5</b>	<b>21 418.9</b>	<b>22 683.2</b>	<b>7.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>36.4%</b>	<b>39.0%</b>	<b>52.7%</b>	<b>46.0%</b>			<b>46.2%</b>	<b>44.4%</b>	<b>42.5%</b>		

### Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>2 844.2</b>	<b>2 852.9</b>	<b>3 019.2</b>	<b>3 212.9</b>	<b>4.1%</b>	<b>19.3%</b>	<b>3 645.7</b>	<b>3 927.5</b>	<b>4 151.7</b>	<b>8.9%</b>	<b>18.2%</b>
Road Traffic Management Corporation	83.6	73.6	77.9	82.4	-0.5%	0.5%	166.9	176.0	184.1	30.7%	0.7%
South African National Roads Agency	2 760.6	2 779.3	2 924.2	3 125.5	4.2%	18.8%	3 453.7	3 736.1	3 951.6	8.1%	17.4%
Road Traffic Infringement Agency	-	-	17.0	5.0	-	-	25.0	15.3	16.0	47.4%	0.1%

**Table 37.13 Road Transport (continued)**

	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Capital</b>	<b>2 953.5</b>	<b>4 065.2</b>	<b>11 477.3</b>	<b>6 602.6</b>	<b>30.8%</b>	<b>40.6%</b>	<b>7 043.5</b>	<b>8 180.8</b>	<b>8 545.7</b>	<b>9.0%</b>	<b>37.1%</b>
South African National Roads Agency - Gauteng Freeway Improvement project	-	-	5 750.0	-	-	9.3%	-	-	-	-	-
South African National Roads Agency - Non-toll Network	2 847.5	4 065.2	5 262.6	5 934.6	27.7%	29.3%	6 394.5	7 515.3	7 849.6	9.8%	33.8%
South African National Roads Agency - Coal Haulage Network	-	-	464.8	668.0	-	1.8%	648.9	665.5	696.1	1.4%	3.3%
South African National Roads Agency (Public transport infrastructure and systems grant)	106.0	-	-	-	-100.0%	0.2%	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>12.8</b>	<b>10.4</b>	<b>35.4</b>	<b>37.3</b>	<b>42.8%</b>	<b>0.2%</b>	<b>52.2</b>	<b>75.2</b>	<b>97.8</b>	<b>37.9%</b>	<b>0.3%</b>
Rural roads asset management systems grant	12.8	10.4	35.4	37.3	42.8%	0.2%	52.2	75.2	97.8	37.9%	0.3%
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Capital</b>	<b>4 323.5</b>	<b>4 091.1</b>	<b>6 697.4</b>	<b>7 981.8</b>	<b>22.7%</b>	<b>37.4%</b>	<b>8 696.2</b>	<b>9 126.2</b>	<b>9 773.9</b>	<b>7.0%</b>	<b>43.5%</b>
Overload control grant	10.1	11.0	-	-	-100.0%	-	-	-	-	-	-
Provincial roads maintenance grant: Roads maintenance	4 162.2	4 080.1	5 872.4	6 828.5	17.9%	33.9%	7 519.5	7 956.2	8 934.0	9.4%	38.2%
Sani Pass roads grant	34.3	-	-	-	-100.0%	0.1%	-	-	-	-	-
Provincial roads maintenance grant: Disaster relief	116.9	-	240.0	489.9	61.2%	1.4%	367.8	366.9	-	-100.0%	1.5%
Provincial roads maintenance grant: Coal haulage road network maintenance	-	-	585.0	663.4	-	2.0%	808.9	803.0	839.9	8.2%	3.8%

## Personnel information

**Table 37.14 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

	Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost							
<b>Road Transport</b>	<b>112</b>	<b>4</b>	<b>68</b>	<b>27.3</b>	<b>0.4</b>	<b>64</b>	<b>33.6</b>	<b>0.5</b>	<b>136</b>	<b>55.9</b>	<b>0.4</b>	<b>136</b>	<b>59.5</b>	<b>0.4</b>	<b>136</b>	<b>63.1</b>	<b>0.5</b>	<b>28.6%</b>	<b>100.0%</b>
1 – 6	8	1	10	1.6	0.2	5	1.8	0.4	11	1.7	0.2	11	1.8	0.2	11	1.8	0.2	30.1%	8.1%
7 – 10	57	1	33	10.7	0.3	38	13.3	0.4	64	19.9	0.3	64	21.1	0.3	64	22.3	0.3	19.0%	48.7%
11 – 12	31	-	16	8.6	0.5	13	10.8	0.8	41	18.1	0.4	41	19.7	0.5	41	21.4	0.5	46.6%	28.8%
13 – 16	16	2	9	6.3	0.7	8	7.7	1.0	20	16.2	0.8	20	17.0	0.9	20	17.6	0.9	35.7%	14.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on transferring money to the South African National Roads Agency and provinces for capital investments and road maintenance to provide a reliable road network. These allocations over the medium term are expected to reduce the kilometres of secondary roads in poor or very poor condition from 65 966 kilometres in 2009/10 to 50 000 kilometres in 2015/16. These transfers are also the main drivers of increases in overall programme expenditure.

Transfers increased significantly in 2011/12 mainly due to an additional R5.8 billion transferred to the South African National Roads Agency in the *Road Oversight* subprogramme. This was to cover operating costs as a result of the delays experienced in introducing e-tolling on Gauteng's freeways. Additional increases in transfers were as follows: R1 billion for coal haulage roads that need to be repaired by the agency, Gauteng and Mpumalanga; R1.2 billion in capital increases to the agency for its non-toll network, and R1.8 billion to the provincial roads maintenance grant for the provinces' ongoing road maintenance programmes. These transfers, except for the e-tolls transfer, continued in 2012/13. The capital transfer increases by R672.1 million in 2013/14 and the grant increases by R956.2 million to improve the state of national and provincial roads.

Spending in the *Road Oversight* subprogramme is expected to grow over the medium term as a result of increases in the transfers to the South African National Roads Agency as follows: R156.2 million in 2013/14, R240.8 million in 2014/15 and R295.5 million in 2015/16 for the routine maintenance of roads. Capital roads works will cost R714.7 million in 2014/15 and R736.2 million in 2015/16 as a result of the agency including 2 075 kilometres of additional road from the Eastern Cape and 1 441 kilometres from the North West into the national road network.

The rural roads asset management systems grant, which pays for the establishment of roads asset management systems in district municipalities, receives an additional R13.1 million in 2013/14, R33.8 million in 2014/15 and R54.4 million in 2015/16. This will enable another seven district municipalities to be included in 2013/14 and further municipalities thereafter. The provincial roads maintenance grant also receives additional allocations of R155.7 million in 2013/14, R173.4 million in 2014/15 and R409.3 million in 2015/16 to improve roads maintenance of secondary roads.

The increase in spending on compensation of employees from 2013/14 is the result of increasing personnel numbers from 64 in 2012/13 to 136 from 2013/14 onwards to fill posts after restructuring. All vacancies are filled. New personnel will provide capacity to improve the monitoring of the provincial roads maintenance and the rural roads asset management systems grants and improve oversight over the programme's entities. The increase in spending on compensation of employees is mainly in the *Road Regulation* subprogramme, as setting policy and norms and standards and developing legislation remains an important focus of the programme.

Spending on consultants in the *Road Regulation* subprogramme for the maintenance and upgrade of the electronic national traffic information system was significant: R198.8 million in 2009/10, R186 million in 2010/11, R417.6 million in 2011/12 and R297 million in 2012/13. Expenditure over the medium term on this item is expected to be higher than reflected because the electronic national information systems transaction fees revenue has not yet been finalised and will only be allocated in future budgeting processes. The expected revenue over the medium term is reflected in the departmental receipts.

Savings of R11.3 million over the medium term have been realised in the *Road Regulation* subprogramme and were transferred to the *Administration* programme to fund communications related projects.

## Programme 5: Civil Aviation

### Objectives

- Enhance safety within the aviation sector by improving the quality and credibility of accident and incident investigations through the establishment of an independent accident and incident investigation body by June 2013, and the amendment of the Civil Aviation Act (2009) by the second quarter of 2013/14.
- Improve civil aviation safety and security continually through compliance with existing and new standards and recommended practices of the International Civil Aviation Organisation and the Federal Aviation Administration's international aviation safety assessment, and through ongoing oversight of the South African Civil Aviation Authority, the Air Traffic and Navigational Services and the Airports Company of South Africa.
- Ensure effective and integrated economic infrastructure by concluding the consultative process for the national airports development plan and obtaining approval for its implementation by 2014.
- Ensure efficiency and safety in the aviation industry by consulting on and finalising the approval of the national civil aviation policy by 2014/15.

- Ensure effective air transport economic regulation through a review of the regulatory framework that promotes the development of the aviation industry by 2013/14.

## Subprogrammes

- *Aviation Regulation* develops and maintains a robust and effective civil aviation regulatory regime that is fully responsive to national imperatives and international standards, norms and protocols. In 2012/13, at a cost of R8.5 million, the following outputs were achieved: the International Civil Aviation Organisation Office in Canada was managed, operational safety and continuing airworthiness programmes were developed, correction factors were implemented by the regulatory committee, and the airlift strategy was revised. In 2013/14, the regulatory committee will begin the permission application process from 2013/14 to 2017/18 for the Airports Company South Africa and the Air Traffic and Navigation Services Company. Responsibilities over the medium term include: developing, maintaining and exercising oversight over the implementation of the reviewed airlift strategy; implementing the reviewed regulatory framework for the Airports Company South Africa and the Air Traffic and Navigation Services; and developing regulations incorporating the funding model into the permission application process for the Airports Company South Africa and the Air Traffic and Navigation Services Company. This subprogramme had a staff complement of 20 in 2012/13.
- *Aviation Infrastructure and Industry Development* coordinates the planning and development of integrated aviation infrastructure; and manages the development and promotion of aviation industry and air freight logistics activities. In 2012/13, a draft slot coordination framework aimed at improving efficiencies at slot coordinated airports was developed and regulations developed to formalise the process of appointing the slot coordinator. In the interim, the appointment of an acting slot coordinator was facilitated. The subprogramme has embarked on drafting regulations to govern the use and management of slots at airports. This document has been submitted to the civil aviation regulation committee for consideration and submission to the minister for approval and promulgation, the implementation of which is targeted for July 2013. Over the medium term, the national airports development plan, and the White Paper on National Civil Aviation will be approved, implemented and monitored. This subprogramme had a staff complement of 8 in 2012/13.
- *Aviation Safety and Security* develops and monitors South Africa's aviation safety, security, environment, and search and rescue regime; and manages investigations of aviation accidents and serious incidents for the purposes of identifying deficiencies to make recommendations on mechanisms to address these deficiencies. This entails developing relevant legislation, and continually monitoring and evaluating implementation by the industry. In 2012/13, at a cost of R6.4 million, an appeals committee was established to adjudicate appeals brought against the decisions of the South African Civil Aviation Authority. Over the medium term, an independent aircraft accident and incident investigation body will be set up and operated once section 24 of the Civil Aviation Act (2009) is reviewed. The search and rescue component manages the national aeronautical and maritime search and rescue system by constantly scanning the global search and rescue environment/regime, developing and implementing strategies to improve the national and regional Search and Rescue System. This subprogramme had a staff complement of 11 in 2012/13.
- *Aviation Oversight* monitors on an ongoing basis the performance of the Airports Company South Africa, the Air Traffic and Navigation Services Company and the South African Civil Aviation Authority in line with the legislative framework. This subprogramme had no staff in 2012/13.
- *Aviation Administration Support* provides project and financial administration support to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 9 in 2012/13.
- *Mthatha Airport* was created to facilitate the upgrade and refurbishment of the Mthatha Airport in 2012/13. R450 million has been made available. This subprogramme had no staff complement in 2012/13.



## Expenditure estimates

Table 37.15 Civil Aviation

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R million											
Aviation Regulation	28.1	14.7	23.5	21.7	-8.2%	12.7%	22.2	23.4	24.4	4.0%	9.6%
Aviation Infrastructure and Industry Development	7.1	8.1	4.2	6.3	-3.9%	3.7%	6.9	7.3	7.7	7.0%	2.9%
Aviation Safety and Security	4.3	8.6	5.5	12.4	42.3%	4.5%	69.3	71.8	73.9	81.4%	23.7%
Aviation Oversight	11.2	12.1	23.4	24.3	29.4%	10.3%	35.7	37.8	39.6	17.6%	14.3%
Aviation Administration Support	2.5	9.6	8.4	5.6	31.5%	3.8%	5.8	6.2	6.5	4.7%	2.5%
Mthatha Airport	-	-	-	450.0	-	65.1%	-	-	-	-100.0%	46.9%
<b>Total</b>	<b>53.2</b>	<b>53.1</b>	<b>65.0</b>	<b>520.3</b>	<b>113.9%</b>	<b>100.0%</b>	<b>140.0</b>	<b>146.4</b>	<b>152.1</b>	<b>-33.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				450.3			67.4	69.5	71.6		

## Economic classification

<b>Current payments</b>	<b>41.7</b>	<b>41.0</b>	<b>41.1</b>	<b>495.6</b>	<b>128.2%</b>	<b>89.6%</b>	<b>105.5</b>	<b>109.9</b>	<b>113.8</b>	<b>-38.8%</b>	<b>86.0%</b>
Compensation of employees	19.5	22.7	29.5	28.7	13.8%	14.5%	32.1	34.2	36.3	8.1%	13.7%
Goods and services	22.2	18.3	11.6	466.9	176.0%	75.0%	73.3	75.7	77.5	-45.0%	72.3%
<i>of which:</i>											
<i>Consultants and professional services: Business and advisory services</i>	15.8	11.5	2.5	458.8	207.2%	70.7%	66.0	38.5	41.1	-55.3%	63.0%
<i>Consultants and professional services: Infrastructure and planning</i>	-	-	0.0	3.0	-	0.4%	-	-	-	-100.0%	0.3%
<i>Operating leases</i>	0.6	0.8	0.2	1.2	23.1%	0.4%	0.5	0.8	0.8	-12.3%	0.3%
<i>Travel and subsistence</i>	2.5	2.4	4.7	2.3	-3.5%	1.7%	1.9	2.3	2.3	0.1%	0.9%
<b>Transfers and subsidies</b>	<b>11.2</b>	<b>12.1</b>	<b>23.8</b>	<b>24.3</b>	<b>29.4%</b>	<b>10.3%</b>	<b>34.1</b>	<b>36.1</b>	<b>37.8</b>	<b>15.8%</b>	<b>13.8%</b>
Departmental agencies and accounts	7.8	8.2	16.2	17.0	29.8%	7.1%	24.7	26.1	27.3	17.1%	9.9%
Foreign governments and international organisations	3.5	3.9	7.2	7.3	28.3%	3.2%	8.0	8.5	8.9	6.7%	3.4%
Non-profit institutions	-	-	-	-	-	-	1.4	1.5	1.6	-	0.5%
Households	0.0	-	0.4	-	-100.0%	0.1%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.0</b>	<b>0.1</b>	<b>0.4</b>	<b>23.7%</b>	<b>0.1%</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>5.5%</b>	<b>0.2%</b>
Machinery and equipment	0.2	0.0	0.1	0.4	23.7%	0.1%	0.4	0.4	0.4	5.5%	0.2%
<b>Total</b>	<b>53.2</b>	<b>53.1</b>	<b>65.0</b>	<b>520.3</b>	<b>113.9%</b>	<b>100.0%</b>	<b>140.0</b>	<b>146.4</b>	<b>152.1</b>	<b>-33.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>	<b>1.3%</b>			<b>0.3%</b>	<b>0.3%</b>	<b>0.3%</b>		

## Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>7.8</b>	<b>8.2</b>	<b>16.2</b>	<b>17.0</b>	<b>29.8%</b>	<b>7.1%</b>	<b>24.7</b>	<b>26.1</b>	<b>27.3</b>	<b>17.1%</b>	<b>9.9%</b>
South African Civil Aviation Authority	7.8	8.2	16.2	17.0	29.8%	7.1%	18.2	19.2	20.1	5.7%	7.8%
South African Maritime Safety Authority	-	-	-	-	-	-	6.5	6.9	7.2	-	2.1%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.4</b>	<b>1.5</b>	<b>1.6</b>	<b>-</b>	<b>0.5%</b>
National Sea Rescue Institute	-	-	-	-	-	-	1.2	1.3	1.4	-	0.4%
National Emergency Communications Division of the South African Radio League	-	-	-	-	-	-	0.1	0.1	0.1	-	-
Mountain Club of South Africa	-	-	-	-	-	-	0.1	0.1	0.1	-	-
Off-road rescue	-	-	-	-	-	-	0.1	0.1	0.1	-	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>3.5</b>	<b>3.9</b>	<b>7.2</b>	<b>7.3</b>	<b>28.3%</b>	<b>3.2%</b>	<b>8.0</b>	<b>8.5</b>	<b>8.9</b>	<b>6.7%</b>	<b>3.4%</b>
African Civil Aviation Commission	1.0	1.4	2.4	4.0	59.9%	1.3%	4.1	4.3	4.5	4.3%	1.8%
International Civil Aviation Organisation	2.5	2.5	4.8	3.3	10.3%	1.9%	3.5	3.7	3.9	5.4%	1.5%
Cospas search and rescue satellite aided tracking	-	-	-	-	-	-	0.4	0.4	0.5	-	0.1%

## Personnel information

Table 37.16 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		Unit	2012/13		Unit	2013/14		Unit	2014/15		Unit			2015/16		Unit	
		Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	Number	Cost	Cost	2012/13 - 2015/16		
Civil Aviation																			
Salary level	70	11	52	22.0	0.4	48	25.7	0.5	74	32.1	0.4	74	34.2	0.5	74	36.3	0.5	15.5%	100.0%
1-6	5	2	9	1.4	0.2	7	1.0	0.1	5	0.5	0.1	5	0.5	0.1	5	0.6	0.1	-10.6%	8.1%
7-10	36	7	22	6.0	0.3	21	7.1	0.3	37	9.4	0.3	37	10.1	0.3	37	10.9	0.3	20.8%	48.9%
11-12	15	-	11	6.4	0.6	11	8.3	0.8	18	10.5	0.6	18	11.1	0.6	18	11.7	0.7	17.8%	24.1%
13-16	14	2	10	8.2	0.8	9	9.3	1.0	14	11.8	0.8	14	12.5	0.9	14	13.1	0.9	15.9%	18.9%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus of this programme over the medium term will be on developing relevant legislation, and monitoring and evaluating its implementation to ensure aviation safety and security, and monitoring the performance of aviation public entities. These two functions are also the main drivers of spending increases over the medium term.

Spending increased significantly in the *Mthatha Airport* subprogramme in 2012/13 due to the R450 million upgrade of the airport, which is included in payments to consultants for work done on the upgrade.

Spending in the *Aviation Oversight* subprogramme increased significantly in 2011/12 and 2013/14 due to increased transfers to the South African Civil Aviation Authority, enabling it to improve aviation safety and the accident and incident investigation function. The accident and incident investigation function will be shifted to the department over the medium term and an independent body will be set up to fulfil the function.

Spending in the *Aviation Safety and Security* subprogramme is expected to increase significantly from 2013/14 as the search and rescue and watch keeping budget for aviation and maritime is transferred from the *Maritime Transport* programme to this programme. This will better align the search and rescue communication services, which are shared between aviation and maritime.

As a result of the changes to these subprogrammes over the medium term, the number of staff in the programme is expected to increase from 48 to 74 from 2012/13 to 2013/14. Consultants will be used over the medium term in establishing the aviation appeals committee.

Funds over the medium term have been reprioritised within the programme from goods and services to transfers and subsidies to fund contributions to aviation organisations and to the South African Civil Aviation Authority for the international civil aviation day.

## Programme 6: Maritime Transport

### Objectives

- Contribute to a safe, secure, environmentally friendly and efficient maritime transport industry by finalising the maritime transport policy and legislation, which will outline the policy position on the economic drivers in the maritime transport sector, through consultations with stakeholders by 2014.
- Enhance economic development by developing a maritime shipping policy by the end of 2014 that will provide a framework for promoting businesses such as ship recycling and ship repair within the maritime transport industry.

- Improve maritime safety by reducing the number of accidents and incidents (19 and 68 in 2012 respectively), based on marine casualties reflected in the 2011/12 South African Maritime Safety Authority annual report regarding small vessels, by 40 per cent by implementing the inland waterway strategy by 2013/14.
- Improve maritime security and assist in managing safety and security by drafting and signing the memoranda of understanding with relevant stakeholders in maritime security by March 2014.
- Ensure opportunities for the adequate training and skilling of seafarers by completing relevant bilateral and multilateral agreements and drafting legislation on the working conditions and protection of rights of seafarers in international waters by March 2014.

## Subprogrammes

- *Maritime Policy Development* develops and maintains a maritime regulatory regime that is responsive to national imperatives and international standards, norms and protocols. In 2012/13, the process of implementing a ship clearance system began. Over the medium term, at a projected cost of R1.6 million, the consultation process with government departments, public entities and the marine industry will be finalised and approval of the draft maritime policy will be sought from Cabinet. The development of a ship clearance system will also be overseen. This subprogramme had a staff complement of 6 in 2012/13.
- *Maritime Infrastructure and Industry Development* coordinates, plans and develops an integrated maritime infrastructure and maritime industry in line with South Africa's industrial policy action plan, BEE and job creation. In 2012/13, R900 000 was spent on hosting World Maritime Day in Port Elizabeth. The event is an International Maritime Organisation initiative that aims to increase awareness and participation in the maritime sector among learners, and also to promote the Port of Ngqura as a deep water port in South Africa. Over the medium term, the focus will be on developing an integrated skills development programme; obtaining Cabinet approval for maritime policy; developing, maintaining and monitoring the implementation of a coastal shipping plan supported by the development of a South African shipping register; developing the policy framework for ship building and maintenance; and providing input for maritime transport policy. This subprogramme had a staff complement of 5 in 2012/13.
- *Implementation, Monitoring and Evaluations* ensures that maritime safety, security and environmental protection legislation and economic regulation are being implemented by the South African Maritime Safety Authority and the Ports Regulator. This entails monitoring and evaluating the two entities' performance to determine whether they are carrying out their mandates. Regulatory audits are also coordinated to determine whether the South African Maritime Safety Authority is carrying out its safety and security administration and inspection functions as per its mandate. This unit also evaluates, based on audit results, the efficiency and effectiveness of maritime transport legislation, including the draft International Oil Pollution Fund Bill. In 2012/13, R35.4 million was spent on oil pollution prevention and R29.6 million on watch keeping services to ensure safety of life at sea as part of the search and rescue system. The appointment of a specialist service provider for watch keeping services is under way and it is envisaged that the project will be finalised by the end of March 2013. This subprogramme had a staff complement of 7 in 2012/13.
- *Maritime Oversight* transfers allocations to public entities in the maritime field, the South African Maritime Safety Authority and the Ports Regulator. This subprogramme's total budget is transferred in full to the South African Maritime Safety Authority, the Ports Regulator and membership fees to international maritime organisations and non-profit search and rescue organisations. This subprogramme had no staff complement in 2012/13.
- *Maritime Administration Support* provides project and financial administration support to the entire programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 1 in 2012/13.

## Expenditure estimates

Table 37.17 Maritime Transport

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
Maritime Policy Development	3.2	5.7	10.5	16.3	72.2%	6.3%	21.7	22.6	23.7	13.4%	17.5%
Maritime Infrastructure and Industry Development	49.2	62.3	74.6	6.2	-49.9%	33.9%	6.5	6.9	7.3	5.6%	5.6%
Implementation, Monitoring and Evaluations	47.8	40.1	23.6	95.3	25.9%	36.5%	47.2	49.8	51.7	-18.4%	50.8%
Maritime Oversight	32.9	25.8	29.9	27.6	-5.7%	20.5%	26.2	27.6	28.8	1.5%	22.9%
Maritime Administration Support	2.5	9.6	0.2	3.7	14.1%	2.8%	3.8	3.9	4.1	3.9%	3.2%
<b>Total</b>	<b>135.5</b>	<b>143.5</b>	<b>138.8</b>	<b>149.0</b>	<b>3.2%</b>	<b>100.0%</b>	<b>105.3</b>	<b>110.8</b>	<b>115.6</b>	<b>-8.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				10.5			(41.5)	(44.2)	(46.5)		

## Economic classification

<b>Current payments</b>	<b>102.4</b>	<b>117.6</b>	<b>108.8</b>	<b>121.1</b>	<b>5.8%</b>	<b>79.4%</b>	<b>81.2</b>	<b>85.4</b>	<b>89.1</b>	<b>-9.7%</b>	<b>78.4%</b>
Compensation of employees	12.5	15.1	8.6	17.5	11.9%	9.5%	21.0	22.3	23.7	10.6%	17.6%
Goods and services	89.9	102.5	100.1	103.6	4.9%	69.9%	60.2	63.0	65.4	-14.2%	60.8%
of which:											
Consultants and professional services:											
Business and advisory services	39.8	66.1	76.4	45.2	4.3%	40.1%	14.3	15.7	15.5	-29.9%	18.9%
Consultants and professional services:											
Infrastructure and planning	42.7	26.8	-	-	-100.0%	12.3%	36.1	36.0	38.1	-	22.9%
Operating leases	0.7	0.5	0.1	0.7	0.7%	0.3%	0.5	0.3	0.3	-22.2%	0.4%
Travel and subsistence	3.1	3.6	2.0	5.3	20.0%	2.5%	5.7	6.1	6.3	5.6%	4.9%
<b>Transfers and subsidies</b>	<b>33.0</b>	<b>25.8</b>	<b>30.0</b>	<b>27.6</b>	<b>-5.8%</b>	<b>20.5%</b>	<b>23.8</b>	<b>25.1</b>	<b>26.2</b>	<b>-1.7%</b>	<b>21.3%</b>
Departmental agencies and accounts	30.9	23.8	27.8	24.4	-7.7%	18.9%	22.3	23.5	24.5	0.2%	19.7%
Foreign governments and international organisations	0.9	0.8	0.9	1.8	28.2%	0.8%	1.5	1.6	1.7	-2.7%	1.4%
Non-profit institutions	1.1	1.2	1.3	1.4	8.1%	0.9%	-	-	-	-100.0%	0.3%
Households	0.1	-	0.0	-	-100.0%	-	-	-	-	-	-
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.1</b>	<b>0.1</b>	<b>0.3</b>	<b>20.5%</b>	<b>0.1%</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>5.4%</b>	<b>0.3%</b>
Machinery and equipment	0.2	0.1	0.1	0.3	20.5%	0.1%	0.3	0.3	0.4	5.4%	0.3%
<b>Payments for financial assets</b>	<b>-</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>135.5</b>	<b>143.5</b>	<b>138.8</b>	<b>149.0</b>	<b>3.2%</b>	<b>100.0%</b>	<b>105.3</b>	<b>110.8</b>	<b>115.6</b>	<b>-8.1%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.5%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>0.4%</b>			<b>0.2%</b>	<b>0.2%</b>	<b>0.2%</b>		

## Details of selected transfers and subsidies

<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>30.9</b>	<b>23.8</b>	<b>27.8</b>	<b>24.4</b>	<b>-7.7%</b>	<b>18.9%</b>	<b>22.3</b>	<b>23.5</b>	<b>24.5</b>	<b>0.2%</b>	<b>19.7%</b>
South African Maritime Safety Authority	17.3	14.9	13.5	9.3	-18.8%	9.7%	6.4	6.6	6.8	-9.7%	6.1%
Ports Regulator	13.6	8.8	14.4	15.1	3.5%	9.1%	15.9	16.9	17.6	5.4%	13.6%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>1.1</b>	<b>1.2</b>	<b>1.3</b>	<b>1.4</b>	<b>8.1%</b>	<b>0.9%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>
National Sea Rescue Institute	1.0	1.0	1.1	1.2	5.7%	0.8%	-	-	-	-100.0%	0.2%
National Emergency Communications Division of the South African Radio League	0.1	0.1	0.1	0.1	11.3%	-	-	-	-	-100.0%	-
Mountain Club of South Africa	0.1	0.1	0.1	0.1	11.3%	-	-	-	-	-100.0%	-
Off-road rescue	-	0.1	0.1	0.1	-	-	-	-	-	-100.0%	-
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>0.9</b>	<b>0.8</b>	<b>0.9</b>	<b>1.8</b>	<b>28.2%</b>	<b>0.8%</b>	<b>1.5</b>	<b>1.6</b>	<b>1.7</b>	<b>-2.7%</b>	<b>1.4%</b>
Cospas search and rescue satellite aided tracking	0.3	0.3	0.3	0.4	8.2%	0.2%	-	-	-	-100.0%	0.1%
International Maritime Organisation	0.6	0.3	0.1	1.2	28.2%	0.4%	1.2	1.3	1.4	5.4%	1.1%
Indian Ocean Memorandum of Understanding	-	0.2	0.4	0.3	-	0.1%	0.3	0.3	0.3	5.2%	0.2%

## Personnel information

**Table 37.18 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
<b>Maritime Transport</b>																			
Salary level	36	1	22	11.4	0.5	19	12.3	0.6	42	21.0	0.5	42	22.3	0.5	42	23.7	0.6	30.3%	100.0%
1-6	-	1	-	-	-	-	0.2	-	1	0.1	0.1	1	0.1	0.1	1	0.1	0.1	-	2.1%
7-10	17	-	11	3.3	0.3	9	3.0	0.3	18	5.5	0.3	18	5.8	0.3	18	6.1	0.3	26.0%	43.4%
11-12	9	-	5	3.0	0.6	5	4.1	0.8	12	5.9	0.5	12	6.3	0.5	12	6.8	0.6	33.9%	28.3%
13-16	10	-	6	5.1	0.8	5	5.0	1.0	11	9.4	0.9	11	10.1	0.9	11	10.7	1.0	30.1%	26.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on ensuring that maritime safety, security and environmental protection legislation and economic regulation are implemented. The bulk of the spending is on making transfers to the maritime public entities.

Spending in the programme is expected to decrease significantly in 2013/14 from expenditure figures in 2012/13, due to the once off allocation of R20 million for removing the Seli 1 shipwreck from Bloubergstrand in 2012/13, and also as a result of transferring the search and rescue function from this programme to the *Civil Aviation* programme.

Expenditure in the *Maritime Policy Development* subprogramme increased significantly in 2012/13 and is expected to rise further in 2013/14, as a result of the operational costs of the International Maritime Organisation office, International Maritime Organisation diplomatic conference and the development of the business model for regional shipping and transshipment.

Expenditure on compensation of employees is expected to increase significantly from 2012/13 onwards as a result of personnel increases in the *Implementation, Monitoring and Evaluation* and the *Maritime Oversight* subprogrammes to improve the capacity to perform the functions required. Due to restructuring, 17 out of 36 posts were vacant as at 30 September 2012, but all vacancies are expected to be filled in 2013/14.

Expenditure on consultants in the programme is mainly on watchkeeping services as well as policy development. Spending on consultants decreased from R92.9 million in 2010/11 to R45.2 million in 2012/13 because of the shifting of the search and rescue function from this programme to the *Civil Aviation* programme.

The allocations to the Ports Regulator were increased from R13.6 million in 2009/10 to R15.1 million in 2012/13 as a result of reprioritisation, to allow the entity to be better staffed and to fulfil its economic regulation mandate. The transfers to the South African Maritime Safety Authority entity were decreased from R17.3 million in 2009/10 to R9.3 million in 2012/13, as savings were effected in line with the growth in the authority's own revenue. The decrease to the authority's transfer from 2013/14 is due to the contribution to the search and rescue coordination centre being moved to the *Civil Aviation* programme.

Savings of R5 million have been realised in this programme and transferred to the *Administration* programme to fund the International Maritime Organisation diplomatic conference.

## Programme 7: Public Transport

### Objectives

- Improve public transport access and reliability by developing and implementing integrated public transport networks in 13 cities and monitoring and evaluating progress on an ongoing basis.

- Ensure integrated and optimised public transport services by facilitating the development of integrated rapid public transport networks and feeder and distribution systems in 5 municipalities by 2014/15.
- Ensure efficient and effective public transport by establishing the National Public Transport Regulator as required by the National Land Transport Act (2009) by 2013/14.
- Develop and increase the equity ownership and broad based black empowerment (BEE) in the public transport sector through the implementation of the industry development model to empower taxi and small bus operators by establishing cooperatives and by coordinating skills development by 2014/15.
- Align and integrate the taxi recapitalisation programme with national and provincial rail services, metropolitan rapid public transport corridor services and provincial bus services by reviewing the taxi recapitalisation project by 2013/14 to assess its alignment with the public transport strategy.
- Ensure the improved scholar transport system by developing scholar transport norms and standards by 2013/14.

## Subprogrammes

- *Public Transport Regulation* is discussed in more detail in the section below.
- *Rural and Scholar Transport* develops and reviews rural, scholar and non-motorised transport strategies, and coordinates and evaluates their implementation. In 2012/13, R5 million was spent on the draft scholar transport policy and the integration of the *Shova Kalula* national bicycle partnership project into scholar transport services. Over the medium term, the focus will be on finalising scholar transport policy, and developing scholar transport safety standards and operations guidelines; as well as implementing the rural mobility transportation programme. This subprogramme had a staff complement of 6 in 2012/13.
- *Public Transport Industry Development* oversees and facilitates the implementation of public transport policy, legislation and strategy; develops public transport empowerment schemes; manages the taxi recapitalisation programme; and oversees the public transport subsidy system. In 2012/13, R110 million was spent on developing: the bus subsidy reform strategy; systems to ensure full participation of small bus operators in public transport operations and a national public transport transformation plan as an intervention towards regularising the ongoing month to month bus contracts, which will be replaced over the medium term for purposes of stabilising the current system; and R462.9 million on scrapping 6 000 taxis. Over the medium term, it is projected that 23 018 taxis will be scrapped. This subprogramme had a staff complement of 16 in 2012/13.
- *Public Transport Oversight* oversees the use of public transport subsidies and grants, and monitors compliance with the Division of Revenue Act in terms of the transferring of money, reporting and reallocation. In 2012/13, R5 billion was transferred to local government for public transport infrastructure and systems, while R4.3 billion was transferred to provinces for bus subsidies. This subprogramme had no staff in 2012/13.
- *Public Transport Administration Support* renders an administrative and financial support service to the programme. This entails preparing submissions, facilitating departmental meetings, implementing projects, and business planning. This subprogramme had a staff complement of 9 in 2012/13.
- *Public Transport Network Development* develops norms and standards for integrated public transport systems to assist in providing accessible, reliable and affordable integrated public transport network services in municipalities. In 2012/13, R3 million was spent on retaining the service provider to assist with benchmarking, quality control, monitoring and oversight of integrated rapid public transport network plans, and their design and implementation; the City of Johannesburg had completed 18.5 kilometres dedicated roadways and 18 new stations for Rea Vaya Phase 1b; the City of Cape Town continued to roll out milestones incrementally to have the full first phase of MyCiti operational by September 2013. Over the medium term, focus will be placed on assisting 3 cities with completing the first phase of their integrated rapid public transport network suites of plans, as well as their infrastructure designs. This subprogramme had a staff complement of 4 in 2012/13.

## Expenditure estimates

Table 37.19 Public Transport

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate		Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13	2013/14	2014/15	2015/16		
R million											
Public Transport Regulation	20.7	5.9	14.0	22.4	2.6%	0.2%	20.0	21.0	21.9	-0.7%	0.2%
Rural and Scholar Transport	4.4	7.5	-	11.0	35.7%	0.1%	11.4	12.0	12.6	4.4%	0.1%
Public Transport Industry Development	97.3	99.7	98.8	119.2	7.0%	1.2%	120.1	124.8	128.5	2.5%	1.1%
Public Transport Oversight	6 957.4	7 916.2	9 234.5	9 785.9	12.0%	98.1%	10 645.7	11 229.3	11 745.9	6.3%	98.3%
Public Transport Administration Support	2.9	3.1	9.9	47.8	155.8%	0.2%	9.5	10.0	10.5	-39.7%	0.2%
Public Transport Network Development	93.4	0.9	2.8	7.2	-57.5%	0.3%	7.4	7.8	8.2	4.5%	0.1%
<b>Total</b>	<b>7 176.1</b>	<b>8 033.3</b>	<b>9 360.1</b>	<b>9 993.5</b>	<b>11.7%</b>	<b>100.0%</b>	<b>10 814.1</b>	<b>11 404.9</b>	<b>11 927.6</b>	<b>6.1%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				6.8			(4.4)	(7.0)	(9.2)		

## Economic classification

<b>Current payments</b>	<b>218.4</b>	<b>117.1</b>	<b>125.7</b>	<b>208.7</b>	<b>-1.5%</b>	<b>1.9%</b>	<b>171.8</b>	<b>179.2</b>	<b>185.5</b>	<b>-3.9%</b>	<b>1.7%</b>
Compensation of employees	19.8	12.8	19.9	35.6	21.7%	0.3%	40.2	42.8	45.4	8.4%	0.4%
Goods and services	198.6	104.3	105.8	173.0	-4.5%	1.7%	131.6	136.4	140.1	-6.8%	1.3%
of which:											
Consultants and professional services: Business and advisory services	192.3	101.1	99.9	168.9	-4.2%	1.6%	128.5	133.1	136.6	-6.8%	1.3%
Operating leases	0.1	0.0	0.1	0.1	4.4%	-	0.1	0.1	0.1	13.6%	-
Travel and subsistence	3.2	1.2	3.4	2.3	-10.2%	-	1.2	1.3	1.3	-16.4%	-
<b>Transfers and subsidies</b>	<b>6 957.5</b>	<b>7 916.2</b>	<b>9 234.2</b>	<b>9 784.6</b>	<b>12.0%</b>	<b>98.1%</b>	<b>10 642.1</b>	<b>11 225.6</b>	<b>11 741.9</b>	<b>6.3%</b>	<b>98.3%</b>
Provinces and municipalities	5 950.1	7 562.5	8 764.9	9 305.4	16.1%	91.4%	10 102.5	10 653.6	11 143.6	6.2%	93.4%
Public corporations and private enterprises	367.7	-	-	-	-100.0%	1.1%	-	-	-	-	-
Non-profit institutions	14.0	14.8	21.2	16.5	5.7%	0.2%	17.4	18.4	19.3	5.4%	0.2%
Households	625.7	338.9	448.1	462.8	-9.6%	5.4%	522.3	553.6	579.1	7.8%	4.8%
<b>Payments for capital assets</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>	<b>0.2</b>	<b>-10.3%</b>	<b>-</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>	<b>5.0%</b>	<b>-</b>
Machinery and equipment	0.2	0.0	0.2	0.2	-10.3%	-	0.2	0.2	0.2	5.0%	-
<b>Total</b>	<b>7 176.1</b>	<b>8 033.3</b>	<b>9 360.1</b>	<b>9 993.5</b>	<b>11.7%</b>	<b>100.0%</b>	<b>10 814.1</b>	<b>11 404.9</b>	<b>11 927.6</b>	<b>6.1%</b>	<b>100.0%</b>
Proportion of total programme expenditure to vote expenditure	25.0%	27.6%	22.7%	25.2%			25.6%	23.7%	22.3%		

## Details of selected transfers and subsidies

<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>625.7</b>	<b>338.9</b>	<b>448.1</b>	<b>462.8</b>	<b>-9.6%</b>	<b>5.4%</b>	<b>522.3</b>	<b>553.6</b>	<b>579.1</b>	<b>7.8%</b>	<b>4.8%</b>
Taxi recapitalisation	625.7	338.9	448.1	462.8	-9.6%	5.4%	522.3	553.6	579.1	7.8%	4.8%
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>881.3</b>	<b>744.8</b>	<b>862.0</b>	<b>-</b>	<b>5.6%</b>
Public transport network operations grant	-	-	-	-	-	-	881.3	744.8	862.0	-	5.6%
<b>Capital</b>	<b>2 418.2</b>	<b>3 699.5</b>	<b>4 611.6</b>	<b>4 988.1</b>	<b>27.3%</b>	<b>45.5%</b>	<b>4 668.7</b>	<b>5 126.0</b>	<b>5 278.9</b>	<b>1.9%</b>	<b>45.4%</b>
Public transport infrastructure and systems grant	2 418.2	3 699.5	4 611.6	4 988.1	27.3%	45.5%	4 668.7	5 126.0	5 278.9	1.9%	45.4%
<b>Non-profit institutions</b>											
<b>Current</b>	<b>14.0</b>	<b>14.8</b>	<b>21.2</b>	<b>16.5</b>	<b>5.7%</b>	<b>0.2%</b>	<b>17.4</b>	<b>18.4</b>	<b>19.3</b>	<b>5.4%</b>	<b>0.2%</b>
South African National Taxi Council	14.0	14.8	21.2	16.5	5.7%	0.2%	17.4	18.4	19.3	5.4%	0.2%
<b>Public corporations and private enterprises</b>											
<b>Private enterprises</b>											
<b>Private enterprises - subsidies on products and production</b>											
<b>Current</b>	<b>367.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>1.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Bus subsidies	367.7	-	-	-	-100.0%	1.1%	-	-	-	-	-
<b>Provinces and municipalities</b>											
<b>Provinces</b>											
<b>Provincial Revenue Funds</b>											
<b>Current</b>	<b>3 531.9</b>	<b>3 863.0</b>	<b>4 153.2</b>	<b>4 317.3</b>	<b>6.9%</b>	<b>45.9%</b>	<b>4 552.5</b>	<b>4 782.7</b>	<b>5 002.7</b>	<b>5.0%</b>	<b>42.3%</b>
Public transport operations grant	3 531.9	3 863.0	4 153.2	4 317.3	6.9%	45.9%	4 552.5	4 782.7	5 002.7	5.0%	42.3%

## Personnel information

Table 37.20 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost	Number	Unit Cost	Unit Cost			
<b>Public Transport</b>																			
Salary level	75	4	54	27.9	0.5	53	31.7	0.6	83	40.2	0.5	83	42.8	0.5	83	45.4	0.5	16.1%	100.0%
1 – 6	2	1	9	1.5	0.2	9	1.7	0.2	3	0.4	0.1	3	0.4	0.1	3	0.5	0.2	-30.7%	6.0%
7 – 10	32	–	15	5.0	0.3	16	6.1	0.4	36	8.3	0.2	36	8.9	0.2	36	10.1	0.3	31.0%	41.1%
11 – 12	21	1	15	8.9	0.6	15	9.9	0.7	21	12.8	0.6	21	13.6	0.6	21	12.9	0.6	11.9%	25.8%
13 – 16	20	2	15	12.4	0.8	13	14.0	1.1	23	18.7	0.8	23	19.9	0.9	23	22.0	1.0	20.9%	27.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on subsidising the construction of public transport infrastructure and the operations of public transport networks in municipalities and provinces. The *Public Transport Oversight* subprogramme, which transfers the conditional grants to provinces and municipalities, makes up 97.9 per cent of the programme's expenditure in 2012/13. Most of the department's key performance indicators relate to this expenditure.

The public transport infrastructure and systems grant to municipalities, which is the main driver of spending in the programme, has increased significantly since 2009/10. Over the medium term this grant will be separated to show its infrastructure and operational funding components, in order to improve transparency and provide certainty to municipalities regarding long term operational funding.

Two cities, Cape Town and Johannesburg, which are already operating systems funded by the public transport infrastructure and systems grant, will continue to expand their systems and transport more passengers every year. The Rea Vaya in Johannesburg is expected to increase the average number of weekday bus rapid transit passengers from 36 000 in 2011/12 to 150 000 by 2015/16 and the MyCITI in Cape Town from 22 000 to 112 000. Nelson Mandela Bay, Tshwane, George and Rustenburg are expected to start operations over the medium term.

The public transport operations grant to provinces supplements provincial funding of bus services. The grant grows from R3.5 billion in 2009/10 to R4.3 billion in 2012/13 to R5 billion in 2015/16 as it continues to increase in line with inflation. The programme will support the devolution of public transport contracting and regulating function to metropolitan cities, which will see the provincial public transport operations grant and the national Metrorail subsidies devolved to cities.

The amounts transferred to taxi owners for scrapping their taxis depend on the number of taxis scrapped per year. As a result, spending on this item varies from 2009/10 to 2012/13 while it grows in line with inflation over the medium term. R32.2 million in savings was realised in 2012/13 due to underspending on the taxi recapitalisation transfer. The number of taxis scrapped per year is 7 000, which is expected to remain stable over the medium term.

The programme expects to employ more staff between 2012/13 and 2013/14, mainly to monitor the conditional grants in the *Public Transport Oversight* subprogramme and to finalise policy in the *Rural and Scholar Transport* subprogramme. There were 22 vacancies due to the restructuring of the department, but all vacancies are expected to be filled in 2012/13 and 2013/14.

Spending on consultants in the *Public Transport Network Development* subprogramme was significant in 2009/10 due to the R92.7 million in fees for providing national guidelines and technical assistance to host cities of the 2010 FIFA World Cup. Consultants' work consisted of ensuring standardisation in event planning, providing centralised preparations to ensure that infrastructure and systems would be used in an integrated and coordinated manner, and establishing work streams to regulate licensing and branding processes. In addition,



spending on consultants in 2012/13 in the *Public Transport Administration* subprogramme increased significantly due to their work on verifying subsidies. This was as a result of the national department's intervention in the administration of the Limpopo provincial transport department in terms of section 100 of the Constitution.

Consultants are used over the medium term mainly in the *Public Transport Industry Development* subprogramme for administering the taxi recapitalisation programme and for the amendment of the public transport strategy.

Savings of R9.6 million over the medium term have been realised in this programme and transferred to the *Administration* programme to fund communications related projects.

### Subprogramme: Public Transport Regulation

This subprogramme manages the development and maintenance of policy, legislation and regulation; and coordinates and facilitates implementation. Responsibilities include managing public transport information, such as public transport systems developed in terms of the National Land Transport Act (2009). In 2012/13, a draft National Land Transport Amendment Bill was developed. Public consultations on the amendment bill will take place in 2013, for introduction to Parliament in the third quarter of 2013/14.

### Expenditure estimates

Table 37.21 Public Transport Regulation

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
<b>Current payments</b>	<b>20.7</b>	<b>5.9</b>	<b>14.0</b>	<b>22.4</b>	<b>2.6%</b>	<b>100.0%</b>	<b>20.0</b>	<b>21.0</b>	<b>21.9</b>	<b>-0.7%</b>	<b>100.0%</b>
Compensation of employees	10.0	3.4	6.8	10.9	2.9%	49.3%	11.6	12.3	13.1	6.2%	56.1%
Goods and services	10.7	2.6	7.2	11.5	2.4%	50.6%	8.4	8.7	8.9	-8.2%	43.9%
<b>Transfers and subsidies</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Households	0.0	-	-	-	-100.0%	-	-	-	-	-	-
<b>Total</b>	<b>20.7</b>	<b>5.9</b>	<b>14.0</b>	<b>22.4</b>	<b>2.6%</b>	<b>100.0%</b>	<b>20.0</b>	<b>21.0</b>	<b>21.9</b>	<b>-0.7%</b>	<b>100.0%</b>
Proportion of total subprogramme expenditure to programme expenditure	0.3%	0.1%	0.1%	0.2%			0.2%	0.2%	0.2%		

### Personnel information

Table 37.22 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number					
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16							
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Public Transport Regulation</b>																			
<b>Salary level</b>	<b>22</b>	<b>-</b>	<b>18</b>	<b>9</b>	<b>0.5</b>	<b>18</b>	<b>12</b>	<b>0.6</b>	<b>22</b>	<b>12</b>	<b>0.5</b>	<b>22</b>	<b>12</b>	<b>0.6</b>	<b>22</b>	<b>13</b>	<b>0.6</b>	<b>6.9%</b>	<b>100.0%</b>
1-6	-	-	3	1	0.2	3	1	0.2	-	-	-	-	-	-	-	-	-	-100.0%	3.6%
7-10	10	-	4	1.5	0.4	4	1.9	0.5	10	2.0	0.2	10	2.1	0.2	10	2.7	0.3	35.7%	40.5%
11-12	7	-	7	4.2	0.6	7	5.2	0.7	7	5.0	0.7	7	5.4	0.8	7	4.1	0.6	-	33.3%
13-16	5	-	4	3.1	0.8	4	3.9	1.0	5	4.5	0.9	5	4.8	1.0	5	6.2	1.2	7.7%	22.6%

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

2. Rand million.

3. As at 30 September 2012.

### Expenditure trends

The spending focus of over the medium term is on compensation of employees and consultants for work on setting up the National Public Transport Regulator, and piloting the National Land Transport Act (2009) rollout in a town or city.

The decrease in spending in the subprogramme in 2010/11 was caused by a reduction in spending on compensation of employees and consultants on policy and legislation work, due to organisational restructuring. During the restructuring process some of the officials for *Public Transport Regulation* and their projects were moved to the *Integrated Transport Planning* programme.

The increase in spending in 2011/12 was due to work being done to set up the National Public Transport Regulator and work on the Transport Appeal Tribunal. In 2012/13, spending on compensation of employees and consultants rose further due to the work on the amendment to the National Land Transport Act (2009) and the pilot of the act's rollout in a small town and city. Funds were reprioritised from the *Public Transport and Industry Development* subprogramme to this subprogramme to fund the pilot project rollout.

The subprogramme's staff increases from 18 in 2012/13 to 22 in 2013/14 as all vacancies are filled after restructuring. The capacitation of the subprogramme will lead to an improved implementation of the National Land Transport Act (2009).

## Public entities and other agencies

### Air Traffic and Navigation Services Company

#### Mandate and Goals

The Air Traffic and Navigation Services Company was established in terms of the Air Traffic and Navigation Services Company Act (1993). In terms of the act, it is required to acquire, establish, develop, provide, maintain, manage, control and operate air navigation infrastructures and air traffic navigation services.

The company's main strategic goal over the medium term is to provide safe, orderly, cost effective and efficient air traffic, navigational and associated services to the air traffic management community on behalf of the state and in accordance with the International Civil Aviation Organisation standards and recommended practices, and the South African civil aviation regulations and technical standards. The focus will also be on the expansion of the service throughout Africa and the Indian Ocean Region.

#### Selected performance indicators

Table 37.23 Air Traffic and Navigation Services Company

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of air traffic controller vacancies per year <sup>1</sup>	Communication	30	(31)	(34)	(30)	(69)	(50)	(50)
Number of aircraft on OR Tambo International Airport runways per hour	Communication	60	60	60	60	60	60	60
Number of incidents per 100 000 movements <sup>2</sup>	Navigation	2	2	2	2	2	2	2

1. In 2009/10, the positive number shows under capacity. Since then, not only have vacancies been filled, but an excess has been built (and is expected to be built further), as illustrated by the negative numbers. This is a key target for the entity due to the high staff turnover rate and long training times. It ensures this important function is never understaffed. Therefore, continuously decreasing (negative) numbers show an improving performance.

2. The industry best practice benchmark is 2.

#### Programmes/activities/objectives

Table 37.24 Air Traffic and Navigation Services Company

R million	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
Communication	343.0	445.7	486.2	549.4	17.0%	49.7%	585.8	672.3	739.5	10.4%	50.0%	
Navigation	38.0	46.9	51.1	57.8	15.0%	5.3%	61.6	70.7	77.8	10.4%	5.3%	
Surveillance	58.9	73.8	80.5	91.0	15.6%	8.3%	97.0	111.3	122.4	10.4%	8.3%	
Display systems	9.2	10.0	10.9	12.3	10.1%	1.2%	13.1	15.1	16.6	10.4%	1.1%	
Simulator and systems	135.6	174.0	189.8	214.5	16.5%	19.5%	229.6	262.5	288.8	10.4%	19.5%	
Administration	115.8	141.8	154.7	174.8	14.7%	16.1%	185.5	213.9	235.3	10.4%	15.9%	
<b>Total expense</b>	<b>700.6</b>	<b>892.2</b>	<b>973.1</b>	<b>1 099.7</b>	<b>16.2%</b>	<b>100.0%</b>	<b>1 172.6</b>	<b>1 345.7</b>	<b>1 480.3</b>	<b>10.4%</b>	<b>100.0%</b>	

## Expenditure estimates

Table 37.25 Air Traffic and Navigation Services Company

Statement of financial performance		Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
		2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million												
<b>Revenue</b>												
<b>Non-tax revenue</b>		<b>747.7</b>	<b>1 074.6</b>	<b>1 182.9</b>	<b>1 210.5</b>	<b>17.4%</b>	<b>100.0%</b>	<b>1 274.9</b>	<b>1 553.3</b>	<b>1 708.6</b>	<b>12.2%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets		713.1	1 001.4	1 107.2	1 147.2	17.2%	94.2%	1 213.8	1 497.8	1 647.5	12.8%	95.7%
of which:												
Sales by market establishment		713.1	1 001.4	1 107.2	1 147.2	17.2%	94.2%	1 213.8	1 497.8	1 647.5	12.8%	95.7%
En-route and approach fees		667.7	957.7	1 059.2	1 098.5	18.1%	89.7%	1 165.6	1 415.3	1 556.8	12.3%	91.1%
VSAT and NAFISAT Revenue		45.4	43.8	48.1	48.7	2.4%	4.6%	48.3	82.4	90.7	23.0%	4.6%
Other non-tax revenue		34.6	73.1	75.7	63.2	22.2%	5.8%	61.1	55.6	61.1	-1.1%	4.3%
<b>Total revenue</b>		<b>747.7</b>	<b>1 074.6</b>	<b>1 182.9</b>	<b>1 210.5</b>	<b>17.4%</b>	<b>100.0%</b>	<b>1 274.9</b>	<b>1 553.3</b>	<b>1 708.6</b>	<b>12.2%</b>	<b>100.0%</b>
<b>Expenses</b>												
<b>Current expenses</b>		<b>676.6</b>	<b>821.3</b>	<b>891.4</b>	<b>1 056.7</b>	<b>16.0%</b>	<b>94.1%</b>	<b>1 132.8</b>	<b>1 265.0</b>	<b>1 391.5</b>	<b>9.6%</b>	<b>95.2%</b>
Compensation of employees		389.6	487.2	552.3	669.7	19.8%	57.0%	739.9	759.6	835.6	7.7%	59.2%
Goods and services		162.9	187.1	198.4	239.8	13.8%	21.6%	246.8	289.2	318.1	9.9%	21.5%
Depreciation		100	122	124	128	8.5%	13.1%	127	189	207	17.6%	12.6%
Transfers and subsidies		5.3	-	-	-	-100.0%	0.2%	-	-	-	-	-
<b>Total expenses</b>		<b>700.6</b>	<b>892.2</b>	<b>973.1</b>	<b>1 099.7</b>	<b>16.2%</b>	<b>100.0%</b>	<b>1 172.6</b>	<b>1 345.7</b>	<b>1 480.3</b>	<b>10.4%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>		<b>47.0</b>	<b>182.0</b>	<b>210.0</b>	<b>111.0</b>	<b>33.2%</b>		<b>102.0</b>	<b>208.0</b>	<b>228.0</b>	<b>27.1%</b>	
<b>Statement of financial position</b>												
Carrying value of assets		1 067.8	978.9	937.2	1 003.1	-2.1%	66.6%	1 172.5	1 222.5	1 344.8	10.3%	54.8%
of which:												
Acquisition of assets		-	32.9	80.8	190.0	-	-	385.5	175.0	192.5	0.4%	11.1%
Investments		11.0	10.2	11.0	11.9	2.8%	0.7%	12.5	14.4	15.9	9.9%	0.6%
Inventory		0.9	0.5	0.8	0.8	-5.0%	0.1%	0.9	1.1	1.2	14.1%	0.0%
Loans		-	-	-	495.6	-	6.8%	400.0	653.8	719.1	13.2%	26.0%
Receivables and prepayments		88.1	124.3	145.1	143.5	17.6%	8.1%	159.4	223.9	246.3	19.7%	8.8%
Cash and cash equivalents		86.1	304.5	523.9	155.1	21.7%	17.3%	302.3	179.3	197.3	8.3%	9.7%
Taxation		10.0	0.7	3.2	-	-100.0%	0.3%	-	-	-	-	-
Derivatives financial instruments		-	-	3.2	-	-	0.0%	-	-	-	-	-
<b>Total assets</b>		<b>1 264.0</b>	<b>1 419.1</b>	<b>1 624.3</b>	<b>1 810.0</b>	<b>12.7%</b>	<b>100.0%</b>	<b>2 047.5</b>	<b>2 295.0</b>	<b>2 524.5</b>	<b>11.7%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		604.6	786.9	996.6	1 093.9	21.9%	56.3%	1 252.9	1 446.9	1 591.6	13.3%	61.9%
Capital and reserves		190.6	190.6	190.6	190.6	-	12.7%	190.6	190.6	190.6	-	8.9%
Borrowings		326.5	258.2	205.1	265.6	-6.7%	17.8%	358.0	430.3	473.3	21.2%	17.4%
Trade and other payables		44.5	45.5	62.5	90.4	26.7%	3.9%	85.1	80.9	108.1	6.2%	4.2%
Managed funds (e.g. poverty alleviation fund)		55.2	71.3	74.2	95.5	20.1%	4.8%	83.3	81.2	89.3	-2.2%	4.1%
Provisions		42.7	66.5	92.1	74.0	20.2%	4.5%	77.6	65.0	71.5	-1.1%	3.4%
<b>Total equity and liabilities</b>		<b>1 264.0</b>	<b>1 419.1</b>	<b>1 621.1</b>	<b>1 810.0</b>	<b>12.7%</b>	<b>100.0%</b>	<b>2 047.5</b>	<b>2 295.0</b>	<b>2 524.5</b>	<b>11.7%</b>	<b>100.0%</b>

## Personnel information

Table 37.26 Air Traffic and Navigation Services Company

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number			
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16	
				Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost	Number	Cost
	1 194	163	1 013	552.3	0.5	1 031	669.7	0.6	1 076	739.9	0.7	1 076	759.6	0.7	1 076	835.6	0.8	1.4%	100.0%
7 - 10	100	21	86	7.1	0.1	79	7.1	0.1	79	7.8	0.1	79	8.0	0.1	79	8.8	0.1	7.7%	1.1%
13 - 16	687	76	600	311.7	0.5	611	368.2	0.6	656	406.8	0.6	656	417.6	0.6	656	459.4	0.7	2.4%	55.0%
17 - 22	407	66	327	233.6	0.7	341	294.4	0.9	341	325.3	1.0	341	334.0	1.0	341	367.3	1.1	7.7%	44.0%

1. Rand million.

## **Expenditure trends**

The Air Traffic and Navigation Services Company's revenue is generated by providing aeronautical services to the aviation industry. The main sources of this revenue are en-route and approach fees, which made up 90.8 per cent of total revenue in 2012/13. The fees, which are paid for by the airlines, cover the navigation services provided by the company, which include controlling the arrival and departure movements of all aircraft entering and leaving South African airspace. Revenue has increased significantly since 2009/10, and is expected to continue doing so over the medium term. The increase is attributable to increased traffic movements and anticipated tariff increases.

Over the medium term company spending will focus on communication and simulator systems. These two objectives have been the largest source of expenditure over the historical period, and continue to grow significantly over the MTEF period. They are essential to ensure safety and improve capacity at airports, two measures which have remained at a consistently high level, as shown in the performance indicator table.

The highest expenditure continues to be on compensation of employees as the business requires highly specialised skills. Another 45 positions are expected to be filled between 2012/13 and 2013/14. The full establishment, however, is not expected to be filled over the medium term. Expenditure on consultants continues to grow as well. The company is still using consultants in some areas due to staff shortages, since its business is highly specialised and some positions take longer to fill. Most employee appointments in 2012/13 were effected in the latter part of the year, and this should reduce the fees paid to consultants in the next financial year. Consultants are used to carry out research and development so the company can gain strategic foresight, detailed insight into and understanding of global market dynamics, and readily available information on technological and business trends, suppliers, products, clients and competitors.

Under goods and services, communication, repairs and maintenance, and travel and subsistence are the major areas of expenditure, driven by the electronic maintenance support costs of the radars and other equipment. The travel expenses are mainly training related. To ensure that safety targets are met, continuous travel has to be undertaken by people at the various centres, as the training academy is in Johannesburg. Also, there is some overseas based training, and staff attendance at overseas conferences to keep abreast of global demands and expectations.

The acquisition of assets and connected securing of loans in 2009/10 and from 2012/13 onwards has been substantial, and continues into the medium term. This growth in assets is a result of planned capital expenditure, which is largely driven by the mandate to provide safe, orderly and efficient air traffic; and navigational and associated services to the air traffic management community. The plan takes into account changes in demand, the operational environment, the development and maturity of technologies, and changes in international, regional and national plans and priorities.

The company has strict internal controls regarding spending, and continually strives to reduce operational costs by eliminating fruitless expenditure. This is done without compromising safety standards.

## **Airports Company of South Africa**

### **Mandate and goals**

The Airports Company of South Africa is regulated in terms of the Airports Company Act (1993) and the Companies Act (1973), and is listed as a schedule 2 public entity in terms of the Public Finance Management Act (1999). The Airports Company of South Africa was formed to own and operate the nine principal South African airports, including the three main international gateways of OR Tambo, Cape Town and King Shaka International Airports. As well as providing secure infrastructure for airlines to transport people and goods, the company extends its responsibilities to include promoting tourism, facilitating economic growth and job creation, and protecting the environment.

Over the medium term, the company's main strategic goals are to position itself strategically for long term sustainability and to improve its operations. This involves analysing the market, refining its business and revenue models, developing a comprehensive stakeholder management strategy, and improving short term human resource performance.

## Selected performance indicators

**Table 37.27 Airports Company of South Africa**

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Cost revenue efficiency ratio per year, excluding depreciation	Airport management	54%	40%	48%	38%	42%	40%	43%
Number of passengers accommodated at national airports per year	Airport management	16 510 642	17 251 145	18 341 370	17 708 549	19 574 741	20 567 056	21 612 054
Number of aircraft landed at all airports per year	Airport management	274 714	274 292	288 387	267 912	292 708	300 886	310 166
Cost of an employee per departing passenger	Airport management	R38	R 38	R 42	R 52	R 49	R 49	R 52
Aeronautical revenue per departing passenger per year	Airport management	R111	R139	R183	R242	R250	R263	R280
Non-aeronautical revenue per departing passenger per year	Airport management	R111	R127	R130	R136	R130	R134	R140
Maintenance and engineering costs per international airport per year <sup>1</sup> (R thousand)	Airport maintenance and engineering	R133 315	R189 032	R231 143	R185 945	R229 620	R250 533	R253 497

1. International airport defined as King Shaka International Airport in Durban, Cape Town International Airport and OR Tambo Airport in Johannesburg.

## Programmes/activities/objectives

**Table 37.28 Airports Company of South Africa**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Airport maintenance and engineering	399.9	567.1	783.1	557.8	11.7%	11.1%	688.9	601.0	760.5	10.9%	10.0%
Airport security and safety	162.4	230.3	268.4	240.2	13.9%	4.4%	333.8	361.8	375.8	16.1%	5.0%
Airport management	424.3	601.7	964.2	627.5	13.9%	12.5%	1 582.8	1 873.7	1 758.7	41.0%	21.9%
Administration	2 660.1	3 884.1	4 144.7	4 138.0	15.9%	72.0%	3 935.6	4 001.5	4 189.8	0.4%	63.1%
<b>Total expense</b>	<b>3 646.8</b>	<b>5 283.2</b>	<b>6 160.4</b>	<b>5 563.5</b>	<b>15.1%</b>	<b>100.0%</b>	<b>6 541.0</b>	<b>6 838.0</b>	<b>7 084.9</b>	<b>8.4%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 37.29 Airports Company of South Africa**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13	2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>4 411.8</b>	<b>5 006.6</b>	<b>5 648.1</b>	<b>6 800.2</b>	15.5%	99.0%	<b>7 544.9</b>	<b>8 290.4</b>	<b>9 184.0</b>	10.5%	100.0%
Sale of goods and services other than capital assets	3 530.8	4 658.2	5 609.4	6 698.8	23.8%	91.9%	7 438.7	8 179.4	9 069.0	10.6%	98.6%
of which:											
Sales by market establishment	3 530.8	4 658.2	5 609.4	6 698.8	23.8%	91.9%	7 438.7	8 179.4	9 069.0	10.6%	98.6%
Aeronautical revenue	1 702.4	2 430.4	3 378.5	4 286.4	36.0%	52.1%	4 894.8	5 416.7	6 045.1	12.1%	64.8%
Non-aeronautical revenue	1 828.5	2 227.8	2 230.8	2 412.3	9.7%	39.8%	2 543.9	2 762.6	3 023.9	7.8%	33.9%
Other non-tax revenue	881.0	348.3	38.8	101.4	-51.3%	7.1%	106.1	111.0	115.0	4.3%	1.4%
<b>Total revenue</b>	<b>4 547.6</b>	<b>5 062.6</b>	<b>5 648.1</b>	<b>6 800.2</b>	<b>14.4%</b>	<b>100.0%</b>	<b>7 544.9</b>	<b>8 290.4</b>	<b>9 184.0</b>	<b>10.5%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>3 552.6</b>	<b>5 243.9</b>	<b>6 012.4</b>	<b>5 592.0</b>	16.3%	98.7%	<b>6 041.1</b>	<b>6 376.9</b>	<b>6 102.9</b>	3.0%	93.1%
Compensation of employees	674.4	714.2	740.0	915.0	10.7%	15.1%	952.2	1 015.7	1 121.0	7.0%	15.4%
Goods and services	1 067.6	1 545.9	1 993.6	1 713.4	17.1%	30.4%	1 736.1	1 815.5	1 877.1	3.1%	27.6%
Depreciation	1 077	1 445	1 553	1 460	10.7%	27.1%	1 776	1 963	1 533	1.6%	25.9%
<b>Total expenses</b>	<b>3 646.8</b>	<b>5 283.2</b>	<b>6 160.4</b>	<b>5 563.5</b>	<b>15.1%</b>	<b>100.0%</b>	<b>6 541.0</b>	<b>6 838.0</b>	<b>7 084.9</b>	<b>8.4%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>901.0</b>	<b>(221.0)</b>	<b>(512.0)</b>	<b>1 237.0</b>	<b>11.1%</b>		<b>1 004.0</b>	<b>1 452.0</b>	<b>2 099.0</b>	<b>19.3%</b>	

Table 37.29 Airports Company of South Africa (continued)

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Statement of financial position</b>											
Carrying value of assets	25 812.9	26 560.7	23 672.2	23 639.5	-2.9%	87.0%	25 416.1	26 784.1	29 399.5	7.5%	89.6%
<i>of which:</i>											
<i>Acquisition of assets</i>											
Investments	661.3	647.1	1 348.6	979.7	14.0%	3.2%	979.7	979.7	979.7	-	3.4%
Inventory	0.9	0.9	6.2	0.9	0.3%	0.0%	0.9	0.9	0.9	-	0.0%
Receivables and prepayments	982.1	1 105.8	1 209.2	1 135.7	5.0%	3.9%	1 222.8	1 344.6	1 490.8	9.5%	4.4%
Cash and cash equivalents	434.0	678.9	1 980.4	1 795.4	60.5%	4.2%	371.9	409.0	453.5	-36.8%	2.7%
Non-current assets held for sale	-	-	1 850.0	-	-	1.5%	-	-	-	-	-
Derivatives financial instruments	-	163.2	-	-	-	0.1%	-	-	-	-	-
<b>Total assets</b>	<b>27 891.2</b>	<b>29 156.6</b>	<b>30 066.7</b>	<b>27 551.2</b>	<b>-0.4%</b>	<b>100.0%</b>	<b>27 991.4</b>	<b>29 518.2</b>	<b>32 324.3</b>	<b>5.5%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	8 290.7	8 070.6	8 264.6	9 822.3	5.8%	30.1%	10 499.4	11 377.2	12 909.5	9.5%	37.9%
Capital and reserves	677.5	1 533.6	1 425.1	750.0	3.4%	3.8%	750.0	750.0	750.0	-	2.6%
Borrowings	16 016.0	16 607.5	16 710.8	14 443.1	-3.4%	55.6%	14 064.1	14 463.8	15 177.9	1.7%	49.7%
Deferred income	81.4	79.0	1 276.7	-	-100.0%	1.2%	-	-	-	-	-
Trade and other payables	1 800.2	909.1	948.4	1 264.7	-11.1%	4.3%	901.9	1 031.8	1 203.5	-1.6%	3.8%
Managed funds (e.g. poverty alleviation fund)	750.9	1 082.0	1 033.7	766.6	0.7%	3.2%	1 271.5	1 390.7	1 778.9	32.4%	4.4%
Provisions	171.3	202.8	212.6	155.1	-3.3%	0.6%	155.1	155.1	155.1	-	0.5%
Derivatives financial instruments	103.3	671.9	194.8	349.5	50.1%	1.1%	349.5	349.5	349.5	-	1.2%
<b>Total equity and liabilities</b>	<b>27 891.2</b>	<b>29 156.6</b>	<b>30 066.7</b>	<b>27 551.2</b>	<b>-0.4%</b>	<b>100.0%</b>	<b>27 991.4</b>	<b>29 518.2</b>	<b>32 324.3</b>	<b>5.5%</b>	<b>100.0%</b>

## Personnel information

Table 37.30 Airports Company of South Africa

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		Unit Cost
			Number	Cost		Number	Cost		Number	Cost		Number	Cost				Number	Cost	
Salary level	2 974	-	2 435	740.0	0.3	2 974	915.0	0.3	2 975	952.2	0.3	2 975	1 015.7	0.3	2 975	1 121.0	0.4	0.0%	100.0%
1-6	1 071	-	878	97.8	0.1	1 071	121.0	0.1	1 072	125.9	0.1	1 072	134.3	0.1	1 072	148.2	0.1	0.0%	36.0%
7-10	1 177	-	964	221.6	0.2	1 177	274.0	0.2	1 177	285.2	0.2	1 177	304.2	0.3	1 177	335.7	0.3	0.0%	39.6%
11-12	417	-	342	156.5	0.5	417	193.5	0.5	418	201.4	0.5	418	214.8	0.5	418	237.1	0.6	0.1%	14.0%
13-16	287	-	235	228.8	1.0	287	283.0	1.0	287	294.5	1.0	287	314.1	1.1	287	346.7	1.2	-0.0%	9.6%
17-22	22	-	17	35.2	2.0	22	43.5	2.0	21	45.3	2.2	21	48.3	2.3	21	53.4	2.5	7.0%	0.7%

1. Rand million.

## Expenditure trends

The Airports Company of South Africa derives its revenue from aeronautical and non-aeronautical services. Aeronautical revenue consists of landing fees, passenger service charges and aircraft parking fees. Non-aeronautical revenue is derived from advertising, retail rental, property rental and parking receipts. While revenue increased by 14.4 per cent a year over the historical period, this growth is expected to slow down to 10.3 per cent a year over the medium term.

The perceived reduction in growth is mainly caused by the particularly high annual growth of 20.4 per cent from 2011/12 to 2012/13 resulting from an increase in the aeronautical revenue, which is a regulated tariff. This increase was based on capital expenditure to the value of R17 billion brought into operation in this period, resulting in raised tariffs of 33 per cent in 2010/11, 34.8 per cent in 2011/12, and 30.6 per cent in 2012/13. Over

the medium term, the revenue increase is in line with the company's funding model, ensuring that the company is able to operate and fund the business in a sustainable manner. The increase will be used to repay the interest and debt accumulated during the expansion programme, which was necessary to accommodate the growing number of planes and passengers as shown in the performance indicators table.

The spending focus over the medium term is on airport management and administration, which made up 84.4 per cent of the budget in 2012/13. Airport management is the operational management of the airport, divided into airside, landside and terminal. Administration consists of all the support functions, including finance, IT, human resources, assurance and compliance, commercial and communications. Administration is a major expenditure item because it includes the interest incurred on the loans of R17 billion that funded the infrastructure investments between 2007/08 and 2010/11, which mainly involved the building of the new King Shaka International Airport and the central terminal buildings at both OR Tambo International Airport and Cape Town International Airport.

While expenditure increased at higher rates than revenue over the historical period, over the medium term it grows at lower rates leading to growing surpluses. This surplus will be used to pay interest on the existing loans and also repay those loans. The fastest growing expenditure between 2009/10 and 2011/12 was in the administration programme because of interest payments on loans used to build the new airports and to upgrade security required due to increased capacity at the three international airports. Other expenditure during this period was for consultants whose expert skills were required for the large infrastructure projects.

The highest growth in expenditure over the medium term is expected for airport management. The main item here is compensation of employees as the company's personnel structure is expanded. Positions that were previously not budgeted for due to uncertain economic conditions are now being filled, to ensure the sustainability of the organisation. Infrastructure investment over the medium term is expected to be mostly for maintaining the existing airports. The expenditure on consultants is stable: the main areas of work in which they are employed for their expert skills is in the legal, research, compliance and finance functions, where a specific need is required over the short term and permanent employment is not warranted.

The continuous increase in revenue and expenditure is reflected in the steadily increasing number of passengers and aircrafts using the company's airports. Efficiency measures were effected on non-contractual and controllable expenses, mainly consisting of reductions to electricity, water and communications costs. The number of employees increased from 2 435 in 2011/12 to 2 974 in 2012/13 as the airport management and administration was expanded. There are no vacancies in the entity as all funded posts are filled and the number of employees is expected to stay stable over the medium term. Hence, the expenditure on compensation of employees is expected to only grow to cater for inflationary salary adjustments, from R915 million to R1.1 billion.

## **Passenger Rail Agency of South Africa**

### **Mandate and goals**

The Passenger Rail Agency of South Africa's mandate is contained in the Transport Services Act (1989), as amended in November 2008. The act requires the agency to, at the request of the Department of Transport, provide rail commuter services within, and to and from South Africa in the public interest. In consultation with the Department of Transport, it is also to provide for long haul passenger rail and bus services within, to and from South Africa. The agency is also required to leverage off its assets to generate income, and to have due regard to key government social, economic and transport policy objectives.

The agency's strategic goals over the medium term are to:

- improve the quality of services
- continue with its modernisation strategy, which entails acquiring new reliable trains and upgrading depots, stations, signalling and all other infrastructure
- achieve financial sustainability by improving the generation of revenue.

## Selected performance indicators

Table 37.31 Passenger Rail Agency of South Africa

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of rail extensions completed per year <sup>1</sup>	Corporate	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Implementation of signalling interlocking sections programmer <sup>1</sup>	Corporate	- <sup>1</sup>	- <sup>1</sup>	1 Interlocking: Gauteng region	Interlocking technology validated	- <sup>1</sup>	Gauteng Nerve Centre complete	- <sup>1</sup>
Number of new train sets purchased for Metrorail per year <sup>2</sup>	Corporate	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	10
Number of stations improved per year	Corporate real estate solutions	111	41	5	85	45	50	52
Number of stations upgraded per year	Corporate real estate solutions	4	5	3	32	50	55	60
Number of Metrorail general overhauls and upgrades of rolling stock per year	Technical	505	334	510	714	714	714	714
Number of main line passenger service (Shosholoz Meyl) overhauls and upgrades of rolling stock per year	Rail	- <sup>3</sup>	22	7	80	80	80	80
Customer satisfaction index (rail, bus and property)	Corporate	71.25%	72%	72%	74%	76%	77%	78%
Number of passengers per year	Rail	639 million	473 million <sup>4</sup>	518 million	541 million	573 million	608 million	643 million
Number of passengers per year <sup>5</sup>	Autopax	- <sup>5</sup>	2.7 million	3.1 million	3.3 million	3.5 million	3.7 million	3.9 million
Number of locomotives purchased for Shosholoz Meyl services per year <sup>6</sup>	Passenger Rail Agency of South Africa: Rail	- <sup>6</sup>	- <sup>6</sup>	- <sup>6</sup>	- <sup>6</sup>	15	32	41
Number of AY Wagons <sup>7</sup> purchased for rail maintenance work	Passenger Rail Agency of South Africa: Rail	- <sup>7</sup>	- <sup>7</sup>	- <sup>7</sup>	12	48	12	- <sup>7</sup>

1. The implementation plan for rail extensions and interlocking sections does not have targets/achievements every year due to the nature of the project's implementation.

2. First delivery of new rolling stock is in 2015/16.

3. Shosholoz Meyl was only absorbed into the newly formed agency in 2009/10.

4. In the previous year, this indicator included numbers for Autopax, which is now measured in a separate indicator.

5. This measures regular Metrorail planned services and excludes unplanned ad hoc services such as bus replacement journeys and contracted services.

6. The purchases are planned to commence in 2013/14, hence there no historical data.

7. AY Wagons are specific wagons for transport of material for track/per way maintenance. The plan to purchase the AY Wagons only applies to 2012/13 to 2014/15, hence there is no historical data or data applicable 2015/16.

## Programmes/activities/objectives

Table 37.32 Passenger Rail Agency of South Africa

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
Rail	6 980.9	5 831.9	5 919.1	6 660.6	-1.6%	74.5%	7 312.8	7 228.8	7 085.6	2.1%	68.8%
Autopax	528.1	771.8	898.4	843.4	16.9%	8.8%	916.9	989.5	1 154.8	11.0%	9.5%
Intersite	205.9	100.8	50.7	37.2	-43.5%	1.2%	40.5	62.4	53.8	13.1%	0.5%
Corporate real estate solutions	138.4	603.8	699.4	931.0	88.8%	6.7%	885.0	952.5	968.5	1.3%	9.1%
Corporate	-	758.8	1 212.3	1 149.2	-	8.8%	1 173.7	1 265.2	1 390.0	6.5%	12.1%
<b>Total expense</b>	<b>7 853.2</b>	<b>8 067.1</b>	<b>8 779.8</b>	<b>9 621.3</b>	<b>7.0%</b>	<b>100.0%</b>	<b>10 328.9</b>	<b>10 498.4</b>	<b>10 652.8</b>	<b>3.5%</b>	<b>100.0%</b>

## Expenditure estimates

Table 37.33 Passenger Rail Agency of South Africa

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>2 622.0</b>	<b>2 907.3</b>	<b>3 976.2</b>	<b>3 523.3</b>	10.3%	42.3%	<b>3 732.2</b>	<b>4 751.1</b>	<b>4 467.0</b>	8.2%	45.2%
Sale of goods and services other than capital assets	2 550.6	2 599.5	2 998.5	3 359.5	9.6%	37.7%	3 731.0	4 745.6	4 242.8	8.1%	44.1%
of which:											
Sales by market establishment	2 448.9	2 427.2	2 674.0	3 223.7	9.6%	35.3%	3 589.5	4 409.2	4 031.4	7.7%	41.9%
Rental income	289.8	310.2	332.4	375.4	9.0%	4.3%	492.6	714.5	357.3	-1.6%	5.3%
Fare revenue	2 159.1	2 117.0	2 341.6	2 848.3	9.7%	31.0%	3 096.8	3 694.6	3 674.1	8.9%	36.6%



Table 37.33 Passenger Rail Agency of South Africa (continued)

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
	R million					2009/10 - 2012/13						
Other sales	101.7	172.4	324.5	135.8	10.1%	2.3%	141.5	336.5	211.4	15.9%	2.2%	
Other non-tax revenue	71.4	307.8	977.7	163.8	31.9%	4.6%	1.2	5.5	224.2	11.0%	1.1%	
<b>Transfers received</b>	<b>3 962.1</b>	<b>4 364.2</b>	<b>4 774.7</b>	<b>4 499.7</b>	<b>4.3%</b>	<b>57.7%</b>	<b>4 766.6</b>	<b>5 192.1</b>	<b>5 397.9</b>	<b>6.3%</b>	<b>54.8%</b>	
<b>Total revenue</b>	<b>6 584.1</b>	<b>7 271.5</b>	<b>8 750.9</b>	<b>8 023.0</b>	<b>6.8%</b>	<b>100.0%</b>	<b>8 498.8</b>	<b>9 943.1</b>	<b>9 865.0</b>	<b>7.1%</b>	<b>100.0%</b>	
<b>Expenses</b>												
<b>Current expenses</b>	<b>7 853.3</b>	<b>8 067.1</b>	<b>8 779.8</b>	<b>9 621.3</b>	<b>7.0%</b>	<b>100.0%</b>	<b>10 328.9</b>	<b>10 498.4</b>	<b>10 652.8</b>	<b>3.5%</b>	<b>100.0%</b>	
Compensation of employees	2 827.8	3 130.1	3 591.3	4 163.1	13.8%	39.7%	4 488.0	4 508.2	4 658.7	3.8%	43.3%	
Goods and services	3 925.2	3 515.9	3 726.0	4 391.6	3.8%	45.4%	4 559.9	4 258.9	4 279.8	-0.9%	42.6%	
Depreciation	1 036	1 278	1 421	1 038	0.1%	14.0%	1 277	1 725	1 707	18.0%	13.9%	
<b>Total expenses</b>	<b>7 853.2</b>	<b>8 067.1</b>	<b>8 779.8</b>	<b>9 621.3</b>	<b>7.0%</b>	<b>100.0%</b>	<b>10 328.9</b>	<b>10 498.4</b>	<b>10 652.8</b>	<b>3.5%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>(1 269.0)</b>	<b>(796.0)</b>	<b>(29.0)</b>	<b>(1 598.0)</b>	<b>8.0%</b>		<b>(1 830.0)</b>	<b>(555.0)</b>	<b>(788.0)</b>	<b>-21.0%</b>		
<b>Statement of financial position</b>												
Carrying value of assets of which:	15 980.4	17 803.8	20 484.8	26 100.8	17.8%	89.1%	31 300.1	39 227.3	50 450.5	24.6%	93.1%	
Acquisition of assets	–	2 956.8	3 476.2	6 701.1	–	–	7 481.1	10 711.0	13 865.5	27.4%	24.3%	
Inventory	163.5	145.5	216.2	243.9	14.3%	0.9%	240.4	236.6	238.0	-0.8%	0.6%	
Loans	2.2	–	–	–	-100.0%	0.0%	–	–	–	–	–	
Receivables and prepayments	259.6	368.5	184.6	278.9	2.4%	1.3%	260.6	254.2	267.9	-1.3%	0.7%	
Cash and cash equivalents	419.3	2 125.7	3 570.7	2 055.4	69.9%	8.7%	1 495.7	2 518.0	2 456.2	6.1%	5.6%	
Non-current assets held for sale	–	23.7	14.5	0.9	–	0.0%	0.9	0.9	0.9	–	0.0%	
Defined benefit plan assets	9.5	–	7.3	7.4	-7.9%	0.0%	7.6	7.8	7.8	2.0%	0.0%	
Taxation	0.1	–	0.1	0.1	–	0.0%	0.1	0.1	0.1	–	0.0%	
<b>Total assets</b>	<b>16 834.6</b>	<b>20 467.2</b>	<b>24 478.1</b>	<b>28 687.4</b>	<b>19.4%</b>	<b>100.0%</b>	<b>33 305.5</b>	<b>42 245.0</b>	<b>53 421.5</b>	<b>23.0%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	(936.6)	(4 434.8)	(1 761.2)	(3 359.5)	53.1%	-11.5%	(5 189.5)	(5 744.6)	(6 532.4)	24.8%	-13.3%	
Capital and reserves	4 248.3	4 248.3	4 248.3	4 248.3	–	19.5%	4 248.3	4 248.3	4 248.3	–	11.4%	
Capital reserve fund	9 609.0	16 773.5	18 779.6	24 507.7	36.6%	75.3%	30 900.2	40 354.8	52 888.6	29.2%	93.2%	
Borrowings	992.1	468.4	264.3	220.2	-39.5%	2.5%	213.6	199.6	154.9	-11.1%	0.5%	
Trade and other payables	2 557.3	3 022.7	2 211.0	2 352.7	-2.7%	11.8%	2 467.0	2 548.6	2 114.6	-3.5%	6.4%	
Provisions	364.5	389.2	715.5	715.7	25.2%	2.4%	664.8	637.5	547.6	-8.5%	1.8%	
Derivatives financial instruments	–	–	20.6	2.2	–	0.0%	1.0	0.9	–	-100.0%	0.0%	
<b>Total equity and liabilities</b>	<b>16 834.6</b>	<b>20 467.2</b>	<b>24 478.1</b>	<b>28 687.4</b>	<b>19.4%</b>	<b>100.0%</b>	<b>33 305.5</b>	<b>42 245.0</b>	<b>53 421.5</b>	<b>23.0%</b>	<b>100.0%</b>	

## Personnel information

Table 37.34 Passenger Rail Agency of South Africa

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number			
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)		
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		2014/15		2015/16				2012/13 - 2015/16	
				Number	Cost		Number	Cost		Number	Cost	Number	Cost	Number	Cost	Number	Cost		
	16 279	90	15 291	3 591.3	0.2	16 279	4 163.1	0.3	16 698	4 488.0	0.3	16 746	4 508.2	0.3	16 781	4 658.7	0.3	1.0%	100.0%
7 – 10	15 504	–	14 591	3 066.7	0.2	15 504	3 335.9	0.2	15 904	3 635.2	0.2	15 927	3 888.6	0.2	15 962	3 971.4	0.2	6.0%	95.2%
11 – 12	198	–	260	125.0	0.5	288	225.7	0.8	295	231.9	0.8	305	138.9	0.5	305	145.1	0.5	-13.7%	1.8%
13 – 16	518	90	390	286.9	0.7	428	488.3	1.1	440	502.1	1.1	455	355.7	0.8	455	411.5	0.9	-5.5%	2.7%
17 – 22	59	–	50	112.7	2.3	59	113.2	1.9	59	118.8	2.0	59	125.1	2.1	59	130.8	2.2	4.9%	0.4%

1. Rand million.

## Expenditure trends

The main revenue source of the Passenger Rail Agency of South Africa is transfers from the Department of Transport. Secondary revenue comes from fares and rental properties. The increase in transfers is mainly driven by increases to the capital transfers for the upgrade of infrastructure while the operational transfers increase moderately. Revenue from passenger services is generated from ticket sales on train and bus commuters for passenger and long distance journeys. Revenue increased significantly between 2009/10 and 2012/13 due to

increases in sales of tickets as a result of the incorporation of Autopax and Shosholoza Meyl into the agency in 2009/10 and transfers received from the department to support the investment in rail infrastructure.

The spending focus over the medium term will be on improving the agency's infrastructure to increase service reliability. This includes the maintenance of existing infrastructure and rolling stock, upgrading signalling and buying new rolling stock. Thus, the acquisition of assets sees an increase from R6.1 billion in 2011/12 to R10.7 billion in 2014/15. This is reflected in an increase in the number of rail passengers and improved customer satisfaction as shown in the performance table above.

Rail, particularly Metrorail, is and remains the agency's main business. However, growth in the other businesses is significant. Both goods and services and compensation of employees are major expenditure areas. Compensation of employees has increased significantly as a result of higher than budgeted increases of 7 per cent in 2011/12. The major goods and services expenditure is on repairs and maintenance, energy and haulage. The fluctuation in repairs and maintenance is due to certain costs being classified as capital expenditure in the current financial year, and this reduction in costs and reallocation to capital is taken into account in the following year. Haulage costs are billed by Transnet for the use of their locomotives to haul Shosholoza Meyl across its country wide rail network. Annual insurance premiums are based mainly on commuter cover costs which are increasing by 15 per cent. Expenditure continues to be larger than revenue, leading to deficits in every year of the medium term.

Depreciation has shown no growth due to a projected sale of old buses in Autopax by year end. In 2012/13, expenses such as security, energy and municipal costs were higher than expected due to higher than inflationary increases in tariffs.

Personnel numbers are increasing from 15 291 in 2011/12 to 16 781 in 2015/16 due to increased security personnel employed by the asset protection unit, which focuses on the day to day operational security requirements with specific reference to crime prevention, access and crowd control management, platform marshalling and incident management as well as rail operations staff. The growth in employee compensation expenditure is primarily related to the fact that the agency is tied into greater than inflation increases for the budgeted year as a result of prior wage agreements. Consultants are mainly used to work on pension administrative costs, research and development with regard to customer satisfaction, forensic services, brokerage services and risk management. In 2012/13 spending on consultants was equivalent to 1.5 per cent of spending on compensation of employees.

Travelling and accommodation costs for staff have been contained to be in line with travel plans, and operational effectiveness and auxiliary transport and professional services have also been reduced.

## **Road Accident Fund**

### **Mandate and goals**

The mandate of the Road Accident Fund, derived from section 3 of the Road Accident Fund Act (1996), is the payment of compensation for loss or damage wrongfully caused by the driving of motor vehicles in South Africa. The socioeconomic mandate of the fund is to re-integrate victims of road accidents back into society from a health and economic perspective, and to protect wrongdoers and their families from financial ruin. The fund delivers on this mandate by:

- paying the medical and related costs required to restore road accident victims to health
- compensating the victim/s or their dependants for loss of income or support as a result of the accident
- indemnifying the wrongdoer from liability
- paying general damages in instances where a person suffers a 'serious injury' in a road traffic accident
- paying funeral expenses to families where a person dies as a result of a road traffic accident.

The fund's strategic goals over the medium term are to:

- develop a legislative dispensation that is aligned with the principles of social security
- ensure that the organisation is solvent, liquid and sustainable by 2020
- ensure that the organisation is a customer centric, operationally effective and efficient by 2017.

## Selected performance indicators

**Table 37.35 Road Accident Fund**

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Increase (decrease) in provision for outstanding claims (R thousand)	Payment of claims to accident victims	R2 709 745	R2 281 052	R2 080 712	R2 803 357	R25 931	(R2 730 622)	(R3 281 581)
Legislation of road accident benefit scheme <sup>2,3</sup>	Administration	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	Draft bill certified	Publish bill for comments	Enact legislation and publish regulations and rules	– <sup>3</sup>
Direct personal claims as a percentage of total personal claims	Payment of claims to accident victims	– <sup>2</sup>	– <sup>2</sup>	– <sup>2</sup>	13% (6818)	20% (7500)	25% (9753)	30% (11342)
Accumulated deficit	Administration and payment of claims to accident victims	R42.4bn	R30.0bn	R46.5bn	R45.2bn	R43.2bn	R41.0bn	R37.2bn
Value of legal costs as part of claims paid to accident victims per year	Administration and payment of claims to accident victims	R2.7m	R3.5m	R3.5m	R4.2m	R5.1m	R5.9m	R5.7m
Number of open claims received but not yet finalised per year	Administration and payment of claims to accident victims	209 186	244 652	253 111	250 000	200 000	150 000	100 000

1. Parliamentary process in relation to the amendment of the act will take place in 2014/15, hence no target has been provided for this year.

2. New indicator, hence no data in these years.

3. Legislation will be complete by 2014/15, hence no target in this year.

## Programmes/activities/objectives

**Table 37.36 Road Accident Fund**

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Payment of claims to accident victims	14 267.9	15 022.2	32 587.3	16 803.4	5.6%	94.5%	17 973.4	19 374.0	19 616.3	5.3%	92.2%
Administration	909.0	975.8	1 003.8	1 279.1	12.1%	5.5%	1 478.3	1 704.6	1 843.9	13.0%	7.8%
<b>Total expense</b>	<b>15 176.9</b>	<b>15 998.0</b>	<b>33 591.0</b>	<b>18 082.5</b>	<b>6.0%</b>	<b>100.0%</b>	<b>19 451.7</b>	<b>21 078.6</b>	<b>21 460.2</b>	<b>5.9%</b>	<b>100.0%</b>

## Expenditure estimates

**Table 37.37 Road Accident Fund**

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>57.5</b>	<b>52.2</b>	<b>114.6</b>	<b>467.8</b>	101.1%	1.0%	<b>668.0</b>	<b>691.2</b>	<b>626.5</b>	10.2%	2.7%
Other non-tax revenue	57.5	52.2	114.6	467.8	101.1%	1.0%	668.0	691.2	626.5	10.2%	2.7%
<b>Tax revenue: fuel levy</b>	<b>12 625.9</b>	<b>14 474.1</b>	<b>16 989.1</b>	<b>18 842.6</b>	14.3%	99.0%	<b>20 930.7</b>	<b>23 094.7</b>	<b>25 336.9</b>	10.4%	97.3%
<b>Total revenue</b>	<b>12 683.4</b>	<b>14 526.2</b>	<b>17 103.7</b>	<b>19 310.4</b>	15.0%	100.0%	<b>21 598.7</b>	<b>23 785.9</b>	<b>25 963.4</b>	10.4%	100.0%
<b>Expenses</b>											
<b>Current expenses</b>	<b>909.0</b>	<b>975.8</b>	<b>1 003.8</b>	<b>1 279.1</b>	12.1%	5.5%	<b>1 478.3</b>	<b>1 704.6</b>	<b>1 843.9</b>	13.0%	7.8%
Compensation of employees	591.3	620.8	655.2	828.4	11.9%	3.6%	966.0	1 142.4	1 256.6	14.9%	5.2%
Goods and services	237.9	252.1	261.3	377.1	16.6%	1.5%	433.9	486.9	509.3	10.5%	2.2%
Depreciation	39.1	59.6	63.7	62.4	16.9%	0.3%	66.6	63.0	65.1	1.4%	0.3%
Interest, dividends and rent on land	40.8	43.3	23.6	11.1	-35.1%	0.2%	11.7	12.3	12.9	4.9%	0.1%
<b>Transfers and subsidies</b>	<b>14 267.9</b>	<b>15 022.2</b>	<b>32 587.3</b>	<b>16 803.4</b>	5.6%	94.5%	<b>17 973.4</b>	<b>19 374.0</b>	<b>19 616.3</b>	5.3%	92.2%
<b>Total expenses</b>	<b>15 176.9</b>	<b>15 998.0</b>	<b>33 591.0</b>	<b>18 082.5</b>	6.0%	100.0%	<b>19 451.7</b>	<b>21 078.6</b>	<b>21 460.2</b>	5.9%	100.0%
<b>Surplus/(Deficit)</b>	<b>(2 494.0)</b>	<b>(1 472.0)</b>	<b>(16 487.0)</b>	<b>1 228.0</b>	-179.0%		<b>2 147.0</b>	<b>2 707.0</b>	<b>4 503.0</b>	54.2%	

Table 37.37 Road Accident Fund (continued)

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Statement of financial position</b>											
Carrying value of assets	355.1	327.6	276.7	271.3	-8.6%	5.4%	279.7	299.2	324.8	6.2%	2.1%
<i>of which:</i>											
Acquisition of assets	121.6	45.3	6.4	57.0	-22.3%	1.2%	75.0	82.5	90.8	16.8%	0.5%
Inventory	2.5	2.4	2.6	2.8	3.3%	0.0%	2.9	3.1	3.3	6.0%	0.0%
Loans	-	144.5	144.9	-	-	1.2%	-	-	-	-	-
Accrued investment interest	3.9	4.3	18.7	19.8	71.2%	0.1%	21.0	22.3	23.6	6.0%	0.2%
Receivables and prepayments	2 861.8	2 950.2	3 884.3	4 511.9	16.4%	54.8%	5 012.4	5 531.3	6 069.3	10.4%	37.7%
Cash and cash equivalents	655.2	1 137.6	4 245.1	7 918.5	129.5%	38.4%	9 450.5	8 519.8	7 769.4	-0.6%	60.1%
<b>Total assets</b>	<b>3 878.6</b>	<b>4 566.6</b>	<b>8 572.3</b>	<b>12 724.2</b>	<b>48.6%</b>	<b>100.0%</b>	<b>14 766.4</b>	<b>14 375.7</b>	<b>14 190.4</b>	<b>3.7%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	(42 408.7)	(29 980.5)	(46 467.8)	(45 182.3)	2.1%	-661.8%	(43 232.7)	(40 963.5)	(37 166.1)	-6.3%	-298.7%
Capital and reserves	78.7	65.5	72.2	72.2	-2.8%	1.2%	72.2	72.2	72.2	-	0.5%
Trade and other payables	539.9	615.0	408.7	433.2	-7.1%	8.9%	459.2	486.7	516.0	6.0%	3.4%
Provisions	45 668.6	33 866.6	54 559.2	57 401.0	7.9%	751.7%	57 467.6	54 780.2	50 768.3	-4.0%	394.8%
<b>Total equity and liabilities</b>	<b>3 878.6</b>	<b>4 566.6</b>	<b>8 572.3</b>	<b>12 724.2</b>	<b>48.6%</b>	<b>100.0%</b>	<b>14 766.4</b>	<b>14 375.7</b>	<b>14 190.4</b>	<b>3.7%</b>	<b>100.0%</b>

## Personnel information

Table 37.38 Road Accident Fund

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost	Unit Cost	
	2 100	-		2 002	626.2	0.3	2 100	791.7	0.4	2 263	923.2	0.4	2 275	1 091.7	0.5	2 275	1 200.8	0.5	2.7%	100.0%
1 - 6	16	-		18	1.7	0.1	16	2.1	0.1	16	2.5	0.2	16	2.9	0.2	16	3.2	0.2	-	0.7%
7 - 10	777	-		889	178.7	0.2	777	225.9	0.3	940	263.4	0.3	952	311.5	0.3	952	342.6	0.4	7.0%	40.6%
11 - 12	1 253	-		1 056	396.7	0.4	1 253	501.5	0.4	1 253	584.9	0.5	1 253	691.6	0.6	1 253	760.7	0.6	-	56.3%
13 - 16	43	-		28	23.8	0.9	43	30.1	0.7	43	35.1	0.8	43	41.5	1.0	43	45.7	1.1	-	1.9%
17 - 22	11	-		11	25.3	2.3	11	32.0	2.9	11	37.3	3.4	11	44.2	4.0	11	48.6	4.4	-	0.5%

1. Rand million.

## Expenditure trends

Almost all of the Road Accident Fund's revenue is derived from the fuel levy, which was 88 cents a litre in 2012/13 and will be increased by 8 cents a litre from 1 April 2013. Previous revenue increases were both due to a combination of fuel levy increases and fuel sales increases: the levy was 72 cents a litre in 2010/11 and 80 cents in 2011/12.

The fund's spending focus in terms of its founding legislation is the payment of claims made by accident victims. Social benefits expenditure increased consistently from R14.3 billion in 2009/10 to R19.6 billion in 2015/16. In 2011/12, payouts were much higher at R32.6 billion as a result of the increase in cash claims paid. There is only an increased provision in outstanding liabilities, and this is due to changes in assumption on the discount rate, a re-evaluation on the estimated amounts to be paid, and new claims registered in 2011/12. On average, a total of 95 per cent of the fuel levy will be utilised for claims and claims related expenses, while the rest is used for administrative purposes.

Administration expenditure increased steadily over the historical period and will continue to do so over the medium term as capacity is being built to be able to address the backlog in payments. The main additional administration expenditure is caused by marketing, IT, consultancy, legal fees and fraud combatting costs.

The staff complement is projected to increase to enable the fund to achieve the service delivery requirements set out in the fund's annual performance plan and the 2013-17 strategic plan. It is expected that the head count will increase from a base line of 2 002 in 2011/12 to 2 275 in 2015/16. The other element contributing to an increase in personnel costs is an increase in the cost of staff leaving the fund, at an average estimated rate of 6 per cent over the medium term. Consultants are used where the fund does not have the necessary skills internally to manage its transformation. The consultants' expenditure constitutes 4.7 per cent of spending on compensation of employees.

The provisions for outstanding claims increased by R45.4 billion in 2009/10 to R56.7 billion in 2012/13, and are projected to decrease to R50 billion in 2015/16, as the number of employees increases from 2100 in 2012/13 to 2275 by 2014/15. In addition, expenditure on goods and services will ensure that systems are created to process more claims per year which can also be seen in the reduction of open claims per year. The assumed claims inflation is 8 per cent for the entire medium term.

## South African National Roads Agency

### Mandate and goals

The South African National Roads Agency was established by the South African National Roads Agency Limited and National Roads Act (1998). The act makes the agency responsible for the planning, design, construction, operation, management, control, maintenance and rehabilitation of the South African national road network, including the financing of these functions. This includes both toll and non-toll roads.

The agency's main strategic goal over the medium term is to provide effective strategic road infrastructure to facilitate development, commerce, mobility and access. Over the medium term, the agency will continue with its preventative maintenance approach as it expands its network to the extended mandate of 35 000 kilometres. It will also roll out the Gauteng e-tolling system, and is awaiting ministerial approval to proceed with the implementation of further toll road projects throughout the country.

### Selected performance indicators

**Table 37.39 The South African National Roads Agency**

Indicator	Programme/ Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Smooth travel exposure index: Percentage of travel on roads with low roughness	Road maintenance	95%	95%	96%	96%	95%	95%	95%
Low rut exposure: Percentage of travel on roads with rut depth less than 20mm	Road maintenance	95%	99%	99%	95%	95%	95%	95%
High texture exposure: Percentage of travel on roads with macro-texture higher than 0.4mm	Road maintenance	95%	99%	97%	95%	95%	95%	95%
Bridge condition exposure index: Percentage of travel over or under bridges on roads with overall condition index higher than 80	Road maintenance	96%	95%	96%	90%	90%	90%	90%
Routine maintenance: Kilometres of road maintained daily	Road maintenance	13 050	13 050	13 050	16 584	16 584	16 584	16 584
Periodic maintenance: Kilometres of road resealed/overlayed during year	Road maintenance	900	1 250	750	900	1 000	1 200	1 200
Strengthening/improvement: Kilometres of roads strengthened/improved during year	Strengthening of roads/improvements to roads	200	275	300	450	450	450	450

## Programmes/activities/objectives

Table 37.40 South African National Roads Agency

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
Road maintenance	1 291.6	1 742.9	3 196.5	3 870.4	44.2%	28.8%	3 861.0	5 676.2	5 622.7	13.3%	34.9%
Strengthening of roads	1 068.0	1 776.1	2 665.3	2 689.6	36.1%	23.8%	4 296.6	3 168.8	3 555.8	9.8%	25.3%
Improvements to roads	2 082.2	2 798.0	1 275.8	1 941.6	-2.3%	26.4%	3 216.8	4 461.0	5 364.9	40.3%	26.6%
New facilities	985.7	1 109.6	2 376.9	1 715.5	20.3%	18.2%	2 207.4	646.8	1 074.7	-14.4%	10.9%
Administration	-	334.6	442.9	247.1	-	2.8%	362.4	317.1	333.0	10.5%	2.3%
<b>Total expense</b>	<b>5 427.4</b>	<b>7 761.3</b>	<b>9 957.4</b>	<b>10 464.2</b>	<b>24.5%</b>	<b>100.0%</b>	<b>13 944.1</b>	<b>14 269.9</b>	<b>15 951.3</b>	<b>15.1%</b>	<b>100.0%</b>

## Expenditure estimates

Table 37.41 South African National Roads Agency

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>147 464.9</b>	<b>26 924.8</b>	<b>38 226.2</b>	<b>2 075.2</b>	-75.9%	74.6%	<b>3 341.2</b>	<b>4 839.2</b>	<b>5 391.7</b>	37.5%	31.8%
Sale of goods and services other than capital assets	2 078.0	2 270.6	2 082.5	2 075.2	-0.0%	8.9%	3 341.2	4 839.2	5 391.7	37.5%	31.8%
of which:											
Toll fees	1 513.5	1 791.4	1 979.3	2 075.2	11.1%	8.3%	3 341.2	4 839.2	5 391.7	37.5%	31.8%
Other sales	564.5	479.2	103.2	-	-100.0%	0.5%	-	-	-	-	-
Other non-tax revenue	145 386.9	24 654.3	36 143.7	-	-100.0%	65.7%	-	-	-	-	-
<b>Transfers received</b>	<b>2 331.4</b>	<b>3 357.6</b>	<b>4 639.7</b>	<b>7 477.6</b>	<b>47.5%</b>	<b>25.4%</b>	<b>7 809.7</b>	<b>8 197.9</b>	<b>8 699.2</b>	<b>5.2%</b>	<b>68.2%</b>
<b>Total revenue</b>	<b>149 796.4</b>	<b>30 282.4</b>	<b>42 866.0</b>	<b>9 552.8</b>	<b>-60.0%</b>	<b>100.0%</b>	<b>11 150.9</b>	<b>13 037.1</b>	<b>14 091.0</b>	<b>13.8%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>5 427.4</b>	<b>7 761.3</b>	<b>9 957.4</b>	<b>10 464.2</b>	<b>24.5%</b>	<b>100.0%</b>	<b>13 944.1</b>	<b>14 269.9</b>	<b>15 951.3</b>	<b>15.1%</b>	<b>100.0%</b>
Compensation of employees	92.6	111.1	119.7	130.9	12.3%	1.4%	143.0	141.5	149.1	4.4%	1.1%
Goods and services	2 573.8	3 677.2	4 912.7	4 018.4	16.0%	45.6%	7 321.1	7 280.9	8 325.6	27.5%	48.5%
Depreciation	704.6	1 357.9	1 504.6	3 266.8	66.7%	19.2%	3 430.7	3 612.5	3 825.9	5.4%	26.3%
Interest, dividends and rent on land	2 056.4	2 615.0	3 420.4	3 048.0	14.0%	33.8%	3 049.3	3 235.0	3 650.6	6.2%	24.1%
<b>Total expenses</b>	<b>5 427.4</b>	<b>7 761.3</b>	<b>9 957.4</b>	<b>10 464.2</b>	<b>24.5%</b>	<b>100.0%</b>	<b>13 944.1</b>	<b>14 269.9</b>	<b>15 951.3</b>	<b>15.1%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>144 369.0</b>	<b>22 521.0</b>	<b>32 909.0</b>	<b>(911.0)</b>	<b>-118.5%</b>		<b>(2 793.0)</b>	<b>(1 233.0)</b>	<b>(1 860.0)</b>	<b>26.9%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	180 385.4	214 158.1	257 444.5	236 906.6	9.5%	96.4%	271 919.0	282 339.2	291 348.0	7.1%	96.8%
of which:											
Acquisition of assets	12 390.6	10 959.7	9 024.0	9 446.2	-8.6%	4.7%	10 307.0	9 426.2	9 928.4	1.7%	3.5%
Investments	1 324.1	3 211.2	2 342.1	1 703.5	8.8%	0.9%	2 921.3	2 928.8	3 206.4	23.5%	1.0%
Receivables and prepayments	3 810.6	332.7	246.2	1 877.6	-21.0%	0.8%	1 719.7	2 519.7	2 609.7	11.6%	0.8%
Cash and cash equivalents	1 564.1	2 788.1	9 231.9	5 614.6	53.1%	2.0%	3 631.9	3 939.0	3 433.7	-15.1%	1.5%
Non-current assets held for sale	-	0.3	-	-	-	0.0%	-	-	-	-	-
<b>Total assets</b>	<b>187 084.1</b>	<b>220 490.5</b>	<b>269 264.8</b>	<b>246 102.3</b>	<b>9.6%</b>	<b>100.0%</b>	<b>280 191.9</b>	<b>291 726.7</b>	<b>300 597.8</b>	<b>6.9%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	(2 317.4)	(3 665.3)	(6 147.7)	(3 433.1)	14.0%	-1.6%	(6 226.4)	(7 459.2)	(9 319.5)	39.5%	-2.3%
Capital and reserves	145 887.4	169 756.4	205 147.4	170 328.4	5.3%	75.1%	205 398.0	204 807.4	206 086.7	6.6%	70.3%
Capital reserve fund	16 606.8	18 846.2	28 098.7	27 128.2	17.8%	9.7%	34 906.3	46 163.1	51 870.7	24.1%	14.1%
Borrowings	25 150.7	32 594.8	37 497.5	48 087.6	24.1%	15.4%	42 191.4	43 903.6	47 458.9	-0.4%	16.4%
Deferred income	-	1 261.8	1 531.7	-	-	0.3%	1 261.8	1 261.8	1 261.8	-	0.3%
Trade and other payables	1 430.9	1 308.0	2 807.0	3 319.2	32.4%	0.9%	2 331.4	2 731.6	2 931.8	-4.1%	1.0%
Provisions	8.7	26.9	19.8	19.5	30.9%	0.0%	19.0	18.5	18.0	-2.6%	0.0%
Managed funds (e.g. poverty alleviation fund)	317.1	361.6	310.5	652.5	27.2%	0.2%	310.5	300.0	289.5	-23.7%	0.1%
<b>Total equity and liabilities</b>	<b>187 084.1</b>	<b>220 490.5</b>	<b>269 264.8</b>	<b>246 102.3</b>	<b>9.6%</b>	<b>100.0%</b>	<b>280 191.9</b>	<b>291 726.7</b>	<b>300 597.8</b>	<b>6.9%</b>	<b>100.0%</b>

## Personnel information

**Table 37.42 South African National Roads Agency**

Post status estimated for 31 March 2013	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number			
	Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
Salary level	221	-	224	88.6	0.4	221	89.3	0.4	221	98.4	0.4	221	93.9	0.4	221	98.2	0.4	-	100.0%
1-6	9	-	8	0.7	0.1	9	0.8	0.1	9	0.8	0.1	9	0.9	0.1	9	1.0	0.1	-	4.1%
7-10	69	-	70	13.1	0.2	69	15.2	0.2	69	13.9	0.2	69	14.8	0.2	69	15.9	0.2	-	31.2%
11-12	62	-	63	22.7	0.4	62	22.3	0.4	62	23.8	0.4	62	22.2	0.4	62	23.2	0.4	-	28.1%
13-16	79	-	81	49.1	0.6	79	47.8	0.6	79	56.4	0.7	79	52.2	0.7	79	54.1	0.7	-	35.7%
17-22	2	-	2	3.0	1.5	2	3.3	1.6	2	3.5	1.8	2	3.8	1.9	2	4.0	2.0	-	0.9%

1. Rand million.

## Expenditure trends

The South African National Roads Agency's income consists mainly of revenue generated from toll fees and government allocations for the toll road network, as well as government allocations for the upkeep of the non-toll road network. 78.4 per cent of revenue comes from national government transfers. While the transfers increased significantly over the historical period when road maintenance was identified as an economic infrastructure priority, this growth in transfers will slow down now that greater transfer sums are being received by the agency, with the exception of years when new roads are taken over from provinces. Toll income increased considerably over the historical period due to traffic increases on existing toll roads, and is expected to increase over the medium term when the Gauteng freeways are tolled. Transfers were particularly high in 2011/12 due to the once-off transfer of R5.8 billion for the Gauteng freeway improvement project.

Expenditure between 2009/10 and 2012/13 increased for different activities, but in particular for maintenance, as this is the most efficient way of upholding the value of road assets.

Over the medium term, road maintenance will be prioritised to an even greater extent, as expenditure for enhancing facilities and acquiring new ones is being reduced and the funds redirected to maintenance. This is to ensure consistently high road quality while gradually increasing the kilometres of roads resurfaced and strengthened. Spending is dominated by expenditure incurred in extending the length of the non-toll road network from 16 500 kilometres to 18 215 kilometres, for which the agency's allocations have been increased. The agency's biggest expenditure item goes to contractors hired to work on its roads. Over the medium term, interest payments increase strongly.

Expenditure on consultants increased from R9.3 million in 2008/09 to R47.4 million in 2011/12, and is expected to increase further to R57.5 million over the medium term due to the design and building of new offices for the west region branch. Design consultants are used for once-off tasks. The number of employees stays constant.

## Other public entities and agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Cross-Border Road Transport Agency** is tasked with the responsibility of facilitating the unimpeded flow of cross-border freight and passengers by road in order to promote trade and economic development within the SADC region. Estimated expenditure for 2013/14 is R212.9 million.
- **Driving Licence Card Account** manufactures credit card format driving licences, based on orders received from driving licence testing centres, and generates its own revenue through the sale of the licences. Estimated expenditure for 2013/14 is R173.4 million.

- The **Ports Regulator** exercises economic regulation over the ports industry. Estimated expenditure for 2013/14 is R16.2 million.
- The **Railway Safety Regulator's** mission is to oversee and promote safe railway operations through appropriate support, monitoring and enforcement guided by an enabling regulatory framework. Estimated expenditure for 2013/14 is R86.6 million.
- The **Road Traffic Infringement Agency** administers the procedures that discourage the contravention of road traffic laws and adjudicates infringements, enforces penalties, provides specialised prosecution support services, and undertakes community education and community awareness programmes. Estimated expenditure for 2013/14 is R120.4 million.
- The **Road Traffic Management Corporation** coordinates strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters by national, provincial and local spheres of government. Estimated expenditure for 2013/14 is R173.4 million
- The **South African Civil Aviation Authority's** main strategic objective is to enforce safety and security regulations in the aviation industry. Estimated expenditure for 2013/14 is R416.6 million.
- The **South African Maritime Safety Authority** promotes South Africa's maritime interests and ensures the safety of life and property at sea. Estimated expenditure for 2013/14 is R349.9 million.



Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation 2012/13	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
South African National Roads Agency	Development and upkeep of the national road network	Various	-	2 847.5	4 065.2	5 727.3	6 602.6	6 394.5	7 515.3	7 849.6
Passenger Rail Agency of South Africa	Passenger rail infrastructure maintenance and rehabilitation	Construction	-	3 831.8	4 813.3	6 134.8	6 701.1	7 481.1	10 711.0	13 865.5
Gautrain rapid rail link	National contribution for construction of Gautrain rapid rail link	Hand over	12 951.5	2 976.7	438.4	-	-	-	-	-
Public transport infrastructure grant	Public transport infrastructure and systems for municipalities	Various	-	2 421.2	3 699.5	4 611.6	4 988.1	4 668.7	5 126.0	5 278.9
Passenger Rail Agency of South Africa: Public transport infrastructure grant	Improved railway stations	Hand over	-	464.8	-	-	-	-	-	-
Provincial roads maintenance grant	Maintenance of provincial road infrastructure	Various	-	4 162.2	5 091.7	5 872.4	7 981.8	8 696.2	9 126.2	9 773.9
South African National Roads Agency: Public transport infrastructure grant	Road maintenance for 2010 FIFA World Cup projects	Construction	-	206.6	-	-	-	-	-	-
Passenger Rail Agency of South Africa: Public transport infrastructure grant	Purchase of buses	Handed over	-	-	797.0	-	-	-	-	-
Sani Pass roads grant	Construction of road to Lesotho		-	34.3	-	-	-	-	-	-
Overload control grant	Vehicle overload control		-	10.1	11.0	-	-	-	-	-
<b>Total</b>			<b>12 951.5</b>	<b>16 955.1</b>	<b>18 916.0</b>	<b>22 346.1</b>	<b>26 273.6</b>	<b>27 240.5</b>	<b>32 478.5</b>	<b>36 767.9</b>



# Vote 38

## Water Affairs

### Budget summary

R million	2013/14				2014/15	2015/16
	Total to be appropriated	Current payments	Transfers and subsidies	Payments for capital assets	Total	Total
<b>MTEF allocation</b>						
Administration	978.6	947.6	15.6	15.5	1 068.0	1 126.2
Water Sector Management	516.4	426.6	51.8	37.9	597.8	619.0
Water Infrastructure Management	2 565.2	–	2 565.2	–	2 945.4	3 812.8
Regional Implementation and Support	5 982.7	1 178.2	1 283.1	3 521.3	7 684.8	9 772.0
Water Sector Regulation	118.7	117.2	–	1.5	121.5	125.8
International Water Cooperation	25.4	24.8	0.6	–	31.5	32.6
<b>Total expenditure estimates</b>	<b>10 187.0</b>	<b>2 694.4</b>	<b>3 916.4</b>	<b>3 576.2</b>	<b>12 449.0</b>	<b>15 488.4</b>

Executive authority Minister of Water Affairs

Accounting officer Director General of Water Affairs

Website address [www.dwa.gov.za](http://www.dwa.gov.za)

*The Estimates of National Expenditure e-publications for individual votes are available on [www.treasury.gov.za](http://www.treasury.gov.za). These publications provide more comprehensive coverage of vote specific information, particularly about goods and services, transfers and subsidies, public entities, donor funding, public private partnerships, conditional grants to provinces and municipalities, expenditure on skills training, a revised spending estimate for the current financial year, and expenditure information at the level of service delivery, where appropriate.*

### Aim

*Ensure the availability and supply of water at national level, facilitate equitable and sustainable social and economic development, and ensure the universal and efficient supply of water services at local level.*

### Mandate

The Department of Water Affairs' legislative mandate seeks to ensure that the country's water resources are protected, managed, used, developed, conserved and controlled by regulating and supporting the delivery of effective water supply and sanitation. This entails adhering to the requirements of water related policies and legislation, including constitutional requirements, that are critical in delivering on the right of access to sufficient food and water, transforming the economy and eradicating poverty. The mandate is derived from the National Water Act (1998), the Water Services Act (1997) and the Water Research Act (1971).

### Strategic goals

The department's strategic goals over the medium term are to:

- be an efficient, effective and development oriented sector leader by increasing the skills pool through implementing commitments contained in the sector skills plan of capacity building
- improve water resources management by finalising the institutional framework and formalising regional entities to provide regional bulk water infrastructure and support municipalities
- improve the internal control environment, thus improving water resources and services information and implementing programmes that support job creation
- provide equitable and sustainable raw water by finalising and implementing strategies that guide future priorities for water management in the country
- implement programmes to improve the efficiency of water use and oversee water infrastructure programmes that would be of benefit to various other sectors

- ensure the provision of equitable and sustainable water services of acceptable quantity and quality by regulating the quality and quantity of water services, and ensuring interim water supply in the 23 priority district municipalities
- protect freshwater ecosystems by improving the protection of water resources through the implementation of various programmes in support of water resources quality management, and ensuring that various sectors across the water value chain comply with water legislation.

## Programme purposes

### Programme 1: Administration

**Purpose:** Provide policy leadership, advice and core support services, including finance, human resources, legal, information and management services, communication, and corporate planning.

### Programme 2: Water Sector Management

**Purpose:** Ensure that the country's water resources are protected, used, developed, conserved, managed and controlled in a sustainable manner for the benefit of all people and the environment by developing and implementing effective policies and integrated planning strategies, and developing a knowledge base and procedures.

### Programme 3: Water Infrastructure Management

**Purpose:** Ensure a reliable supply of water from bulk raw water resources infrastructure to meet sustainable demand objectives for South Africa within acceptable risk parameters. Solicit and source funding to implement, operate and maintain bulk raw water resources infrastructure in an efficient and effective manner by strategically managing risks and assets.

### Programme 4: Regional Implementation and Support

**Purpose:** Coordinate the effective implementation of the department's strategic goals and objectives at the regional level, including the establishment of water resource management institutions. Facilitate water conservation and demand management. Accelerate communities' access to water infrastructure.

### Programme 5: Water Sector Regulation

**Purpose:** Ensure the development, implementation, monitoring and review of regulations across the water value chain in accordance with the provisions of the National Water Act (1998) and the Water Services Act (1997).

### Programme 6: International Water Cooperation

**Purpose:** Strategically develop, promote and manage international relations on water resources between countries through bilateral and multilateral cooperation instruments and organisations in line with provisions of the National Water Act (1998). Pursue national interests at both African multilateral and global multilateral organisations and forums.

## Selected performance indicators

**Table 38.1 Water Affairs**

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of new reconciliation strategies developed to ensure water security per year	Water Sector Management	Outcome 6: An efficient, competitive and responsive economic infrastructure network	8	2	2	4	1	3	3
Total number of gauging sites monitored <sup>1</sup>	Water Sector Management	Outcome 10: Environmental assets and natural resources that a valued, protected and continually enhanced	- <sup>1</sup>	1 500	1 504	1 507	1 509	1 511	1 512

Table 38.1 Water Affairs (continued)

Indicator	Programme	Outcome to which it contributes	Past			Current	Projections		
			2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of additional people provided with access to water per year	Regional Implementation and Support	Outcome 9: A responsive, accountable, effective and efficient local government system	1.1 million	351 106	598 766	746 004	1 million	1 million	1 million
Number of new bulk infrastructure schemes completed per year <sup>2</sup>	Regional Implementation and Support	Outcome 6: An efficient, competitive and responsive economic infrastructure network	38	55	62	64	12	12	18
Number of rainwater harvesting tanks installed for access to water and food production per year <sup>3</sup>	Regional Implementation and Support	Outcome 9: A responsive, accountable, effective and efficient local government system	2 544	5 740	6 000	7 000	2 400	2 300	2 500
Number of additional resource poor farmers supported with access to water per year	Regional Implementation and Support	Outcome 7: Vibrant, equitable and sustainable rural communities and food security for all	5 725	666	1 000	750	880	850	800
Number of municipalities supported to implement water conservation and water demand management per year <sup>4</sup>	Regional Implementation and Support	Outcome 9: A responsive, accountable, effective and efficient local government system	80	4	47	39	71	69	51
Percentage completed on construction of Inyaka water treatment works as stated in the original and approved project implementation plan <sup>5</sup>	Regional Implementation and Support	Outcome 6: An efficient, competitive and responsive economic infrastructure network	56%	73%	98%	99%	100%	– <sup>5</sup>	– <sup>5</sup>
Percentage completed on construction of Nandoni water distribution network and water treatment works as stated in the original and approved project implementation plan <sup>5</sup>	Regional Implementation and Support		60%	69%	79%	99%	100%	– <sup>5</sup>	– <sup>5</sup>
Percentage completed on construction of Nandoni distribution replacement of glass reinforced plastic pipeline as stated in the original and approved implementation plan <sup>5</sup>	Regional Implementation and Support		– <sup>5</sup>	– <sup>5</sup>	27%	91%	100%	– <sup>5</sup>	– <sup>5</sup>
Percentage completed on construction of Groot Letaba water augmentation project water distribution network and water treatment works as stated in the original and approved project implementation plan	Regional Implementation and Support		0	0	0	8%	25%	55%	100%
Percentage completed on construction of Hluhluwe regional water scheme as stated in the original and approved project implementation plan <sup>6</sup>	Regional Implementation and Support		61%	81%	92%	100%	– <sup>5</sup>	– <sup>5</sup>	– <sup>5</sup>
Percentage of construction of the pipeline from Middle Letaba dam as stated in the original and approved project implementation plan <sup>6</sup>	Regional Implementation and Support		– <sup>5</sup>	76%	94%	100%	– <sup>5</sup>	– <sup>5</sup>	– <sup>5</sup>
Total number of wastewater treatment collector systems assessed for compliance with effluent standards	Water Sector Regulation		Outcome 10: Environmental assets and natural resources that a valued, protected and continually enhanced	444	821	831	953	960	962
Total number of water treatment supply systems assessed for compliance with drinking water quality standards	Water Sector Regulation		402	787	914	931	950	950	950
Number of new catchment areas in which compulsory licensing processes have been completed per year <sup>7</sup>	Water Sector Regulation		– <sup>5</sup>	– <sup>5</sup>	– <sup>5</sup>	1	2	1	1
Number of strategic new partnerships established with countries in Africa <sup>7</sup>	International Water Cooperation	Outcome 11: Create a better South Africa and contribute to a better and safer Africa and world	– <sup>5</sup>	– <sup>5</sup>	2	2	2	3	4

1. This indicator began from 2010/11.

2. From 2013/14, the indicator will include completed schemes only. The indicator previously measured all the schemes implemented per year.

3. The significant decline over the medium term is as a result of a budget reduction.

4. In 2010/11, only 4 municipalities needed support based on the department's engagement with municipalities.

5. These indicators will only be measured up to 2013/14. The construction of Nandoni distribution replacement of glass reinforced plastic pipeline only started in 2011/12.

6. These projects will be completed in 2013/14. The construction of the pipeline from middle Letaba dam started in 2010/11.

7. Measurement of these indicators began between 2011/12 and 2012/13.

## The national development plan

In its vision for 2030, the national development plan envisages that South Africa will have made the transition to an environmentally sustainable economy and that all South Africans will have affordable access to sufficient and safe water, and decent sanitation to live healthy and dignified lives. Urban and industrial centres will have a reliable supply of water to meet their needs, agricultural water use will support productive and inclusive rural communities, and the natural environment will be protected to prevent excessive abstraction and pollution. To this end, the plan advocates carefully regulated infrastructure and research and development to ensure the most efficient use of this resource. Regular reviews of water resources management and implementation are proposed in order to identify priority areas of intervention. The department is currently reviewing the first edition of the national water resource strategy and will continue to focus on the development and implementation of the strategy's proposals.

The plan proposes a target of 15 per cent reduction in the average water demand by 2030. In response to this, the department will continue to run various programmes supporting local government to refurbish existing infrastructure of prioritised schemes, and to implement water conservation and water demand management programmes. The plan also proposes the establishment of a national water resources infrastructure agency. In line with this and to address institutional, revenue and financial challenges and inefficiencies, the department will establish a national water resources infrastructure agency before 2015.

It is acknowledged that many municipalities do not have the requisite technical capacity to build and manage water and wastewater treatment works. One of the recommendations of the national development plan is that a regional approach to water and wastewater management be adopted in certain areas to address this shortcoming, which is supported by the department.

## Expenditure estimates

**Table 38.2 Water Affairs**

Programme	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)		
	2009/10	2010/11	2011/12			2012/13	2009/10 - 2012/13	Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Average (%)
R million													
Administration	864.5	826.5	781.5	865.0	865.0	0.0%	10.9%	978.6	1 068.0	1 126.2	9.2%	8.6%	
Water Sector Management	443.5	423.9	511.8	454.3	454.3	0.8%	6.0%	516.4	597.8	619.0	10.9%	4.7%	
Water Infrastructure Management	2 108.1	2 132.4	2 384.0	2 251.5	2 137.5	0.5%	28.7%	2 565.2	2 945.4	3 812.8	21.3%	24.5%	
Regional Implementation and Support	3 063.0	3 499.4	4 375.5	5 283.7	5 153.7	18.9%	52.8%	5 982.7	7 684.8	9 772.0	23.8%	61.0%	
Water Sector Regulation	73.2	125.6	91.2	110.2	110.2	14.6%	1.3%	118.7	121.5	125.8	4.5%	1.0%	
International Water Cooperation	11.4	15.9	20.9	28.5	28.5	35.5%	0.3%	25.4	31.5	32.6	4.6%	0.3%	
<b>Total</b>	<b>6 563.7</b>	<b>7 023.7</b>	<b>8 164.9</b>	<b>8 993.2</b>	<b>8 749.2</b>	<b>10.1%</b>	<b>100.0%</b>	<b>10 187.0</b>	<b>12 449.0</b>	<b>15 488.4</b>	<b>21.0%</b>	<b>100.0%</b>	
Change to 2012 Budget estimate				180.5	(63.5)			441.3	1 756.5	4 304.0			

### Economic classification

	2 372.6	2 267.3	2 281.4	2 471.2	2 471.2	1.4%	30.8%	2 694.4	2 921.9	3 046.9	7.2%	23.8%
<b>Current payments</b>												
Compensation of employees	820.0	906.0	922.8	1 058.3	1 058.3	8.9%	12.2%	1 227.2	1 317.7	1 383.7	9.3%	10.6%
Goods and services	1 545.8	1 358.4	1 354.7	1 410.5	1 410.5	-3.0%	18.6%	1 465.1	1 602.0	1 661.1	5.6%	13.1%
<i>of which:</i>												
Consultants and professional services: Business and advisory services	375.2	204.3	166.0	199.2	199.2	-19.0%	3.1%	153.2	164.3	172.2	-4.7%	1.5%
Consultants and professional services: Infrastructure and planning	196.1	160.0	175.8	275.7	275.7	12.0%	2.6%	193.1	238.8	238.0	-4.8%	2.0%
Property payments	21.6	14.3	47.1	336.2	336.2	149.7%	1.4%	368.7	394.7	414.3	7.2%	3.2%
Travel and subsistence	181.9	173.9	208.3	143.9	143.9	-7.5%	2.3%	172.9	195.2	210.6	13.5%	1.5%
Interest and rent on land	6.9	2.9	4.0	2.4	2.4	-29.1%	0.1%	2.1	2.2	2.1	-4.9%	0.0%
<b>Transfers and subsidies</b>	<b>3 135.2</b>	<b>3 227.0</b>	<b>3 486.1</b>	<b>2 909.4</b>	<b>2 795.4</b>	<b>-3.8%</b>	<b>41.5%</b>	<b>3 916.4</b>	<b>4 884.7</b>	<b>7 686.3</b>	<b>40.1%</b>	<b>41.1%</b>
Provinces and municipalities	908.8	985.4	992.5	562.6	562.6	-14.8%	11.3%	1 024.0	1 508.7	3 142.3	77.4%	13.3%
Departmental agencies and accounts	1 958.5	1 992.8	2 259.0	2 140.4	2 026.4	1.1%	27.0%	2 431.5	2 805.7	3 668.8	21.9%	23.3%
Foreign governments and international organisations	177.1	180.3	179.7	180.6	180.6	0.7%	2.4%	188.6	197.9	204.9	4.3%	1.6%
Public corporations and private enterprises	0.0	9.7	-	-	-	-100.0%	0.0%	250.0	350.0	650.0		2.7%
Households	90.7	58.9	54.9	25.8	25.8	-34.2%	0.8%	22.2	22.4	20.3	-7.7%	0.2%

**Table 38.2 Water Affairs (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
R million												
<b>Payments for capital assets</b>	<b>1 005.6</b>	<b>1 523.8</b>	<b>2 371.9</b>	<b>3 612.5</b>	<b>3 482.5</b>	<b>51.3%</b>	<b>27.5%</b>	<b>3 576.2</b>	<b>4 642.4</b>	<b>4 755.2</b>	<b>10.9%</b>	<b>35.1%</b>
Buildings and other fixed structures	974.1	1 290.7	2 285.2	3 512.7	3 382.7	51.4%	26.0%	3 475.6	4 558.3	4 663.6	11.3%	34.3%
Machinery and equipment	30.8	225.6	66.6	84.7	84.7	40.1%	1.3%	93.2	76.0	83.7	-0.4%	0.7%
Biological assets	0.0	-	-	-	-	-100.0%	0.0%	-	-	-	-	-
Software and other intangible assets	0.7	7.4	20.1	15.2	15.2	176.1%	0.1%	7.3	8.0	7.9	-19.8%	0.1%
<b>Payments for financial assets</b>	<b>50.3</b>	<b>5.6</b>	<b>25.4</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.3%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>6 563.7</b>	<b>7 023.7</b>	<b>8 164.9</b>	<b>8 993.2</b>	<b>8 749.2</b>	<b>10.1%</b>	<b>100.0%</b>	<b>10 187.0</b>	<b>12 449.0</b>	<b>15 488.4</b>	<b>21.0%</b>	<b>100.0%</b>

## Personnel information

**Table 38.3 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012	Number of funded posts	Number of posts additional to the establishment	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
			Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number		Cost	Unit Cost	Number	Cost	Unit Cost	
<b>Water Affairs</b>	<b>4 139</b>	<b>211</b>	<b>3 772</b>	<b>922.8</b>	<b>0.2</b>	<b>4 081</b>	<b>1 058.3</b>	<b>0.3</b>	<b>4 081</b>	<b>1 227.2</b>	<b>0.3</b>	<b>4 090</b>	<b>1 317.7</b>	<b>0.3</b>	<b>4 093</b>	<b>1 383.7</b>	<b>0.3</b>	<b>0.1%</b>	<b>100.0%</b>
1 – 6	1 852	146	1 886	244.6	0.1	1 829	282.2	0.2	1 827	315.0	0.2	1 825	344.1	0.2	1 826	360.0	0.2	-0.1%	44.7%
7 – 10	1 610	46	1 373	339.5	0.2	1 580	410.3	0.3	1 580	473.8	0.3	1 591	498.0	0.3	1 592	533.0	0.3	0.3%	38.8%
11 – 12	519	12	402	240.2	0.6	508	245.6	0.5	510	284.8	0.6	510	311.8	0.6	510	320.7	0.6	0.1%	12.5%
13 – 16	158	7	111	98.6	0.9	164	120.1	0.7	164	153.6	0.9	164	163.9	1.0	165	170.0	1.0	0.2%	4.0%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on funding water infrastructure management and regional implementation and support programmes for bulk water infrastructure. This aims to accelerate the delivery of water to households, agriculture and industry. In line with this, the bulk of the department's allocation over the medium term goes towards expenditure on transfers and subsidies to public entities and municipalities for the development of new water resources infrastructure; the maintenance, refurbishment and operations of existing water services infrastructure; the water trading entity; the operational budgets for the Breede-Overberg and Inkomati catchment management agencies; and payments for capital assets for the development of bulk raw water schemes and wastewater treatment works.

Between 2009/10 and 2012/13, spending in the *Regional Implementation and Support* programme on payments for capital assets increased significantly, specifically buildings and other fixed structures, due to the implementation of the regional bulk water and wastewater infrastructure projects. Over the same period, spending in the *International Water Cooperation* programme on goods and services increased significantly due to initiatives to strengthen relations with neighbouring countries.

Over the medium term, spending in the *Regional Implementation and Support* programme is projected to increase significantly due to the projected increase in transfers and subsidies to the Pilanesberg and Ilembe bulk water schemes, the refurbishment of the regional raw water treatment works in the Amatole district municipality and allocations to local government. The projected increase in payments for capital assets over this period is for the implementation of a rapid intervention programme that focuses on community infrastructure, water conservation and demand management and the wastewater infrastructure refurbishment programme. Spending in the *Water Infrastructure Management* programme is also expected to increase significantly over the medium term due to additional allocations for water infrastructure.

The 2013 Budget sets out additional allocations of R1.5 billion in 2013/14, R2.9 billion in 2014/15 and R5.5 billion in 2015/16 to be used as follows:

- R91.3 million over the medium term for improved conditions of service
- R150 million in 2013/14 for acid mine drainage
- R4.3 billion over the medium term for the municipal water infrastructure grant to provide for interim water supply to rural households in the 23 district municipalities prioritised by Cabinet
- R3.7 billion over the medium term for the regional bulk infrastructure grant for the upgrades and refurbishment of 6 existing plants and bulk water infrastructure projects
- R1.5 billion for upgrading the pipeline from Steelpoort to Mooihoek (phase 2D) and the construction of the new pipeline from the Flag Boshielo dam to Mokopane (phase 2B) of the De Hoop dam's bulk distribution system.

Cabinet approved budget reductions of R38.4 million in 2013/14, R83.8 million in 2014/15 and R131.5 million in 2015/16 were effected across all programmes. The department made the reductions mainly in spending on compensation of employees and various goods and services items, such as communication, travel and subsistence, and consultants. These reductions are not expected to have a negative impact on service delivery. In addition, funds have been reprioritised within the department over the medium term, the details of which are discussed within each programme.

The department has an establishment of 4 139 funded posts and 211 posts additional to the establishment. As at 30 September 2012, 4 081 posts were filled. The vacancies were due to difficulties in attracting and retaining staff with the required engineering, technical, scientific and legal skills. The ratio of support staff to line function staff was 1:3.

In 2012/13, the department had a budget of R485 million for consultants, which is equivalent to 45.8 per cent of the budget allocated for spending on compensation of employees. Consultants are used to support critical skills, provide technical expertise, legal services, project management and oversight due to the difficulty in attracting and retaining the skills required.

## Infrastructure spending

### *Mega infrastructure projects*

The **Olifants River water resources development project** comprises the construction of the De Hoop dam and the bulk raw water distribution systems. Following an independent review of the project, the project costs for the implementation of phases 2B and 2D, which entailed the construction of the new pipeline from the Flag Boshielo dam to Mokopane and the upgrading of the pipeline from Steelpoort to Mooihoek, were reduced to R2.2 billion over the MTEF period. The total allocation to the project over MTEF period is R1.5 billion and the balance will be raised as a contribution from the mines, either through a direct capital contribution or off take agreements. The department will also continue with the implementation of phase 2C, which entails the Steelpoort weir and abstraction works, of the De Hoop bulk distribution system. The baseline allocation over the medium term is R200 million.

The construction of the dam began in 2007 and R2.9 billion had been spent up to 2012/13. The dam is set to be commissioned at the beginning of 2013, with site clearance taking place by the end of 2013. The construction of the distribution system began in 2011/12 and R1.2 billion has been spent up to 2012/13, with R2.4 billion allocated over the MTEF period. The project will deliver water for domestic and agricultural use in the Greater Sekhukhune, Waterberg and Capricorn district municipalities in Limpopo. The project will benefit more than 800 000 people in the domestic sector. Since the project benefits mostly poor, rural municipalities, the shortfall will be partially subsidised by the fiscus and a phased approach will be adopted in implementing the project. Where feasible, the department will explore maximising the use of existing infrastructure and exploring partnerships with local mines, particularly in phase 2B of the project, which is designed to provide water to the Mogalakwena municipality and surrounding mines. Having finalised the off take agreements in 2012/13, the department will, over the medium, revisit the socioeconomic impact assessment study to determine the financial impact of water from the dam on the municipalities to evaluate the shortfall between what the municipalities can afford and the actual cost of water from the dam.



The **dam safety rehabilitation project** ensures the continued structural and operational safety of the 315 dams the department owns in order to comply with dam safety regulations. The project has an estimated cost of R2.8 billion, R1.3 billion of which was spent up to 2012/13, with R1.2 billion allocated over the MTEF period.

The **raising of Clanwilliam dam** project will make the dam safer during floods, stabilise dam distortion caused by alkali aggregate reaction, provide an additional yield of 70 million cubic metres of water per year, and help under resourced, poor farmers promote food security and employment. The dam is located in the middle reaches of the Olifants River near Clanwilliam in Western Cape. By the time it is completed, the project will have created 2 500 permanent jobs in the agricultural sector. During the construction phase, the project will create 650 temporary jobs. The total estimated budget for the project is R1.8 billion, R60.2 million of which was spent by 2012/13, with R1.3 billion to be spent over the MTEF period. The project is in its design stage, pending approval of the final height of the dam wall, and is scheduled for completion by 2017. The start of the project has been pushed back due to delays in completing the feasibility studies.

#### *Large infrastructure projects*

**Phase 1 and 2 of the Mokolo and Crocodile River (West) water augmentation project** aims to deliver water to Eskom's Medupi power station and other industries in the area, and will also provide domestic water to the Lephalale local municipality in Limpopo. The total estimated cost of the first phase of the project is R2.1 billion, R478.3 million of which has been spent to date and R131.2 million is to be spent over the MTEF period. Off budget sources will be used to fund 75 per cent of phase 1. The Minister of Water Affairs has directed the Trans-Caledon Tunnel Authority to secure funding and implement the project, which began in 2011/12 and is scheduled for commissioning in 2013/14.

The **raising of Tzaneen dam and the construction of the new Nwamitwa dams for the Groot Letaba River development project** aim to augment the supply of water to meet the growing demand from the domestic sector in Limpopo by 2025, improve water availability in the riverine ecosystem and stabilise water availability to the irrigation sector. The project is estimated to cost R1.3 billion, R845.9 million of which is allocated over the MTEF period. The commissioning of the Tzaneen dam is scheduled for April 2016, while the Nwamitwa dam is set to be commissioned in March 2018.

The **Nandoni water treatment works and distribution networks** project will augment water supply to the Vhembe district municipality in Limpopo. The total value of the project is estimated at R2 billion, R276.7 million of which has been spent up to 2012/13 and R157.4 million will be spent over the MTEF period. The construction began in 2006/07 and commissioning is scheduled for 2013/14.

The **Nandoni Pipeline project** aims to convey water for domestic use to the Vhembe district municipality in Limpopo. The construction of the project began in 2006/07 and was scheduled for completion in 2013/14. The commissioning of this project was delayed due to the quality of the pipes and contract management issues. This increased the project cost from R200 million to R750 million. R317 million has been spent up to 2012/13 and R92.6 million is allocated over the MTEF period.

#### *Small infrastructure projects*

Over the medium term, 123 projects will be implemented, of which 62 are in the construction phase. 28 are in the design and tender phases, and 33 projects are in the feasibility study phase. These projects aim to develop bulk water and wastewater infrastructure that will enable the connection of municipal reticulation infrastructure. The total value of these projects over the MTEF period is estimated at R11.9 billion.

## Departmental receipts

Table 38.4 Receipts

R thousand	Audited outcome			Adjusted estimate	Revised estimate	Average growth rate (%)	Receipt/total: Average (%)	Medium-term receipts estimate			Average growth rate (%)	Receipt/total: Average (%)
	2009/10	2010/11	2011/12					2012/13	2013/14	2014/15		
Departmental receipts	76 279	33 119	85 637	27 282	27 880	-28.5%	100.0%	29 358	30 855	32 367	5.1%	100.0%
Sales of goods and services produced by department	5 398	1 778	7 620	3 514	3 514	-13.3%	8.2%	1 936	2 058	2 108	-15.7%	8.0%
Sales by market establishments of which:	5 326	1 067	7 001	1 952	1 952	-28.4%	6.9%	1 105	1 150	1 175	-15.6%	4.5%
Dwellings	4 742	888	6 836	1 802	1 802	-27.6%	6.4%	950	990	1 000	-17.8%	3.9%
Rental parking: Covered and open	584	179	165	150	150	-36.4%	0.5%	155	160	175	5.3%	0.5%
Administration fees of which:	72	30	30	29	29	-26.1%	0.1%	26	33	40	11.3%	0.1%
Transport fees	2	1	1	2	2	-	-	-	-	-	-100.0%	-
Camping fees	(12)	-	-	-	-	-100.0%	-	-	-	-	-	-
Replacement of security guards	32	2	2	2	2	-60.3%	-	-	-	-	-100.0%	-
Maps	33	17	14	13	13	-26.7%	-	12	15	18	11.5%	-
Sale: Water potable	17	10	13	12	12	-11.0%	-	14	18	22	22.4%	0.1%
Other sales of which:	-	681	589	1 533	1 533	-	1.3%	805	875	893	-16.5%	3.4%
Rental: Capital assets	-	15	-	16	16	-	-	15	20	23	12.9%	0.1%
Tender documents	-	16	-	-	-	-	-	240	260	270	-	0.6%
Commission insurance	-	650	589	550	550	-	0.8%	550	595	600	2.9%	1.9%
Other sales	-	-	-	967	967	-	0.4%	-	-	-	-100.0%	0.8%
Sales of scrap, waste, arms and other used current goods of which:	35	32	-	22	47	10.3%	0.1%	37	32	35	-9.4%	0.1%
Scrap	30	29	-	20	45	14.5%	-	34	32	35	-8.0%	0.1%
Waste paper	5	3	-	2	2	-26.3%	-	3	-	-	-100.0%	-
Fines, penalties and forfeits	(12)	-	-	-	-	-100.0%	-	-	-	-	-	-
Interest, dividends and rent on land	34 873	3 420	4 176	3 396	3 396	-54.0%	20.6%	3 140	2 910	2 800	-6.2%	10.2%
Interest	34 873	3 420	4 176	3 396	3 396	-54.0%	20.6%	3 140	2 910	2 800	-6.2%	10.2%
Sales of capital assets	-	-	12	-	-	-	-	-	-	-	-	-
Transactions in financial assets and liabilities	35 985	27 889	73 829	20 350	20 923	-16.5%	71.2%	24 245	25 855	27 424	9.4%	81.7%
<b>Total</b>	<b>76 279</b>	<b>33 119</b>	<b>85 637</b>	<b>27 282</b>	<b>27 880</b>	<b>-28.5%</b>	<b>100.0%</b>	<b>29 358</b>	<b>30 855</b>	<b>32 367</b>	<b>5.1%</b>	<b>100.0%</b>

## Programme 1: Administration

- Ministry* provides support to the minister and deputy minister, and makes provision for their salaries. The support function entails advising the minister and deputy minister on policy matters, organising public participation programmes, dealing with appeals in terms of grievance procedures, attending to administrative and logistical needs, processing the department's submissions, and supporting the minister and deputy minister on Cabinet and parliamentary matters. Some of the primary activities conducted in 2012/13 were the finalisation of the Lesotho Highlands Water Project phase 2 agreement with the government of Lesotho, and presentation of the draft national water resources strategy and national water investment framework to Parliament. This subprogramme had a staff complement of 35 in 2012/13.
- Departmental Management* provides administrative support to the director general and secretariat services to the department, and makes provisions for salaries and other costs associated with the office of the director general. This entails tracking submissions; facilitating governance structure meetings chaired by the minister, director general and chief operating officer; coordinating parliamentary responses; preparing for cluster meetings; business planning; reporting on performance; and implementing transformation projects. In 2012/13, 9 reports on governance were completed. This subprogramme had a staff complement of 54 in 2012/13.
- Internal Audit* provides independent, objective assurance and advisory services designed to add value and improve the department's operations. This entails involvement in 84 various projects such as conducting audits to evaluate the integrity of financial and operational information, verifying asset management procedures, special investigations, and assessing compliance with laws and regulations by means of providing support and advisory services to the department. In 2012/13, a three-year implementation plan was approved by the audit committee. This subprogramme had a staff complement of 35 in 2012/13.
- Corporate Services* provides administrative support to the department and comprises the human resources, communications services, legal services, administration, and information services units. In 2012/13,

transfers amounting to R12 million were made for student bursaries in science and engineering through the learning academy, and R1.6 million was transferred to the Energy Sector Education and Training Authority. Over the medium term, the focus will be on developing and recruiting specialised skills, especially engineers and scientists. This subprogramme had a staff complement of 679 in 2012/13.

- *Financial Management* ensures the efficient management of daily financial operations, processes and systems. In 2012/13, the process of establishing and improving systems of internal control within the department and regional offices was under way. This subprogramme had a staff complement of 453 in 2012/13.
- *Office Accommodation* makes payments for rental charges on all leased office space occupied by the department, as well as for municipal services such as electricity, water, and sewage and waste removal. This subprogramme has no staff complement.

## Expenditure estimates

**Table 38.5 Administration**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R million											
Ministry	14.9	32.6	48.5	24.4	17.8%	3.6%	42.2	49.5	50.6	27.6%	4.1%
Departmental Management	83.5	65.7	63.9	81.3	-0.9%	8.8%	65.1	75.2	68.7	-5.5%	7.2%
Internal Audit	10.6	18.4	19.5	26.7	36.2%	2.3%	24.7	26.4	28.1	1.6%	2.6%
Corporate Services	448.6	422.9	354.4	315.4	-11.1%	46.2%	362.1	392.2	410.7	9.2%	36.7%
Financial Management	139.8	92.8	90.1	100.7	-10.4%	12.7%	141.8	159.0	185.6	22.6%	14.5%
Office Accommodation	167.1	194.1	205.2	316.4	23.7%	26.4%	342.7	365.8	382.6	6.5%	34.9%
<b>Total</b>	<b>864.5</b>	<b>826.5</b>	<b>781.5</b>	<b>865.0</b>	<b>-</b>	<b>100.0%</b>	<b>978.6</b>	<b>1 068.0</b>	<b>1 126.2</b>	<b>9.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(18.1)			2.9	(7.8)	(27.0)		
<b>Economic classification</b>											
<b>Current payments</b>	<b>797.9</b>	<b>798.6</b>	<b>744.0</b>	<b>815.2</b>	<b>0.7%</b>	<b>94.6%</b>	<b>947.6</b>	<b>1 034.5</b>	<b>1 089.9</b>	<b>10.2%</b>	<b>96.3%</b>
Compensation of employees	206.0	234.2	262.2	274.2	10.0%	29.3%	338.9	359.8	380.1	11.5%	33.5%
Goods and services	585.2	564.2	481.0	541.0	-2.6%	65.1%	608.6	674.6	709.7	9.5%	62.8%
of which:											
Consultants and professional services:	23.8	22.6	31.2	49.2	27.5%	3.8%	53.1	58.7	69.3	12.1%	5.7%
Business and advisory services											
Consultants and professional services:	1.6	-	0.3	-	-100.0%	0.1%	-	-	-	-	-
Infrastructure and planning											
Property payments	15.1	5.3	34.5	318.1	176.1%	11.2%	358.1	382.8	402.6	8.2%	36.2%
Travel and subsistence	55.3	36.4	41.9	21.1	-27.5%	4.6%	34.1	42.7	43.8	27.6%	3.5%
Interest and rent on land	6.8	0.2	0.9	-	-100.0%	0.2%	0.1	0.1	0.1	-	-
<b>Transfers and subsidies</b>	<b>10.2</b>	<b>4.9</b>	<b>15.5</b>	<b>14.6</b>	<b>12.6%</b>	<b>1.4%</b>	<b>15.6</b>	<b>16.3</b>	<b>17.1</b>	<b>5.4%</b>	<b>1.6%</b>
Provinces and municipalities	-	0.3	0.0	-	-	-	-	-	-	-	-
Departmental agencies and accounts	1.1	0.9	1.2	1.6	12.7%	0.1%	2.5	2.6	2.8	20.4%	0.2%
Households	9.1	3.6	14.3	13.0	12.6%	1.2%	13.1	13.7	14.3	3.3%	1.3%
<b>Payments for capital assets</b>	<b>6.1</b>	<b>17.3</b>	<b>21.9</b>	<b>35.2</b>	<b>79.9%</b>	<b>2.4%</b>	<b>15.5</b>	<b>17.2</b>	<b>19.2</b>	<b>-18.3%</b>	<b>2.2%</b>
Buildings and other fixed structures	0.0	-	1.6	2.9	360.5%	0.1%	-	-	-	-100.0%	0.1%
Machinery and equipment	6.0	13.9	8.8	19.4	47.8%	1.4%	12.1	13.4	14.8	-8.6%	1.5%
Software and other intangible assets	0.0	3.4	11.5	12.9	724.9%	0.8%	3.4	3.9	4.4	-30.2%	0.6%
<b>Payments for financial assets</b>	<b>50.3</b>	<b>5.6</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>1.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>864.5</b>	<b>826.5</b>	<b>781.5</b>	<b>865.0</b>	<b>-</b>	<b>100.0%</b>	<b>978.6</b>	<b>1 068.0</b>	<b>1 126.2</b>	<b>9.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>13.2%</b>	<b>11.8%</b>	<b>9.6%</b>	<b>9.6%</b>			<b>9.6%</b>	<b>8.6%</b>	<b>7.3%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>8.9</b>	<b>-</b>	<b>0.0</b>	<b>12.0</b>	<b>10.5%</b>	<b>0.6%</b>	<b>12.7</b>	<b>13.3</b>	<b>13.9</b>	<b>5.0%</b>	<b>1.3%</b>
Bursaries for non-employees	8.7	-	-	12.0	11.3%	0.6%	12.7	13.3	13.9	5.0%	1.3%
Youth programmes	0.2	-	-	-	-100.0%	-	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>1.1</b>	<b>0.9</b>	<b>1.2</b>	<b>1.6</b>	<b>12.7%</b>	<b>0.1%</b>	<b>2.5</b>	<b>2.6</b>	<b>2.8</b>	<b>20.4%</b>	<b>0.2%</b>
Energy Sector Education and Training Authority	1.1	0.9	1.2	1.6	12.7%	0.1%	2.5	2.6	2.7	20.4%	0.2%
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	<b>0.2</b>	<b>3.6</b>	<b>14.3</b>	<b>1.0</b>	<b>66.9%</b>	<b>0.6%</b>	<b>0.4</b>	<b>0.4</b>	<b>0.4</b>	<b>-25.2%</b>	<b>0.1%</b>
Employee social benefits	0.2	3.6	14.3	1.0	66.9%	0.6%	0.4	0.4	0.4	-25.2%	0.1%

## Personnel information

**Table 38.6 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					2012/13 - 2015/16
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			
<b>Administration</b>																			
Salary level	1 265	50	1 125	262.2	0.2	1 167	274.2	0.2	1 167	338.9	0.3	1 165	359.8	0.3	1 165	380.1	0.3	-0.1%	100.0%
1 – 6	595	11	557	79.5	0.1	548	85.8	0.2	548	98.4	0.2	546	103.4	0.2	546	109.1	0.2	-0.1%	46.9%
7 – 10	495	24	432	96.6	0.2	462	108.7	0.2	462	134.4	0.3	462	142.7	0.3	462	150.2	0.3	-	39.6%
11 – 12	112	9	87	45.0	0.5	94	37.4	0.4	94	51.3	0.5	94	55.1	0.6	94	58.8	0.6	-	8.1%
13 – 16	63	6	49	41.1	0.8	63	42.3	0.7	63	54.9	0.9	63	58.7	0.9	63	62.1	1.0	-	5.4%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing administrative and financial management support to the department to maximise organisational efficiencies and strengthen internal and financial controls.

Between 2009/10 and 2012/13, spending increased significantly in the *Ministry*, *Internal Audit*, and *Office Accommodation* subprogrammes. Spending in the *Ministry* subprogramme increased due to the appointment of the deputy minister and additional support staff, which was consistent with the increases in spending on compensation of employees and the related goods and services budgets. Spending in the *Internal Audit* subprogramme increased due to the restructuring of the unit to include three additional directorates that will focus on various disciplines of auditing, while the increase in spending in the *Office Accommodation* subprogramme was attributed to the hiring of additional office space for the support staff of the deputy minister, as well as escalations in rental costs.

Spending in the *Financial Management* subprogramme is expected to increase significantly over the medium term due to funding reallocated from vacant posts to provide for the creation of an internal control directorate within the finance branch. This was done to ensure efficient systems of control are in place and to strengthen financial management within the department. Additional staff will be appointed to establish this directorate, which accounts for the increase in spending on compensation of employees projected over the medium term. This also contributes to the projected increase in spending on goods and services, particularly rental costs and computer services. Spending in the *Ministry* subprogramme is expected to increase significantly over the medium term due to the expansion of the ministry and the special projects it spearheads. The significant increase in spending on legal costs over the medium term is attributed to pending legal cases regarding compliance with the Water Act (1998) and related legislation and regulations.

The department has reprioritised spending in this programme over the medium term as follows: R94.4 million to spending on goods and services and R55.1 million from payments of capital assets to fund compensation of employees; R28.3 million to fund the deficit for the bursary and office accommodation function shift to the Department of Agriculture, Forestry and Fisheries; and R9.2 million to the *International Cooperation* programme to fund the shortfall for South Africa to meet its international obligations with neighbouring countries.

As part of the Cabinet approved budget reductions, the department will reduce spending on consultants by R8.5 million in 2013/14, R19.2 million in 2014/15 and R30.1 million in 2015/16.

The programme has an establishment of 1 265 funded posts and 50 posts additional to the establishment. As at 30 September 2012, 1 167 posts were filled and vacancies were due to the length of time it takes to finalise the recruitment processes. Spending on consultants was equivalent to 18.9 per cent of spending on compensation of employees in 2012/13. Spending on consultants is projected to increase from R59.3 million in 2012/13 to R87.1 million in 2015/16 due to the business process review and specialised investigations conducted by the Special Investigating Unit.

## Programme 2: Water Sector Management

### Objectives

- Ensure that available water is used efficiently by implementing water conservation and demand management programmes, including sector awareness and mobilisation on an ongoing basis over the MTEF period.
- Maintain a reliable and equitable supply of water over the medium term by:
  - developing a reconciliation strategy for the Olifants water management area
  - completing 3 feasibility plans of the uMzimvubu, Ncwabeni and Western Cape water supply systems.
- Improving the monitoring of water resources in order to respond and adapt to the impact of climate change by refurbishing existing 1 500 river flow gauging stations by 2015/16.
- Improve regional water resources management through ensuring that shared water resources are managed in collaboration with neighbouring states by establishing a joint water commission and undertaking international water resource management plans for shared water resources with Mozambique, Botswana and Swaziland on an ongoing basis.
- Ensure that water resources are managed sustainably and that funding is raised for refurbishing existing water infrastructure by finalising the revision of water pricing strategy in 2013/14.
- Strengthen the regulatory function through improved regulations for water services provision and water resource development by revising and submitting the Water Services Amendment Bill and National Water Bill to Parliament by 2013/14.
- Improve the efficiency and effectiveness of the delivery of water by strengthening the capacity of water institutions to discharge their obligations through the finalisation of an institutional realignment framework over the MTEF period.
- Ensure the efficient use and protection of water resources by:
  - setting the final resource quality objectives for the Upper Vaal and Lower Vaal by 2015/16
  - gazetting and developing the implementation plan for the second edition of the national water resource strategy by 2013/14
  - finalising a national integrated information system prototype in 2015/16.

### Subprogrammes

- *Policy and Planning Management and Support* oversees the overall management and oversight of the programme by ensuring effective and efficient operation of the office of the deputy director general. This entails business planning and overall monitoring of the programme. This subprogramme had a staff complement of 9 in 2012/13.
- *Integrated Planning* develops comprehensive plans that guide infrastructure development, systems and services management in the water sector. This entails preparing reconciliation strategies, drafting feasibility plans, compiling the integrated hydrological plan, undertaking options analyses and macro planning. In 2012/13, R24.5 million was spent on consultants to draft and design technical plans for a water treatment plant to neutralize polluted acid mine water. Over the medium term, focus will be placed on completing the acid mine drainage feasibility study and planning its implementation, completing reuse and desalination strategies, and completing the second edition of the national water resource strategy. This subprogramme had a staff complement of 128 in 2012/13.
- *Policy and Strategy* develops, maintains, monitors and reviews the implementation of water sector policy to ensure reliable and equitable water supply and services. By the end of 2012/13, the department will have finalised reviews of the National Water Act (1998), the Water Services Act (1997) and the Water Research Act (1971). This subprogramme had a staff complement of 41 in 2012/13.
- *Water Ecosystem* develops and implements measures to protect water resources. This entails classifying systems, determining reserves, conducting resource quality assessments and implementing resource directed measures. In 2012/13, R13.6 million was spent on consultants to assist in the protection and improvement of water quality. This subprogramme had a staff complement of 36 in 2012/13.

- *Water Information Management* is discussed in more detail below.
- *Institutional Oversight* involves institutional governance and oversight of all water institutions, and facilitates their establishment and development. This entails providing institutional support, establishing catchment management agencies and rendering advisory services oversight. In 2012/13, the following transfers were made: R19.1 million to the Breede-Overberg Catchment Management Agency, R30.2 million to the Inkomati Catchment Management Agency and R18 million to Rand Water. This subprogramme had a staff complement of 33 in 2012/13.

## Expenditure estimates

**Table 38.7 Water Sector Management**

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term expenditure estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
R million											
Policy and Planning Management and Support	5.7	3.3	3.4	4.1	-9.9%	0.9%	5.1	5.6	5.8	11.8%	0.9%
Integrated Planning	125.3	113.2	178.7	127.9	0.7%	29.7%	157.9	177.6	183.9	12.9%	29.6%
Policy and Strategy	17.1	32.6	23.9	28.0	17.8%	5.5%	31.8	54.8	56.8	26.6%	7.8%
Water Ecosystem	43.2	32.3	35.6	31.5	-10.0%	7.8%	39.1	42.4	44.0	11.8%	7.2%
Water Information Management	174.3	144.4	160.7	155.4	-3.8%	34.6%	173.9	198.1	205.1	9.7%	33.5%
Institutional Oversight	78.1	98.1	109.5	107.5	11.3%	21.4%	108.6	119.3	123.5	4.7%	21.0%
<b>Total</b>	<b>443.5</b>	<b>423.9</b>	<b>511.8</b>	<b>454.3</b>	<b>0.8%</b>	<b>100.0%</b>	<b>516.4</b>	<b>597.8</b>	<b>619.0</b>	<b>10.9%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(164.6)			(5.2)	(12.2)	-		

### Economic classification

<b>Current payments</b>	<b>376.4</b>	<b>330.2</b>	<b>355.9</b>	<b>352.3</b>	<b>-2.2%</b>	<b>77.2%</b>	<b>426.6</b>	<b>503.2</b>	<b>521.7</b>	<b>14.0%</b>	<b>82.5%</b>
Compensation of employees	107.8	139.3	149.1	162.0	14.5%	30.4%	203.2	228.9	236.6	13.5%	38.0%
Goods and services	268.6	190.9	206.6	190.1	-10.9%	46.7%	223.1	274.0	284.9	14.4%	44.4%
of which:											
Consultants and professional services: Business and advisory services	36.5	12.4	3.5	9.9	-35.2%	3.4%	16.7	16.9	16.8	19.1%	2.8%
Consultants and professional services: Infrastructure and planning	124.4	108.1	93.0	104.9	-5.5%	23.5%	117.8	160.0	156.8	14.3%	24.7%
Property payments	0.5	0.3	0.4	0.4	-8.5%	0.1%	0.4	0.4	0.1	-34.3%	0.1%
Travel and subsistence	21.7	24.7	25.1	18.9	-4.5%	4.9%	21.4	18.8	28.1	14.0%	4.0%
Interest and rent on land	-	0.1	0.2	0.2	-	-	0.3	0.3	0.2	-1.0%	-
<b>Transfers and subsidies</b>	<b>60.9</b>	<b>50.5</b>	<b>54.2</b>	<b>67.4</b>	<b>3.4%</b>	<b>12.7%</b>	<b>51.8</b>	<b>54.9</b>	<b>57.5</b>	<b>-5.2%</b>	<b>10.6%</b>
Provinces and municipalities	1.8	0.0	0.0	-	-100.0%	0.1%	-	-	-	-	-
Departmental agencies and accounts	32.9	39.4	52.9	67.4	27.0%	10.5%	51.8	54.9	57.5	-5.2%	10.6%
Public corporations and private enterprises	0.0	9.7	-	-	-100.0%	0.5%	-	-	-	-	-
Households	26.2	1.4	1.3	-	-100.0%	1.6%	-	-	-	-	-
<b>Payments for capital assets</b>	<b>6.2</b>	<b>43.1</b>	<b>76.3</b>	<b>34.6</b>	<b>77.0%</b>	<b>8.7%</b>	<b>37.9</b>	<b>39.7</b>	<b>39.8</b>	<b>4.8%</b>	<b>7.0%</b>
Buildings and other fixed structures	-	33.5	64.9	27.2	-	6.9%	28.2	29.6	30.6	4.0%	5.3%
Machinery and equipment	5.6	5.7	7.9	5.9	1.7%	1.4%	7.0	7.3	7.2	6.6%	1.3%
Biological assets	0.0	-	-	-	-100.0%	-	-	-	-	-	-
Software and other intangible assets	0.6	3.9	3.5	1.5	35.0%	0.5%	2.7	2.8	2.0	11.4%	0.4%
<b>Payments for financial assets</b>	<b>-</b>	<b>-</b>	<b>25.4</b>	<b>-</b>	<b>-</b>	<b>1.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>443.5</b>	<b>423.9</b>	<b>511.8</b>	<b>454.3</b>	<b>0.8%</b>	<b>100.0%</b>	<b>516.4</b>	<b>597.8</b>	<b>619.0</b>	<b>10.9%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>6.8%</b>	<b>6.0%</b>	<b>6.3%</b>	<b>5.1%</b>			<b>5.1%</b>	<b>4.8%</b>	<b>4.0%</b>		

### Details of selected transfers and subsidies

<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>25.4</b>	<b>0.3</b>	<b>0.0</b>	<b>-</b>	<b>-100.0%</b>	<b>1.4%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial assistance for small scale farmers	25.4	0.3	0.0	-	-100.0%	1.4%	-	-	-	-	-
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>32.9</b>	<b>39.4</b>	<b>52.9</b>	<b>67.4</b>	<b>27.0%</b>	<b>10.5%</b>	<b>51.8</b>	<b>54.9</b>	<b>57.5</b>	<b>-5.2%</b>	<b>10.6%</b>
Breede Overberg Catchment Management Agency	11.0	-	18.1	19.1	20.3%	2.6%	23.6	24.0	25.1	9.5%	4.2%
Inkomati Catchment Management Agency	21.9	17.4	34.8	30.2	11.4%	5.7%	28.2	30.9	32.3	2.3%	5.6%
Breede Catchment Management Agency	-	22.0	-	-	-	1.2%	-	-	-	-	-
Rand Water	-	-	-	18.0	-	1.0%	-	-	-	-100.0%	0.8%
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Public corporations - subsidies on products and production</b>											
<b>Current</b>	<b>-</b>	<b>9.7</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.5%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Namakwa Water Board	-	9.7	-	-	-	0.5%	-	-	-	-	-

## Personnel information

**Table 38.8 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
		2011/12		2012/13		2013/14		2014/15		2015/16		2012/13 - 2015/16						
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
<b>Water Sector Management</b>																		
<b>Salary level</b>	<b>418</b>																	
1 – 6	99	96	13.3	0.1	99	17.9	0.2	99	22.1	0.2	99	23.6	0.2	99	24.1	0.2	–	23.0%
7 – 10	130	136	37.6	0.3	138	43.7	0.3	137	51.7	0.4	137	61.1	0.4	137	62.4	0.5	-0.2%	31.9%
11 – 12	166	136	77.2	0.6	167	73.9	0.4	167	96.0	0.6	167	108.8	0.7	167	112.9	0.7	–	38.8%
13 – 16	23	23	21.1	0.9	26	26.5	1.0	27	33.4	1.2	27	35.4	1.3	28	37.1	1.3	2.5%	6.3%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on ensuring the availability of and access to water for environmental and socioeconomic use. The bulk of expenditure in this programme will go towards activities in the *Water Information Management* subprogramme, which is discussed in more detail in the section that follows, and the *Integrated Planning* subprogramme, which develops comprehensive plans to guide the development of the water sector.

Between 2009/10 and 2012/13, spending increased significantly in the *Policy and Strategy* subprogramme due to the payment of higher salaries in compliance with occupation specific dispensation requirements for officials with scarce skills, such as engineers and scientists. Over the same period, expenditure in the *Institutional Oversight* subprogramme increased as a result of transfers to Breede-Overberg and Inkomati catchment management agencies for the management of water resources at catchment level, the promotion of equitable access to water and the facilitation of social and economic development. Included in this increase was R18 million in 2011/12 for assistance to the Bushbuckridge Water Board for capacity building and the refurbishment of a pipeline to assist with water loss management. Spending on goods and services decreased substantially over this period because of decreased spending on consultants, agency and outsourced services.

The *Integrated Planning* subprogramme is expected to be the fastest growing subprogramme over the medium term due to additional funding provided for acid mine drainage and reconciliation strategies. This will go towards: developing 7 reconciliation strategies, which will contain comprehensive assessments of the supply and demand of water within catchment areas, recommending appropriate measures to manage any shortfalls, and the development of 2 feasibility plans. The allocations over the medium term also provide for the presidential infrastructure coordinating commission project to conduct a feasibility study for the construction of a new dam on the Umzimvubu River in Eastern Cape for the Umzimvubu catchment management area.

The department has reprioritised R30.5 million from goods and services and R50 000 from payments of capital assets to compensation of employees to provide R30.4 million to fund the compensation of employees and R50 000 to fund interest and rent on land.

As part of the Cabinet approved budget reductions, the department will reduce spending in this programme by R5.2 million in 2013/14, R12.2 million in 2014/15 and R19.1 million in 2015/16. These reductions will be effected in spending in compensation of employees, travel and subsistence, training and development, and are not expected to have a negative impact on service delivery.

As at 30 September 2012, the programme had a funded establishment of 418 posts. Personnel numbers are expected to remain relatively stable over the medium term. Spending on consultants is equivalent to 48.3 per cent of spending on compensation of employees in 2012/13 and is expected to increase to R175.1 million by 2015/16. Consultants are used mainly for feasibility studies, overall infrastructure planning, maintenance of monitoring and information systems, as the department does not have the required skills to undertake infrastructure planning.





decreased substantially because of the diminished reliance on consultants for the maintenance of monitoring and information systems. Spending on payments for capital assets and computer services increased over the seven-year period due to the continued rollout of the programme to upgrade monitoring networks, which commenced in 2007/08. Over the MTEF period, spending on goods and services is driven mainly by spending on computer services for software licences and system developers required to maintain monitoring and information systems. The department does not have internal system developers to maintain these systems.

As part of the Cabinet approved budget reductions, the department will reduce spending by R1.8 million in 2013/14, R4 million in 2014/15 and R6.3 million in 2015/16. These reductions will be effected in spending on compensation of employees and various goods and services items, such as communication, consultants, inventory, travel and subsistence, and venues and facilities. These reductions are not expected to have a negative impact on service delivery.

The subprogramme has 225 funded posts, all of which were filled as at 30 September 2012. In 2012/13, spending on consultants was equivalent to 2.2 per cent of total spending on compensation of employees. Consultants are used mainly for software licence and system developments required to maintain monitoring and information systems.

## Programme 3: Water Infrastructure Management

### Objectives

- Ensure the effective and sustainable management of water resources over the medium term by:
  - transferring sufficient funds on a regular basis to the water trading entity for the design, construction, commissioning and rehabilitation of bulk raw water resources infrastructure
  - managing and operating existing bulk raw water infrastructure on a continuous basis.

### Subprogrammes

- *Infrastructure Development and Rehabilitation* provides for the design, construction and commissioning of new water resource infrastructure; and the rehabilitation of existing infrastructure to ensure the safety and functionality of departmental dams and related infrastructure. In 2012/13, R2.1 billion was transferred to the water trading entity to construct, operate and maintain existing and new bulk raw water infrastructure such as dams, canals and reservoirs. This subprogramme has no staff complement as personnel are housed under the water trading entity.
- *Operation of Water Resources* funds expenditure on water resource management activities conducted by the department or catchment management agencies within water management areas. This subprogramme has no staff complement as personnel are housed under the water trading entity.

### Expenditure estimates

**Table 38.11 Water Infrastructure Management**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	Expenditure/total: Average (%)	2013/14	2014/15	2015/16	2012/13 - 2015/16	Expenditure/total: Average (%)
R million											
Infrastructure Development and Rehabilitation	1 977.2	1 992.4	2 216.9	2 092.0	1.9%	93.3%	2 398.1	2 768.2	3 627.4	20.1%	94.0%
Operation of Water Resources	130.9	140.0	167.1	159.5	6.8%	6.7%	167.1	177.2	185.4	5.1%	6.0%
<b>Total</b>	<b>2 108.1</b>	<b>2 132.4</b>	<b>2 384.0</b>	<b>2 251.5</b>	<b>2.2%</b>	<b>100.0%</b>	<b>2 565.2</b>	<b>2 945.4</b>	<b>3 812.8</b>	<b>19.2%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(22.0)			(401.9)	(200.0)	(451.3)		

**Table 38.11 Water Infrastructure Management (continued)**

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Current payments</b>	<b>1.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Compensation of employees	1.8	-	-	-	-100.0%	-	-	-	-	-	-
<b>Transfers and subsidies</b>	<b>2 106.2</b>	<b>2 132.4</b>	<b>2 384.0</b>	<b>2 251.5</b>	<b>2.2%</b>	<b>100.0%</b>	<b>2 565.2</b>	<b>2 945.4</b>	<b>3 812.8</b>	<b>19.2%</b>	<b>100.0%</b>
Departmental agencies and accounts	1 924.5	1 952.4	2 205.0	2 071.5	2.5%	91.9%	2 377.2	2 748.2	3 608.6	20.3%	93.4%
Foreign governments and international organisations	176.0	180.0	179.1	180.0	0.8%	8.1%	188.0	197.3	204.2	4.3%	6.6%
Households	5.8	-	-	-	-100.0%	0.1%	-	-	-	-	-
<b>Total</b>	<b>2 108.1</b>	<b>2 132.4</b>	<b>2 384.0</b>	<b>2 251.5</b>	<b>2.2%</b>	<b>100.0%</b>	<b>2 565.2</b>	<b>2 945.4</b>	<b>3 812.8</b>	<b>19.2%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>32.1%</b>	<b>30.4%</b>	<b>29.2%</b>	<b>25.0%</b>			<b>25.2%</b>	<b>23.7%</b>	<b>24.6%</b>		
<b>Details of transfers and subsidies</b>											
<b>Departmental agencies and accounts</b>											
<b>Departmental agencies (non-business entities)</b>											
<b>Current</b>	<b>123.2</b>	<b>140.0</b>	<b>167.1</b>	<b>159.5</b>	<b>9.0%</b>	<b>6.6%</b>	<b>167.1</b>	<b>177.2</b>	<b>185.4</b>	<b>5.1%</b>	<b>6.0%</b>
Water Trading Entity: Operations and maintenance	123.2	140.0	167.1	159.5	9.0%	6.6%	167.1	177.2	185.4	5.1%	6.0%
<b>Capital</b>	<b>1 801.3</b>	<b>1 812.4</b>	<b>2 037.8</b>	<b>1 912.0</b>	<b>2.0%</b>	<b>85.2%</b>	<b>2 210.1</b>	<b>2 570.9</b>	<b>3 423.2</b>	<b>21.4%</b>	<b>87.4%</b>
Water Trading Entity: Infrastructure development and rehabilitation	1 801.3	1 812.4	2 037.8	1 912.0	2.0%	85.2%	2 210.1	2 570.9	3 423.2	21.4%	87.4%
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>176.0</b>	<b>180.0</b>	<b>179.1</b>	<b>180.0</b>	<b>0.8%</b>	<b>8.1%</b>	<b>188.0</b>	<b>197.3</b>	<b>204.2</b>	<b>4.3%</b>	<b>6.6%</b>
Komati River Basin Water Authority	176.0	180.0	179.1	180.0	0.8%	8.1%	188.0	197.3	204.2	4.3%	6.6%
<b>Households</b>											
<b>Social benefits</b>											
<b>Capital</b>	<b>5.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operation of water resource infrastructure	5.8	-	-	-	-100.0%	0.1%	-	-	-	-	-

## Expenditure trends

The spending focus over the medium term will be on funding the water trading entity's implementation of existing and new water infrastructure projects, the bulk distribution system of the De Hoop dam, and the dam safety rehabilitation programme. These transfers to the water trading entity are expected to increase significantly due to additional allocations of R1.1 billion over the period.

As part of the Cabinet approved budget reductions, the department will reduce spending by R573 million in 2013/14, R535 million in 2014/15 and R451.3 million in 2015/16. These reductions will be effected in spending on transfers to the water trading entity and on payments for subscriptions and transfers to foreign governments and international organisations. These reductions are not expected to have a negative impact on service delivery.

## Programme 4: Regional Implementation and Support

### Objectives

- Ensure the availability of water supply for domestic and agricultural use over the medium term by:
  - completing 42 bulk infrastructure schemes
  - distributing 7 200 rainwater harvesting tanks to rural communities
  - supporting 2 530 farmers in the resource poor farmers scheme to access water by 2015/16.
- Ensure the provision of local government institutional support through the refurbishment of 100 prioritised refurbishment schemes for municipalities.
- Support the water sector in local government over the medium term by:
  - prioritising improvements in 33 water services authorities with blue drop scores below 50 per cent and 46 water services authorities with cumulative risk ratings above 70 per cent
  - selecting 51 municipalities to implement water conservation and demand management
  - prioritising 49 municipalities to implement community infrastructure water projects
  - completing 90 interventions within the 23 prioritised district municipalities.

- Improve the protection of water resources and ensure their sustainability by:
  - implementing the river health programme in 110 rivers by 2015/16
  - ensuring appropriate alignment of mine water management by 2015/16.
- Improve water use efficiency to previously disadvantaged communities by processing 100 per cent of water use licence applications received and by allocating 15 million cubic metres volume of water to historically disadvantaged individuals by 2015/16.

## Subprogrammes

- *Regional Management and Support* provides strategic support for and oversees management of the programme. This entails managing documents, coordinating regional information and supporting the deputy director general's office. This subprogramme had a staff complement of 11 in 2012/13.
- *Water Sector Support* coordinates sector collaboration and intergovernmental relations at the national, provincial and local levels; and provides hands on support to local government through the rapid response unit and accelerated community infrastructure programme to ensure effective, efficient, economic and sustainable provision of water. In 2012/13, R249.1 million was spent on implementing the accelerated community infrastructure programme in selected municipalities. This subprogramme had a staff complement of 371 in 2012/13.
- *Water Use Regulation* provides integrated interventions for ensuring that water resources are protected, used, conserved and managed in an equitable and sustainable manner. In 2012/13, the river health programme was implemented. This subprogramme had a staff complement of 695 in 2012/13.
- *Institutional Establishment* contributes to the establishment of effective water management institutions. This entails transforming irrigation boards into water user associations, developing water user association business plans and building capacity within water user associations. This subprogramme had a staff complement of 52 in 2012/13.
- *Regional Bulk* is discussed in more detail below.
- *Transfer of Water Schemes* guides the transfer of the operation and maintenance functions of water services schemes to water services institutions to ensure effective, efficient and sustainable service delivery by all water services authorities. This entails administering and managing water and wastewater owned by the department and those that have been transferred to municipalities and other water management institutions. In 2012/13, R562.4 million was used for funding the refurbishment, operation and maintenance of transferred water and wastewater schemes, in accordance with signed transfer agreements between the department and municipalities. This subprogramme had a staff complement of 14 in 2012/13.
- *Support Services* provides human resources, financial management and general administration to the programme. This subprogramme had a staff complement of 810 in 2012/13.
- *Water Services Projects* provides for the construction of new water services infrastructure projects such as water treatment works and pipelines. In 2012/13, this subprogramme's total budget was used for the construction of pipelines for the Nandoni water treatment works and distribution network; phase 2 of Inyaka water treatment works and distribution line; and phases 1, 2 and 3 of the Hluhluwe regional water scheme. This subprogramme has no staff complement.
- *Integrated Catchment Management* provides for the protection, development, use and management of resources at the water management area level. Although the budget for this function has been transferred to the department's main account, a number of personnel remain in the subprogramme. This sub programme has a total budget of R29.5 million in 2012/13. This subprogramme had a staff complement of 115 in 2012/13.
- *Mine Water Management* coordinates and oversees the management of mine water in South Africa with specific emphasis on acid mine management. Over the medium term, the focus will be on reviewing the implementation model and revenue plan to ensure long term infrastructure sustainability. The revenue plan and implementation mechanism will be done in partnership with both Rand Water and the Trans-Caledon Tunnel Authority. This subprogramme has no staff complement.

## Expenditure estimates

Table 38.12 Regional Implementation and Support

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Regional Management and Support	5.6	3.7	4.8	7.1	8.1%	0.1%	8.1	9.0	9.3	9.6%	0.1%
Water Sector Support	800.3	992.1	949.9	628.9	-7.7%	20.8%	1 072.0	1 541.1	3 170.0	71.5%	22.3%
Water Use and Regulation	190.5	261.3	282.6	270.4	12.4%	6.2%	295.2	319.9	331.5	7.0%	4.2%
Institutional Establishment	–	–	30.0	19.7	–	0.3%	34.0	39.3	36.5	22.9%	0.5%
Regional Bulk	623.2	869.6	1 738.6	2 589.3	60.8%	35.9%	3 288.3	4 572.0	4 964.8	24.2%	53.7%
Transfer of Water Schemes	1 120.0	869.1	671.9	710.9	-14.1%	20.8%	580.0	612.9	643.5	-3.3%	8.9%
Support Services	323.3	311.7	340.8	298.7	-2.6%	7.9%	341.9	363.6	382.0	8.5%	4.8%
Water Services Projects	–	191.9	338.4	619.1	–	7.1%	190.5	202.2	209.4	-30.3%	4.3%
Integrated Catchment Management	–	–	18.4	29.5	–	0.3%	22.7	24.9	25.0	-5.4%	0.4%
Mine Water Management	–	–	–	110.0	–	0.7%	150.0	–	–	-100.0%	0.9%
<b>Total</b>	<b>3 063.0</b>	<b>3 499.4</b>	<b>4 375.5</b>	<b>5 283.7</b>	<b>19.9%</b>	<b>100.0%</b>	<b>5 982.7</b>	<b>7 684.8</b>	<b>9 772.0</b>	<b>22.7%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				387.0			847.0	1 975.1	(636.1)		

## Economic classification

<b>Current payments</b>	<b>1 114.4</b>	<b>998.1</b>	<b>1 071.3</b>	<b>1 168.2</b>	<b>1.6%</b>	<b>26.8%</b>	<b>1 178.2</b>	<b>1 233.5</b>	<b>1 279.3</b>	<b>3.1%</b>	<b>16.9%</b>
Compensation of employees	464.8	470.8	450.6	542.7	5.3%	11.9%	611.7	652.1	687.5	8.2%	8.7%
Goods and services	649.4	524.8	617.8	623.5	-1.4%	14.9%	564.9	579.7	590.2	-1.8%	8.2%
<i>of which:</i>											
<i>Consultants and professional services:</i>											
<i>Business and advisory services</i>	309.4	139.6	111.4	116.8	-27.7%	4.2%	58.4	62.9	59.4	-20.2%	1.0%
<i>Consultants and professional services:</i>											
<i>Infrastructure and planning</i>	64.9	39.9	81.7	165.4	36.6%	2.2%	64.0	68.3	70.4	-24.8%	1.3%
<i>Property payments</i>	6.0	8.7	12.2	17.7	43.4%	0.3%	10.2	11.4	11.4	-13.6%	0.2%
<i>Travel and subsistence</i>	90.9	89.6	125.2	91.5	0.2%	2.4%	102.5	114.2	118.6	9.0%	1.5%
<i>Interest and rent on land</i>	0.1	2.6	2.9	2.1	178.5%	–	1.6	1.7	1.7	-5.9%	–
<b>Transfers and subsidies</b>	<b>956.9</b>	<b>1 038.8</b>	<b>1 031.7</b>	<b>575.4</b>	<b>-15.6%</b>	<b>22.2%</b>	<b>1 283.1</b>	<b>1 867.4</b>	<b>3 798.3</b>	<b>87.6%</b>	<b>26.2%</b>
Provinces and municipalities	907.1	985.0	992.5	562.6	-14.7%	21.3%	1 024.0	1 508.7	3 142.3	77.4%	21.7%
Foreign governments and international organisations	0.6	–	–	–	-100.0%	–	–	–	–	–	–
Public corporations and private enterprises	–	–	–	–	–	–	250.0	350.0	650.0	–	4.4%
Households	49.2	53.8	39.2	12.8	-36.1%	1.0%	9.1	8.7	5.9	-22.6%	0.1%
<b>Payments for capital assets</b>	<b>991.7</b>	<b>1 462.4</b>	<b>2 272.5</b>	<b>3 540.1</b>	<b>52.8%</b>	<b>51.0%</b>	<b>3 521.3</b>	<b>4 583.9</b>	<b>4 694.4</b>	<b>9.9%</b>	<b>56.9%</b>
Buildings and other fixed structures	973.7	1 257.2	2 218.7	3 482.5	52.9%	48.9%	3 447.4	4 528.7	4 633.0	10.0%	56.0%
Machinery and equipment	18.0	205.2	48.7	56.8	46.7%	2.0%	72.7	53.8	60.0	1.8%	0.8%
Software and other intangible assets	0.1	0.0	5.1	0.8	102.4%	–	1.3	1.4	1.4	20.8%	–
<b>Total</b>	<b>3 063.0</b>	<b>3 499.4</b>	<b>4 375.5</b>	<b>5 283.7</b>	<b>19.9%</b>	<b>100.0%</b>	<b>5 982.7</b>	<b>7 684.8</b>	<b>9 772.0</b>	<b>22.7%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>46.7%</b>	<b>49.8%</b>	<b>53.6%</b>	<b>58.8%</b>			<b>58.7%</b>	<b>61.7%</b>	<b>63.1%</b>		

## Details of selected transfers and subsidies

<b>Households</b>											
<b>Other transfers to households</b>											
<b>Current</b>	<b>1.3</b>	<b>36.2</b>	<b>17.3</b>	<b>6.4</b>	<b>70.1%</b>	<b>0.4%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>–</b>
Vehicle licences: Licences paid to municipalities	0.5	0.8	–	–	-100.0%	–	–	–	–	–	–
Leave gratuity	–	3.1	–	–	–	–	–	–	–	–	–
Resource poor farmers	0.8	32.3	17.3	6.4	96.4%	0.4%	–	–	–	-100.0%	–
<b>Provinces and municipalities</b>											
<b>Municipalities</b>											
<b>Municipal bank accounts</b>											
<b>Current</b>	<b>2.6</b>	<b>0.4</b>	<b>0.1</b>	<b>0.1</b>	<b>-64.0%</b>	<b>–</b>	<b>603.1</b>	<b>1 059.1</b>	<b>2 672.1</b>	<b>2697.9%</b>	<b>15.1%</b>
Vehicle licences: Licences paid to municipalities	0.3	0.1	0.1	0.1	-25.4%	–	0.1	0.1	0.1	3.7%	–
Municipalities	2.3	–	–	0.0	-83.8%	–	0.0	0.0	0.0	6.3%	–
Municipal water infrastructure grant	–	–	–	–	–	–	603.0	1 059.0	2 671.9	–	15.1%
Regional services council levies	–	0.3	–	–	–	–	–	–	–	–	–
<b>Capital</b>	<b>904.5</b>	<b>984.6</b>	<b>992.3</b>	<b>562.4</b>	<b>-14.6%</b>	<b>21.2%</b>	<b>420.9</b>	<b>449.6</b>	<b>470.2</b>	<b>-5.8%</b>	<b>6.6%</b>
Vehicle licences: Licences paid to municipalities	2.0	–	–	–	-100.0%	–	–	–	–	–	–
Water services operating subsidy grant (Capital)	848.7	664.3	542.3	562.4	-12.8%	16.1%	420.9	449.6	470.2	-5.8%	6.6%
Municipal drought relief	53.7	320.4	–	–	-100.0%	2.3%	–	–	–	–	–
Drought relief grant	–	–	450.0	–	–	2.8%	–	–	–	–	–

Table 38.12 Regional Implementation and Support (continued)

R million	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
<b>Details of selected transfers and subsidies</b>											
<b>Foreign governments and international organisations</b>											
<b>Current</b>	0.6	-	-	-	-100.0%	-	-	-	-	-	-
International Centre for Water Economic and Governance	0.6	-	-	-	-100.0%	-	-	-	-	-	-
<b>Households</b>											
<b>Social benefits</b>											
<b>Current</b>	47.9	17.6	21.9	6.4	-48.8%	0.6%	9.1	8.7	5.9	-2.6%	0.1%
Leave gratuity	0.3	2.0	-	0.5	24.8%	-	-	-	-	-100.0%	-
Resources for poor farmers	-	3.2	-	-	-	-	5.5	5.7	5.9	-	0.1%
Water services operating subsidy: Indirect grant	47.6	12.3	21.9	5.9	-50.1%	0.5%	3.6	3.0	-	-100.0%	-
<b>Public corporations and private enterprises</b>											
<b>Public corporations</b>											
<b>Other transfers to public corporations</b>											
<b>Current</b>	-	-	-	-	-	-	250.0	350.0	650.0	-	4.4%
Amatola Water Board	-	-	-	-	-	-	-	150.0	350.0	-	1.7%
Magalies Water Board	-	-	-	-	-	-	200.0	-	-	-	0.7%
Umgeni Water Board	-	-	-	-	-	-	50.0	200.0	300.0	-	1.9%

## Personnel information

Table 38.13 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12	2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16											
<b>Regional Implementation and Support</b>			<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>	<b>Number</b>	<b>Cost</b>	<b>Unit Cost</b>		
<b>Salary level</b>	2 275	161	2 081	450.6	0.2	2 289	542.7	0.2	2 289	611.7	0.3	2 300	652.1	0.3	2 302	687.5	0.3	0.2%	100.0%
1 - 6	1 109	135	1 184	142.9	0.1	1 132	173.1	0.2	1 132	188.1	0.2	1 132	210.4	0.2	1 133	219.9	0.2	0.0%	49.3%
7 - 10	897	22	716	180.6	0.3	885	227.6	0.3	885	258.1	0.3	896	263.4	0.3	897	288.5	0.3	0.4%	38.8%
11 - 12	209	3	153	101.6	0.7	211	110.0	0.5	211	112.3	0.5	211	121.4	0.6	211	121.7	0.6	-	9.2%
13 - 16	60	1	28	25.6	0.9	61	31.9	0.5	61	53.2	0.9	61	56.9	0.9	61	57.4	0.9	-	2.7%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on coordinating sector collaboration and intergovernmental relations through the *Water Sector Support* subprogramme and developing regional bulk water infrastructure through *Regional Bulk* subprogramme, which is discussed in further detail in the following section. The *Water Sector Support* subprogramme is expected to grow significantly over the medium term due to transfer payments to the Amatola, Magalies and Umgeni water boards, as well as for the municipal water infrastructure grant. Over the same period, spending on payments for capital assets is expected to increase to R4.7 billion in 2015/16 because of investments in municipalities to build local government infrastructure.

Spending increased between 2009/10 and 2011/12 because of the rollout of regional bulk water infrastructure projects and support to local government. Over the medium term, spending is projected to increase due to additional allocations of R150 million in 2013/14 for addressing acid mine water drainage challenges, R4.3 billion over the medium term for the municipal water infrastructure grant, which is a new infrastructure grant to address the backlog in respect of access to water by rural households in the 23 district municipalities, and R2.7 billion for the regional bulk infrastructure grant programme for the construction of new bulk infrastructure and the upgrading and refurbishment of existing bulk infrastructure.

The department has reprioritised R13.4 million from spending on compensation of employees for social benefits and R50.5 million from transfers and subsidies to provide R21.5 million to fund the shortfall in the allocation for spending on goods and services, and R35 million for payments of capital assets.

As part of the Cabinet approved budget reductions, the department has reduced spending by R374.7 million in 2013/14, R509.5 million in 2014/15 and R707.3 million in 2015/16. These reductions were effected in spending on payments of capital assets, compensation of employees and various goods and services items, such as communication, travel and subsistence, consultants and transfers and subsidies to households. These reductions are not expected to have a negative impact on service delivery.

The programme has a funded establishment of 2 275 and 161 posts were filled additional to the establishment. There were 147 vacancies as at 30 September 2012 due to the length of time it takes to finalise the recruitment processes, resignations, promotions and transfers of employees to other departments. Personnel numbers are expected to increase to 2 302 in 2015/16, as vacancies are being filled. Spending on consultants in 2012/13 was equivalent to 53.3 per cent of total spending on compensation of employees. Consultants are mainly used for project management, programme coordination, technical support and implementation oversight. Staff in the department do not have appropriate technical and management skills to do the work performed by consultants.

## Subprogramme: Regional Bulk

This subprogramme develops regional bulk infrastructure for water supply and water treatment works, and supplements regional bulk sanitation collector systems, as well as regional wastewater treatment works. This entails connecting water from sources to municipal reticulation systems. In 2012/13, R2.5 billion was used to develop bulk infrastructure for water and wastewater treatment works. In the first half of 2012/13, 2 393 job opportunities were created through the subprogramme.

## Expenditure estimates

Table 38.14 Regional Bulk

Economic classification	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million					2009/10 - 2012/13		2013/14	2014/15	2015/16	2012/13 - 2015/16	
Current payments	41.6	18.9	91.8	66.2	16.7%	3.8%	84.9	89.1	93.1	12.0%	2.2%
Compensation of employees	3.9	1.2	3.2	13.0	48.7%	0.4%	16.7	17.7	18.6	12.9%	0.4%
Goods and services	37.7	17.8	88.5	53.3	12.2%	3.4%	68.2	71.4	74.5	11.8%	1.7%
Transfers and subsidies	-	-	-	-	-	-	250.0	350.0	650.0	-	8.1%
Payments for capital assets	581.6	850.6	1 646.9	2 523.1	63.1%	96.2%	2 953.4	4 132.9	4 221.7	18.7%	89.7%
<b>Total</b>	<b>623.2</b>	<b>869.6</b>	<b>1 738.6</b>	<b>2 589.3</b>	<b>60.8%</b>	<b>100.0%</b>	<b>3 288.3</b>	<b>4 572.0</b>	<b>4 964.8</b>	<b>24.2%</b>	<b>100.0%</b>
Proportion of total subprogramme expenditure to programme expenditure	20.3%	24.8%	39.7%	49.0%			55.0%	59.5%	50.8%		

## Personnel information

Table 38.15 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>

Post status as at 30 September 2012	Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number			
	Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
<b>Regional Bulk</b>			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost		
Salary level	26	-	8	3	0.4	26	13	0.5	26	17	0.6	26	18	0.7	26	19	0.7	-	100.0%
7 - 10	4	-	2	0.3	0.2	4	1.5	0.4	4	1.3	0.3	4	1.4	0.3	4	1.5	0.4	-	15.4%
11 - 12	10	-	5	2.0	0.4	10	4.1	0.4	10	5.3	0.5	10	5.6	0.6	10	5.9	0.6	-	38.5%
13 - 16	12	-	1	0.9	0.9	12	7.4	0.6	12	10.1	0.8	12	10.7	0.9	12	11.3	0.9	-	46.2%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on providing regional bulk infrastructure for water and wastewater treatment works, which aims to provide bulk infrastructure that links water sources to local government infrastructure. Over the MTEF period, expenditure on payments for capital assets, which is where

the bulk of the subprogramme's expenditure goes, is expected to increase significantly as a result of additional allocations of R440.1 million in 2013/14, R1.4 billion in 2014/15 and R1.8 billion in 2015/16. Funding over this period has been earmarked for critical projects, including the construction of the De Hoop dam's regional bulk distribution and the OR Tambo district municipality regional bulk water and wastewater infrastructure.

The following reprioritisations in this subprogramme will take effect over the medium term: R3.8 million from goods and services to compensation of employees, and R30.4 million to fund the shortfall on the compensation budget due to historical cuts.

As part of the Cabinet approved budget reductions, the department has reduced spending in this subprogramme by R187 million in 2013/14; R294 million in 2014/15 and R469 million in 2015/16.

The subprogramme has a funded establishment of 26 posts, all of which are filled. Personnel numbers are expected to remain at this level over the medium term. Spending on consultants in 2013/14 is projected to be equivalent to 86.7 per cent of spending on compensation of employees. Consultants are mainly used for project management, programme coordination, technical support and implementation oversight. Staff members in the department do not have appropriate technical and management skills to do the work performed by consultants.

## Programme 5: Water Sector Regulation

### Objectives

- Ensure the equitable allocation of water resources for social and economic development by implementing water allocation reform and completing compulsory licensing in the Jan Dissels and Mhlathuze catchment areas in 2013/14.
- Ensure the improved monitoring of drinking water quality over the MTEF period by using blue drop statuses as an annual performance indicator.
- Reduce pollution in water resources throughout South Africa by ensuring that 960 wastewater treatment plants are assessed for green drop status and publishing the full green drop report in 2015/16.
- Promote equity in the water abstraction allocation by processing all water use licence applications from historically disadvantaged individuals by 2015/16.
- Improve efficiency in water pricing and regulation by investigating institutional options for economic regulation by 2013/14.

### Subprogrammes

- *Regulation Management and Support* provides for the overall management and oversight of the programme. This entails business planning, performance reporting, management support and project management. This subprogramme had a staff complement of 9 in 2012/13.
- *Economic and Social Regulation* ensures that pricing is efficient and cost reflective, achieves value for money for consumers and, where appropriate, that trade-offs are made between the cost, quality and sustainability of services, focusing on developing finance and pricing strategies. In 2012/13, this subprogramme's total budget was used for revising the pricing strategy and initialising the process for the establishment of an economic regulator. The total allocation is spent on consultants.
- *Water Use Authorisation* authorises all water use activities in South Africa by using regulatory instruments, such as licensing and water allocation reform. This entails issuing water licences and giving effect to water allocation reform by reallocating water to historically disadvantaged individuals. In 2012/13, 3 new water management areas where licensing processes are compulsory were designated, and all water use licence applications from historically disadvantaged individuals were finalised. This subprogramme had a staff complement of 52 in 2012/13.
- *Drinking Water Quality and Waste Water Services* regulates the quality of drinking water and wastewater by using incentive and risk based regulation, such as the blue drop and green drop certification programmes, and enforcement tools, such as monitoring drinking water quality, setting drinking water standards, prescribing wastewater treatment and processes, and processing water information. In 2012/13, R14.6 million was spent on consultants who assisted in conducting assessments of drinking water quality

and wastewater treatment works within municipalities, as part of the department's blue drop and green drop certification activities. This subprogramme had a staff complement of 13 in 2012/13.

- *Resource Regulation* regulates the use of resources by setting water licence conditions. This entails developing dam safety and water regulation, the latter of which includes abstraction, storage, in-stream water use, stream flow reduction, and water and wastewater use. In 2012/13, key dam safety and water regulations were finalised. This subprogramme had a staff complement of 63 in 2012/13.
- *Compliance Monitoring* coordinates and monitors compliance to standards, licence conditions and regulations across the full water value chain, including water resources, dam safety, water hazards and water services. Activities carried out in 2012/13 included the auditing of mines and industry against authorisations as part of providing environmental assets and natural resources that are valued, protected and continually enhanced (outcome 10). Approximately 50 mine audits were conducted in 2012/13, of which 60 per cent were partially compliant. 3 strategic industrial facilities were audited, all of which were partially compliant. This subprogramme had no staff complement in 2012/13 due to restructuring and activities were carried out by personnel in the *Enforcement* subprogramme.
- *Enforcement* ensures that appropriate legal action is taken against all unlawful water users. This entails monitoring, conducting investigations, and providing legal and enforcement support. In 2012/13, 32 pre-directives and 5 directives were issued, of which 7 are ongoing criminal cases. A plea and a settlement agreement were finalised. This subprogramme had a staff complement of 20 in 2012/13.

## Expenditure estimates

**Table 38.16 Water Sector Regulation**

Subprogramme	Audited outcome			Adjusted appropriation	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term expenditure estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Regulation Management and Support	–	–	0.3	2.9	–	0.8%	3.6	3.8	3.9	10.2%	3.0%
Economic and Social Regulation	9.1	–	–	3.7	-25.8%	3.2%	3.8	4.0	4.2	4.1%	3.3%
Water Use Authorisation	9.1	39.1	21.3	15.0	18.3%	21.1%	15.8	16.6	17.2	4.7%	13.6%
Drinking Water Quality and Waste Water Services	21.0	28.3	21.0	26.3	7.8%	24.1%	28.7	29.6	30.6	5.2%	24.2%
Resource Regulation	34.1	45.0	40.3	46.5	10.9%	41.5%	48.0	47.8	49.5	2.2%	40.3%
Compliance Monitoring	–	–	0.0	0.8	–	0.2%	1.1	1.1	1.2	14.2%	0.9%
Enforcement	–	13.2	8.2	15.1	–	9.1%	17.7	18.6	19.2	8.5%	14.8%
<b>Total</b>	<b>73.2</b>	<b>125.6</b>	<b>91.2</b>	<b>110.2</b>	<b>14.6%</b>	<b>100.0%</b>	<b>118.7</b>	<b>121.5</b>	<b>125.8</b>	<b>4.5%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				(4.4)			(1.2)	(2.5)	–		
<b>Economic classification</b>											
<b>Current payments</b>	<b>71.2</b>	<b>125.0</b>	<b>90.4</b>	<b>109.0</b>	<b>15.2%</b>	<b>98.9%</b>	<b>117.2</b>	<b>120.0</b>	<b>124.0</b>	<b>4.4%</b>	<b>98.7%</b>
Compensation of employees	36.7	51.3	47.8	62.9	19.6%	49.6%	59.8	62.3	64.2	0.7%	52.3%
Goods and services	34.5	73.7	42.7	46.0	10.1%	49.2%	57.4	57.6	59.8	9.1%	46.3%
of which:											
Consultants and professional services:	5.6	29.6	19.9	23.0	60.5%	19.5%	24.7	25.6	26.5	4.8%	21.0%
Business and advisory services	5.2	12.0	0.7	5.5	1.6%	5.9%	11.3	10.5	10.9	25.5%	8.0%
Consultants and professional services: Infrastructure and planning	–	0.0	–	–	–	–	–	0.1	0.1	–	0.1%
Property payments	–	0.0	–	–	–	–	–	0.1	0.1	–	0.1%
Travel and subsistence	11.1	19.5	12.2	8.1	-9.9%	12.7%	10.5	10.3	10.5	9.2%	8.3%
Interest and rent on land	–	–	0.0	0.1	–	–	0.1	0.1	0.0	-19.1%	0.1%
<b>Transfers and subsidies</b>	<b>0.5</b>	<b>–</b>	<b>0.0</b>	<b>–</b>	<b>-100.0%</b>	<b>0.1%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Households	0.5	–	0.0	–	-100.0%	0.1%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>1.5</b>	<b>0.6</b>	<b>0.7</b>	<b>1.3</b>	<b>-4.9%</b>	<b>1.0%</b>	<b>1.5</b>	<b>1.5</b>	<b>1.8</b>	<b>11.4%</b>	<b>1.3%</b>
Buildings and other fixed structures	0.4	–	–	–	-100.0%	0.1%	–	–	–	–	–
Machinery and equipment	1.1	0.6	0.7	1.3	6.0%	0.9%	1.5	1.5	1.8	11.5%	1.3%
Software and other intangible assets	0.0	–	–	0.0	26.0%	–	0.0	0.0	–	-100.0%	–
<b>Total</b>	<b>73.2</b>	<b>125.6</b>	<b>91.2</b>	<b>110.2</b>	<b>14.6%</b>	<b>100.0%</b>	<b>118.7</b>	<b>121.5</b>	<b>125.8</b>	<b>4.5%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>1.1%</b>	<b>1.8%</b>	<b>1.1%</b>	<b>1.2%</b>			<b>1.2%</b>	<b>1.0%</b>	<b>0.8%</b>		



## Personnel information

**Table 38.17 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012		Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment															Number		
Number of funded posts	Number of posts additional to the establishment	Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate									Average growth rate (%)	Salary level/total: Average (%)	
		2011/12			2012/13			2013/14			2014/15			2015/16					
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost			2012/13 - 2015/16
Water Sector Regulation																			
Salary level	141	-	146	47.8	0.3	157	62.9	0.4	157	59.8	0.4	157	62.3	0.4	157	64.2	0.4	-	100.0%
1-6	48	-	48	8.7	0.2	48	5.1	0.1	48	6.4	0.1	48	6.7	0.1	48	6.8	0.1	-	30.6%
7-10	64	-	71	21.0	0.3	73	25.4	0.3	73	24.7	0.3	73	25.6	0.4	73	26.5	0.4	-	46.5%
11-12	24	-	23	14.7	0.6	30	20.5	0.7	30	21.8	0.7	30	22.9	0.8	30	23.6	0.8	-	19.1%
13-16	5	-	4	3.2	0.8	6	11.9	2.0	6	6.9	1.1	6	7.2	1.2	6	7.3	1.2	-	3.8%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on strengthening the regulatory function of the department by revising the pricing strategy to attain full cost recovery on water schemes and initiating a process for establishing an independent economic regulator to contribute to ensuring compliance with water legislation.

Spending increased between 2009/10 and 2012/13 because of an increase in spending on consultants and training and development under goods and services, as well as on compensation of employees. Spending on assessments of drinking water quality and wastewater treatment works and other related compliance monitoring programmes also contributed to the increase in spending. No funds have been reprioritised to this programme.

Over the MTEF period, the bulk of spending increases go towards spending in the *Regulation Management and Support* and *Compliance Monitoring and Enforcement* subprogrammes due to increased spending on compliance and enforcement related activities as part of the department's policy position on protecting South Africa's natural water resources. The review of the compulsory water use licence process for the water management areas in Mhlathuze in KwaZulu-Natal, Tosca in North West and Jan Dissels in Western Cape was completed in 2012/13. Over the medium term, the department will implement measures to ensure that 29 per cent of the water abstraction allocation is authorised to historically disadvantaged individuals.

The following reprioritisations in this programme will take effect over the medium term: R1.5 million from goods and services and R6 000 from interest and rent on land to the allocation for spending on compensation of employees to fund the shortfall caused by historical cuts.

As part of the Cabinet approved budget reductions, the department will reduce spending by R1.2 million in 2013/14, R2.5 million in 2014/15 and R3.9 million in 2015/16. These reductions will be effected in spending on compensation of employees and various goods and services items, such as communication, travel and subsistence, consultants, and payments of capital assets. These reductions are not expected to have a negative impact on service delivery.

As at 30 September 2012, the programme had a funded establishment of 141 posts. This establishment will have increased to 157 by the end of 2012/13. Expenditure on consultants was equivalent to 44.3 per cent of spending on compensation of employees in 2012/13. Consultants provide specialised engineering and scientific skills, which they will transfer to the department's personnel.

## Programme 6: International Water Cooperation

### Objectives

- Provide technical support and capacity development in the water sector in Africa by implementing 6 bilateral technical cooperation agreements with African countries over the medium term.
- Strengthen, implement and facilitate water governance, infrastructure and information management over the medium term by:

- developing and implementing a strategic multilateral relations strategy for the department
- developing partnerships with international multilateral forums including the World Water Forum, the United Nations (UN) Commission on Sustainable Development, the UN Framework Convention on Climate Change and the India-Brazil-South Africa dialogue forum by 2014/15.

## Subprogrammes

- *International Relations Management and Support* ensures overall management and oversight of the programme. This entails business planning, performance reporting, management support and project management. This subprogramme had a staff complement of 6 in 2012/13.
- *Africa Cooperation* fulfils the department's responsibility of advancing the African agenda through promoting and facilitating collaborative activities in support of the water sector. This takes the form of bilateral relations and participation in multilateral institutions such as the African Union (AU), the African Ministers' Council on Water, the Southern African Development Community (SADC), as well as programmes related to the New Partnership for Africa's Development. Trans-boundary water management, a sub-function of this subprogramme, is responsible for advancing the national interest among the shared river basin organisations, where South Africa shares water with neighbouring countries and implements projects within the shared river basin. This includes the Orange-Senqu River Commission, the Limpopo Water Course Commission, the tripartite permanent technical committee of the Lesotho Highlands Water Project (phase 2) and joint water commissions. This subprogramme had a staff complement of 12 in 2012/13.
- *Global Cooperation* promotes and advances national interests at global governance institutions, strategically engages in bilateral arrangements with countries outside Africa and explores opportunities to leverage off resources from donor countries. This entails hosting bilateral engagements and participating in conferences. In 2012/13, strategic partnerships were established with countries such as Japan, Mexico and Vietnam. This subprogramme had a staff complement of 15 in 2012/13.

## Expenditure Estimates

Table 38.18 International Water Cooperation

Subprogramme	Audited outcome			Adjusted appropriation 2012/13	Average growth rate (%)		Medium-term expenditure estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2009/10 - 2012/13	2012/13 - 2015/16	2013/14	2014/15	2015/16	2012/13 - 2015/16	2012/13 - 2015/16
R million											
International Relation Management and Support	–	–	14.8	5.7	–	26.8%	4.5	5.1	5.2	-3.1%	17.4%
Africa Cooperation	11.4	15.9	4.8	12.0	1.6%	57.5%	10.9	15.9	16.5	11.3%	46.9%
Global Cooperation	–	–	1.3	10.7	–	15.7%	10.0	10.5	10.8	0.3%	35.6%
<b>Total</b>	<b>11.4</b>	<b>15.9</b>	<b>20.9</b>	<b>28.5</b>	<b>35.5%</b>	<b>100.0%</b>	<b>25.4</b>	<b>31.5</b>	<b>32.6</b>	<b>4.6%</b>	<b>100.0%</b>
Change to 2012 Budget estimate				2.7			(0.3)	4.0	–		
<b>Economic classification</b>											
<b>Current payments</b>	<b>10.9</b>	<b>15.3</b>	<b>19.7</b>	<b>26.6</b>	<b>34.7%</b>	<b>94.4%</b>	<b>24.8</b>	<b>30.8</b>	<b>31.9</b>	<b>6.3%</b>	<b>96.7%</b>
Compensation of employees	2.8	10.5	13.1	16.5	79.6%	56.0%	13.6	14.6	15.3	-2.5%	50.8%
Goods and services	8.0	4.8	6.6	10.0	7.6%	38.3%	11.1	16.2	16.6	18.4%	45.7%
<i>of which:</i>											
Consultants and professional services:	0.0	0.0	–	0.2	278.6%	0.3%	0.2	0.2	0.2	3.3%	0.8%
Business and advisory services											
Travel and subsistence	2.8	3.7	3.8	4.3	15.3%	19.0%	4.4	9.2	9.6	31.3%	23.4%
Interest and rent on land	–	0.0	0.0	0.1	–	0.1%	0.1	0.1	0.0	-37.3%	0.2%
<b>Transfers and subsidies</b>	<b>0.5</b>	<b>0.3</b>	<b>0.7</b>	<b>0.6</b>	<b>7.5%</b>	<b>2.8%</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>2.9%</b>	<b>2.2%</b>
Foreign governments and international organisations	0.5	0.3	0.7	0.6	7.5%	2.7%	0.6	0.7	0.7	2.8%	2.2%
Households	–	0.1	0.0	–	–	0.1%	–	–	–	–	–
<b>Payments for capital assets</b>	<b>0.1</b>	<b>0.3</b>	<b>0.5</b>	<b>1.3</b>	<b>162.6%</b>	<b>2.8%</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>-100.0%</b>	<b>1.1%</b>
Machinery and equipment	0.1	0.3	0.5	1.3	162.6%	2.8%	–	–	–	-100.0%	1.1%
<b>Total</b>	<b>11.4</b>	<b>15.9</b>	<b>20.9</b>	<b>28.5</b>	<b>35.5%</b>	<b>100.0%</b>	<b>25.4</b>	<b>31.5</b>	<b>32.6</b>	<b>4.6%</b>	<b>100.0%</b>
<b>Proportion of total programme expenditure to vote expenditure</b>	<b>0.2%</b>	<b>0.2%</b>	<b>0.3%</b>	<b>0.3%</b>			<b>0.2%</b>	<b>0.3%</b>	<b>0.2%</b>		
<b>Details of selected transfers and subsidies</b>											
<b>Foreign governments and international organisations</b>											
<b>Current</b>	<b>0.5</b>	<b>0.3</b>	<b>0.7</b>	<b>0.6</b>	<b>7.5%</b>	<b>2.7%</b>	<b>0.6</b>	<b>0.7</b>	<b>0.7</b>	<b>2.8%</b>	<b>2.2%</b>
Orange-Senqu River Basin Commission	0.5	0.3	0.5	0.5	1.4%	2.3%	0.5	0.6	0.6	3.5%	1.9%
African Ministers' Council on Water	–	–	0.2	0.1	–	0.4%	0.1	0.1	0.1	-1.0%	0.3%

## Personnel information

**Table 38.19 Details of approved establishment and personnel numbers according to salary level<sup>1</sup>**

Post status as at 30 September 2012			Number and cost <sup>2</sup> of personnel posts filled / planned for on funded establishment												Number				
Number of funded posts	Number of posts additional to the establishment		Actual			Revised estimate <sup>3</sup>			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost
International Water Cooperation	40	-	29	13.1	0.5	38	16.5	0.4	38	13.6	0.4	38	14.6	0.4	38	15.3	0.4	-	100.0%
Salary level																			
1-6	1	-	1	0.2	0.2	2	0.3	0.2	-	-	-	-	-	-	-	-	-	-100.0%	1.3%
7-10	24	-	18	3.7	0.2	22	4.9	0.2	23	4.8	0.2	23	5.2	0.2	23	5.6	0.2	1.5%	59.9%
11-12	8	-	3	1.6	0.5	6	3.7	0.6	8	3.5	0.4	8	3.6	0.4	8	3.7	0.5	10.1%	19.7%
13-16	7	-	7	7.6	1.1	8	7.5	0.9	7	5.3	0.8	7	5.8	0.8	7	6.0	0.9	-4.4%	19.1%

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

2. Rand million.

3. As at 30 September 2012.

## Expenditure trends

The spending focus over the medium term will be on forming and maintaining strategic relations with neighbouring countries and international organisations.

In 2010/11, expenditure in the *Africa* subprogramme increased significantly due to shared water course bilateral agreements signed within the SADC, which cascaded into developmental initiative projects and capacity exchange programmes. In 2011/12, expenditure in this subprogramme decreased due to the negative impact of the global economic downturn, which resulted in fewer countries being willing to engage in water sectoral development initiatives.

Over the MTEF period, spending on goods and services is expected to increase significantly because of increased spending on travel and subsistence, which is due to the rollout of strategic initiatives in the rest of Africa. R4.5 million in 2014/15 and R4.7 million in 2015/16 has been reprioritised from the *Administration* programme to this programme to ensure that the department honours its international commitments, including participating in the activities of international organisations. These participations will ensure the facilitation of projects, such as the Lesotho Highlands Water Project and various other water infrastructure development programmes.

As part of the Cabinet approved budget reductions, the department will reduce spending by R257 000 in 2013/14, R550 000 in 2014/15 and R865 000 in 2015/16. These reductions will be effected in spending on compensation of employees and various goods and services items such as communication, travel and subsistence, consultants, and payments of capital assets. These reductions are not expected to have a negative impact on service delivery.

The programme has a funded establishment of 40 posts, of which 38 are filled. Personnel numbers are expected to remain on this level over the medium term. There were 2 vacant posts as at 30 September 2012 due to natural attrition. Between 2009/10 and 2012/13, spending on consultants grew significantly due to the need for the development of strategies to identify appropriate initiatives in Africa. Spending on consultants in 2012/13 was equivalent to 1.3 per cent of spending on compensation of employees.

## Public entities and other agencies

### Consolidated water boards

#### Mandate and goals

Water boards derive their mandate from the Water Services Act (1997) and are categorised as national government business enterprises in terms of schedule 3B of the Public Finance Management Act (1999). Water boards are mandated to: provide management services, training and other support services to water services institutions to promote cooperation in the provision of water services; supply untreated or non-potable water to end users who do not use the water for household purposes; provide catchment management services to or on behalf of the responsible authorities; and, with the approval of the water services authorities in their areas,

supply water directly for industrial use, accept industrial effluent, act as a water services provider to consumers, provide water services in a joint venture with water services authorities, and perform water conservation functions.

The boards' strategic goals over the medium term are to:

- ensure that they continue to be viable and sustainable bulk water service providers
- ensure that all customers and stakeholders are satisfied
- improve business efficiencies and quality
- achieve transformation.

## Selected performance indicators

Table 38.20 Consolidated Water Boards

Water board	Volume of water sold (kl)						
	Past			Current	Projections		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Albany Coast <sup>1</sup>	422 167	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>	- <sup>1</sup>
Amatola	39 036 000	37 137 000	39 003 000	39 127 000	39 052 000	40 224 000	41 824 000
Bloem	60 594 075	84 979 072	89 980 186	91 032 545	93 073 196	95 161 260	97 297 883
Botshelo	15 966 912	16 051 000	14 823 000	15 100 000	15 300 000	15 400 000	15 450 000
Bushbuckridge	25 597 186	27 054 848	28 840 389	36 755 500	38 507 500	40 405 500	42 595 500
Lepelle	91 275 000	95 254 000	94 565 000	93 934 000	95 738 000	96 124 000	98 792 000
Magalies	76 447 000	77 955 000	80 806 000	79 985 000	80 785 000	81 593 000	87 304 000
Mhlatuze	115 246 000	123 183 000	118 375 000	133 977 000	135 181 000	135 181 000	146 606 000
Overberg	4 033 905	4 205 036	4 252 998	4 727 000	4 773 000	4 820 000	4 866 000
Pelladrift	4 475 202	4 520 363	4 459 228	4 520 363	4 520 363	4 520 363	4 520 363
Rand	1 437 000 000	1 495 000 000	1 539 000 000	1 526 000 000	1 556 000 000	1 587 000 000	1 618 000 000
Sedibeng	80 835 000	86 224 000	90 215 000	95 773 000	96 712 000	97 680 000	98 706 000
Umgeni	425 848 000	415 427 000	417 782 000	416 550 000	419 881 000	424 780 000	431 151 000
<b>TOTAL</b>	<b>2 376 776 447</b>	<b>2 466 990 319</b>	<b>2 522 101 801</b>	<b>2 537 481 408</b>	<b>2 579 523 059</b>	<b>2 622 889 123</b>	<b>2 687 112 746</b>

<sup>1</sup>. Disestablished in 2009/10.

## Expenditure estimates

Table 38.21 Consolidated Water Boards

Statement of financial performance	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%) 2009/10 - 2012/13	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%) 2012/13 - 2015/16	
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16			
	R million											
<b>Revenue</b>	<b>9 009.2</b>	<b>10 252.8</b>	<b>12 019.8</b>	<b>12 869.0</b>	<b>12.6%</b>	<b>100.0%</b>	<b>14 011.4</b>	<b>15 444.6</b>	<b>16 976.9</b>	<b>9.7%</b>	<b>100.0%</b>	
Non-tax revenue	8 248.1	9 440.0	10 841.7	12 122.9	13.7%	92.0%	13 177.9	14 470.7	15 968.8	9.6%	94.0%	
Sale of goods and services other than capital assets												
of which:												
Sale of bulk water	8 248.1	9 440.0	10 841.7	12 122.9	13.7%	92.0%	13 177.9	14 470.7	15 968.8	9.6%	94.0%	
Other non-tax revenue	761.1	812.8	1 178.1	746.1	-0.7%	8.0%	833.5	974.0	1 008.1	10.5%	6.0%	
<b>Total revenue</b>	<b>9 009.2</b>	<b>10 257.7</b>	<b>12 019.8</b>	<b>12 869.0</b>	<b>12.6%</b>	<b>100.0%</b>	<b>14 011.4</b>	<b>15 444.6</b>	<b>16 976.9</b>	<b>9.7%</b>	<b>100.0%</b>	
<b>Expenses</b>	<b>8 128.4</b>	<b>9 135.5</b>	<b>10 317.1</b>	<b>11 336.4</b>	<b>11.7%</b>	<b>100.0%</b>	<b>12 338.1</b>	<b>13 558.3</b>	<b>14 871.5</b>	<b>9.5%</b>	<b>100.0%</b>	
Current expenses	1 786.7	1 938.4	2 201.2	2 221.0	7.5%	21.0%	2 435.5	2 638.3	2 847.2	8.6%	19.5%	
Compensation of employees	5 521.8	6 471.4	7 446.8	8 374.6	14.9%	71.2%	9 069.1	9 951.0	10 917.9	9.2%	73.5%	
Goods and services	400.4	465.1	522.3	571.0	12.6%	5.0%	652.7	725.0	819.5	12.8%	5.3%	
Depreciation	419.5	260.6	146.8	169.9	-26.0%	2.7%	180.9	244.0	286.8	19.1%	1.7%	
Interest, dividends and rent on land	<b>Total expenses</b>	<b>8 133.1</b>	<b>9 135.5</b>	<b>10 317.1</b>	<b>11 336.4</b>	<b>11.7%</b>	<b>100.0%</b>	<b>12 338.1</b>	<b>13 558.3</b>	<b>14 871.5</b>	<b>9.5%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>876.0</b>	<b>1 122.0</b>	<b>1 703.0</b>	<b>1 533.0</b>	<b>20.5%</b>		<b>1 673.0</b>	<b>1 886.0</b>	<b>2 105.0</b>	<b>11.1%</b>		
<b>Statement of financial position</b>												
Carrying value of assets	12 403.4	13 514.5	15 062.0	18 106.9	13.4%	69.8%	21 094.5	24 683.6	27 663.7	15.2%	79.8%	
of which:												
Acquisition of assets	1 551.6	1 680.3	2 065.1	3 244.7	27.9%	9.9%	4 009.1	4 741.7	3 717.9	4.6%	13.9%	
Investments	2 237.8	2 288.9	2 571.6	2 323.1	1.3%	11.3%	1 675.8	852.8	914.6	-26.7%	5.4%	
Inventory	93.6	104.1	227.8	115.7	7.3%	0.6%	121.3	128.5	136.7	5.7%	0.4%	
Loans	7.9	6.9	5.9	-	-100.0%	0.0%	-	-	-	-	-	
Accrued investment interest	12.3	14.0	25.2	0.0	-89.6%	0.1%	0.0	0.0	0.0	-	0.0%	
Receivables and prepayments	1 855.6	1 791.4	2 264.8	2 003.8	2.6%	9.4%	2 053.4	2 153.9	2 376.1	5.8%	7.6%	
Cash and cash equivalents	1 575.5	1 792.1	2 207.2	1 393.8	-4.0%	8.3%	1 677.1	2 001.7	2 333.7	18.7%	6.4%	
Non-current assets held for sale	94.0	59.8	41.5	66.1	-11.1%	0.3%	69.5	72.7	76.1	4.8%	0.3%	
Defined benefit plan assets	1.6	7.7	13.1	7.7	68.3%	0.0%	7.7	7.7	7.7	-	0.0%	
Taxation	0.3	3.1	3.1	-	-100.0%	0.0%	-	-	-	-	-	
Derivatives financial instruments	10.2	23.2	3.1	27.7	39.6%	0.1%	26.1	23.8	21.4	-8.2%	0.1%	
<b>Total assets</b>	<b>18 292.2</b>	<b>19 605.7</b>	<b>22 425.3</b>	<b>24 044.8</b>	<b>9.5%</b>	<b>100.0%</b>	<b>26 725.3</b>	<b>29 924.6</b>	<b>33 529.9</b>	<b>11.7%</b>	<b>100.0%</b>	

Table 38.21 Consolidated Water Boards (continued)

R million	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2009/10 - 2012/13	2013/14	2014/15		
Accumulated surplus/(deficit)	9 669.3	10 953.8	12 678.0	13 976.1	13.1%	55.8%	15 620.9	17 354.8	19 315.7	11.4%	58.0%	
Capital and reserves	2 354.0	2 204.6	2 270.0	2 422.0	1.0%	11.1%	2 610.2	2 849.0	3 147.8	9.1%	9.7%	
Capital reserve fund	68.4	68.4	68.4	68.4	-0.0%	0.3%	268.4	264.4	260.4	56.2%	0.7%	
Borrowings	2 918.9	2 655.0	2 780.6	3 880.7	10.0%	14.5%	4 489.2	5 639.7	6 890.1	21.1%	18.1%	
Finance lease	4.3	-	-	-	-100.0%	0.0%	-	-	-	-	-	
Accrued interest	-	36.6	34.7	34.0	-	0.1%	32.4	29.4	27.2	-7.2%	0.1%	
Deferred income	209.7	206.2	222.7	189.8	-3.3%	1.0%	181.0	172.6	164.6	-4.6%	0.6%	
Trade and other payables	2 417.8	2 533.8	3 336.5	2 799.1	5.0%	13.2%	2 916.7	3 012.1	3 135.6	3.9%	10.5%	
Taxation	-	1.7	1.7	-	-	0.0%	-	-	-	-	-	
Provisions	587.8	862.6	812.2	643.4	3.1%	3.5%	573.1	567.0	551.8	-5.0%	2.1%	
Managed funds (e.g. poverty alleviation fund)	62.1	36.4	11.6	-	-100.0%	0.1%	-	-	-	-	-	
Derivatives financial instruments	-	46.7	220.7	31.3	-	0.3%	33.3	35.7	36.8	5.6%	0.1%	
<b>Total equity and liabilities</b>	<b>18 292.2</b>	<b>19 605.7</b>	<b>22 437.1</b>	<b>24 044.8</b>	<b>9.5%</b>	<b>100.0%</b>	<b>26 725.3</b>	<b>29 924.6</b>	<b>33 529.9</b>	<b>11.7%</b>	<b>100.0%</b>	

## Expenditure trends

Revenue collected by the water boards is derived mainly from the sale of bulk water to water service authorities in their areas. Between 2009/10 and 2012/13, total revenue from the consolidated sale of bulk water increased significantly, driven by increases in demand in the areas serviced by the six medium sized water boards. Over the medium term, revenue is expected to increase due to new tariffs in the water pricing strategy approved in 2007.

The spending focus over the medium term will be on building infrastructure capacity to meet projected increases in water demand.

Expenditure increased between 2009/10 and 2012/13 due to increases in the price of electricity, and higher raw water and chemical costs. The water boards were projected to have made a consolidated net profit of R1.5 billion by the end of 2012/13, which represents a decrease of 11.1 per cent over the previous year, as a result of these higher input costs. Over the MTEF period, the expected increase in expenditure is due to the combined effect of adjustments for inflation as well as the construction, upgrading and rehabilitation of water infrastructure.

## Rand Water

### Mandate and Goals

Rand Water was established in terms of section 28 of the Water Services Act (1997) and is mandated to provide management services, training and other support services to water services institutions to promote cooperation in the provision of water services; supply untreated or non-potable water to end users who do not use the water for household purposes; provide catchment management services to or on behalf of the responsible authorities; provide water services in a joint venture with water services authorities; and perform water conservation functions.

The board's strategic goals over the medium term are to:

- ensure that it continues to be a viable, sustainable bulk water service provider
- position itself as the partner of choice in water services
- ensure that all customers and stakeholders are satisfied
- improve business efficiencies and quality
- achieve transformation and create a dynamic learning organisation.

## Selected Performance Indicators

Table 38.22 Rand Water

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Volume of water sold (thousand kl) per year	Potable water supply	1 357 800	1 494 675	1 410 036	1 475 285	1 467 001	1 516 880	1 537 897
Net debt/equity ratio per year	Potable water supply	0.16	0.14	0.30	0.20	0.40	0.50	0.30
Debt service ratio per year	Potable water supply	3.90	4.40	4.30	9.00	3.90	4.40	6.00
Debt/asset ratio per year	Potable water supply	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Costs per kilolitre (R/kl) per year	Potable water supply	3.16	3.71	4.30	4.60	5.40	6.00	5.80
Profit for the year (Rand thousands)	Potable water supply	R299 549	R536 068	R703 848	R892 208	R1 010 477	R1 214 844	R1 262 334
Test results: South African national standards 241 for compliance with Class 1 and Class 2):	Potable water supply							
Class 1 <sup>1</sup> (percentage compliance) per year		95%	95%	95%	95%	95%	95%	95%
Class 2 <sup>1</sup> (percentage compliance) per year		99%	99%	99%	99%	99%	99%	99%
Cost of debt	Potable water supply	10%	10%	10%	11%	11%	11%	11%

1. Class 1: suitable for human consumption. Class 2: efforts required to ensure that water quality is improved.

## Programmes/activities/objectives

Table 38.23 Rand Water

	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
Potable water supply	4 895.5	5 580.9	6 357.1	7 001.1	12.7%	100.0%	7 682.5	8 507.3	9 390.8	10.3%	100.0%
<b>Total expense</b>	<b>4 895.5</b>	<b>5 580.9</b>	<b>6 357.1</b>	<b>7 001.1</b>	<b>12.7%</b>	<b>100.0%</b>	<b>7 682.5</b>	<b>8 507.3</b>	<b>9 390.8</b>	<b>10.3%</b>	<b>100.0%</b>

## Expenditure estimates

Table 38.24 Rand Water

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>5 195.1</b>	<b>6 112.1</b>	<b>7 135.6</b>	<b>7 893.3</b>	<b>15.0%</b>	<b>100.0%</b>	<b>8 732.3</b>	<b>9 643.7</b>	<b>10 653.1</b>	<b>10.5%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets	4 974.6	5 891.1	6 838.5	7 632.2	15.3%	96.1%	8 447.8	9 335.9	10 318.5	10.6%	96.8%
of which:											
Sale of bulk water	4 974.6	5 891.1	6 838.5	7 632.2	15.3%	96.1%	8 447.8	9 335.9	10 318.5	10.6%	96.8%
Other non-tax revenue	220.5	221.0	297.1	261.1	5.8%	3.8%	284.5	307.8	334.6	8.6%	3.2%
<b>Total revenue</b>	<b>5 195.1</b>	<b>6 117.0</b>	<b>7 135.6</b>	<b>7 893.3</b>	<b>15.0%</b>	<b>100.0%</b>	<b>8 732.3</b>	<b>9 643.7</b>	<b>10 653.1</b>	<b>10.5%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>4 890.9</b>	<b>5 580.9</b>	<b>6 357.1</b>	<b>7 001.1</b>	<b>12.7%</b>	<b>100.0%</b>	<b>7 682.5</b>	<b>8 507.3</b>	<b>9 390.8</b>	<b>10.3%</b>	<b>100.0%</b>
Compensation of employees	960.8	1 056.0	1 264.9	1 206.7	7.9%	18.9%	1 312.9	1 424.5	1 544.1	8.6%	16.9%
Goods and services	3 657.5	4 245.3	4 876.0	5 560.3	15.0%	76.7%	6 080.9	6 738.9	7 445.6	10.2%	79.3%
Depreciation	167.8	200.8	211.9	226.6	10.5%	3.4%	280.5	334.8	391.2	20.0%	3.7%
Interest, dividends and rent on land	104.8	78.8	4.3	7.5	-58.5%	0.9%	8.2	9.0	10.0	10.0%	0.1%
<b>Total expenses</b>	<b>4 895.5</b>	<b>5 580.9</b>	<b>6 357.1</b>	<b>7 001.1</b>	<b>12.7%</b>	<b>100.0%</b>	<b>7 682.5</b>	<b>8 507.3</b>	<b>9 390.8</b>	<b>10.3%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>300.0</b>	<b>536.0</b>	<b>778.0</b>	<b>892.0</b>	<b>43.8%</b>		<b>1 050.0</b>	<b>1 136.0</b>	<b>1 262.0</b>	<b>12.3%</b>	

Table 38.24 Rand Water (continued)

R million	Audited outcome			Revised estimate 2012/13	Average growth rate (%) 2009/10 - 2012/13	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%) 2012/13 - 2015/16	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2013/14	2014/15	2015/16		
<b>Statement of financial position</b>											
Carrying value of assets	6 540.1	7 340.8	8 597.8	10 307.2	16.4%	80.5%	12 059.1	13 760.2	15 503.5	14.6%	86.6%
<i>of which:</i>											
Acquisition of assets	910.0	1 017.2	1 360.5	1 653.0	22.0%	12.0%	2 108.0	1 966.0	1 820.0	3.3%	12.9%
Investments	83.0	40.4	-	-	-100.0%	0.4%	-	-	-	-	-
Inventory	46.8	51.3	176.4	57.4	7.0%	0.8%	61.0	64.4	68.0	5.8%	0.4%
Loans	7.9	6.9	5.9	-	-100.0%	0.1%	-	-	-	-	-
Receivables and prepayments	857.6	708.2	853.7	909.4	2.0%	8.3%	1 006.3	1 066.4	1 174.6	8.9%	7.0%
Cash and cash equivalents	924.9	930.6	1 327.5	770.9	-5.9%	9.9%	831.5	896.3	1 012.8	9.5%	5.9%
Non-current assets held for sale	-	2.0	1.3	-	-	0.0%	-	-	-	-	-
Taxation	0.3	3.1	3.1	-	-100.0%	0.0%	-	-	-	-	-
Derivatives financial instruments	-	-	3.1	-	-	0.0%	-	-	-	-	-
<b>Total assets</b>	<b>8 460.6</b>	<b>9 083.3</b>	<b>10 968.7</b>	<b>12 044.8</b>	<b>12.5%</b>	<b>100.0%</b>	<b>13 957.9</b>	<b>15 787.4</b>	<b>17 759.0</b>	<b>13.8%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	6 224.3	6 756.3	7 534.4	8 395.5	10.5%	71.6%	9 445.3	10 580.7	11 843.0	12.2%	67.8%
Borrowings	629.7	645.5	984.6	1 754.4	40.7%	9.5%	2 472.9	3 068.4	3 647.1	27.6%	18.1%
Finance lease	4.3	-	-	-	-100.0%	0.0%	-	-	-	-	-
Deferred income	64.5	78.6	102.4	78.6	6.8%	0.8%	78.6	78.6	78.6	-	0.5%
Trade and other payables	1 283.5	1 327.4	1 793.4	1 816.4	12.3%	15.3%	1 961.1	2 059.7	2 190.3	6.4%	13.6%
Taxation	-	1.7	1.7	-	-	0.0%	-	-	-	-	-
Provisions	254.3	273.8	340.9	-	-100.0%	2.3%	-	-	-	-	-
Derivatives financial instruments	-	-	208.2	-	-	0.5%	-	-	-	-	-
<b>Total equity and liabilities</b>	<b>8 460.6</b>	<b>9 083.3</b>	<b>10 965.6</b>	<b>12 044.8</b>	<b>12.5%</b>	<b>100.0%</b>	<b>13 957.9</b>	<b>15 787.4</b>	<b>17 759.0</b>	<b>13.8%</b>	<b>100.0%</b>

## Personnel information

Table 38.25 Rand Water

Post status estimated for 31 March 2013		Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment														Number			
Number of funded posts	Number of vacant posts	Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)				
		2011/12			2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16			
		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost				Number	Cost	Unit Cost
Salary level	3 384	217	3 167	1 276.5	0.4	3 167	1 206.7	0.4	3 167	1 312.9	0.4	3 167	1 424.5	0.4	3 167	1 544.1	0.5	-	100.0%
1 - 6	3 366	213	3 153	1 264.9	0.4	3 153	1 195.0	0.4	3 153	1 301.2	0.4	3 153	1 412.8	0.4	3 153	1 532.5	0.5	-	99.6%

1. Rand million.

## Expenditure trends

Rand Water derives its income mainly from the sale of bulk water to 3 metropolitan municipalities, 15 local municipalities, 40 mines as well as approximately 1 079 industrial organisations, and direct consumers. Between 2009/10 and 2012/13, revenue increased due to annual water tariff increases. Over the medium term, revenue is expected to increase further as a result of an increase in sales volumes and annual tariff increases.

The spending focus over the medium term will be on internal efficiencies to reduce the impact of costs that the entity has very little control over, such as chemicals and energy.

The increase in expenditure between 2009/10 and 2012/13 was due to the 27 per cent and 31.4 per cent increase in the cost of electricity required to pump water in 2010/11 and 2011/12. Energy efficiency measures, such as the optimisation of the hydraulic system and the maximisation of off peak pumping have limited these spending increases. Expenditure on interest, dividends and rent on land decreased in 2012/13 due to the capitalisation of borrowing costs. The increase in compensation of employees in 2011/12 was due to an increase in employees to 3 153 as a result of the capital expansion programme.

Expenditure is expected to increase over the MTEF period due to the increase in the cost of sales of water due to the expected increase in electricity purchased. The entity expects to realise savings of more than R2 billion Over this period through various cost containment and internal efficiency measures, such as maximising off peak pumping, installation of energy efficient pumps and centralisation of common costs to minimise total cost.

The board has a funded establishment of 3 384 posts, all of which are filled. Personnel numbers are expected to remain at this level over the medium term. The entity will spend R56 million on consultants in 2012/13, who are used to provide specialised IT skills and address compliance issues, where the requirement is once-off in nature.

## Trans-Caledon Tunnel Authority

### Mandate and goals

The Trans-Caledon Tunnel Authority is a schedule 2 public entity, and was established in 1986 and promulgated in terms of the in terms of the Water Act (1956) and section 108 of the National Water Act (1998). As a specialised liability management entity, it finances and implements bulk raw water infrastructure within an acceptable risk framework in a cost effective manner to benefit water consumers.

The authority's strategic goal over the medium term is to reduce the cost of providing water. This entails efficiently financing the development of water resources infrastructure by managing and minimising risks throughout project cycles.

### Selected performance indicators

Table 38.26 Trans-Caledon Tunnel Authority

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total percentage of volume of acid mine water treated per year <sup>1</sup>	Acid main drainage	— <sup>1</sup>	— <sup>1</sup>	3%	14%	53%	97%	100%
Percentage completion of dam <sup>2</sup>	Berg water project	99%	100%	100%	100%	100%	100%	— <sup>2</sup>
Percentage of 58.6km pipeline completed <sup>2</sup>	Komati water scheme augmentation project	4%	23%	59%	89%	100%	100%	— <sup>2</sup>
Percentage of 40km pipeline completed <sup>3</sup>	Olifants River water resource development project phases 2C and 2D	2%	4%	17%	42%	94%	— <sup>3</sup>	— <sup>3</sup>
Percentage of 120 km pipeline completed <sup>3</sup>	Vaal River eastern subsystem augmentation project	95%	97%	102%	104%	100%	— <sup>3</sup>	— <sup>3</sup>
Percentage of 43km pipeline completed	Mokolo-Crocodile water augmentation project	3%	8%	26%	44%	81%	96%	100%
Percentage of 14.5km pipeline completed	Mooi-Mgeni transfer scheme	3%	9%	29%	54%	83%	98%	100%

1. This project started in 2011/12.

2. These projects will end in 2014/15.

3. These projects will end in 2013/14.

### Programmes/activities/objectives

Table 38.27 Trans-Caledon Tunnel Authority

R million	Audited outcome				Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13		2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16		
Olifants River water resource development project phase 2	23.0	67.8	100.6	668.2	207.4%	4.0%	1 314.9	1 973.8	1 644.9	35.0%	19.0%	
Mokolo Crocodile water augmentation project	19.0	104.0	277.7	389.8	173.8%	3.8%	780.6	429.5	207.4	-19.0%	6.4%	
Vaal River eastern subsystem augmentation project	394.0	406.1	794.4	381.6	-1.1%	10.5%	234.6	344.6	347.3	-3.1%	4.7%	
Komati water scheme augmentation project	21.0	94.6	510.8	439.3	175.5%	5.2%	244.5	133.7	132.8	-32.9%	3.7%	
Mooi-Mgeni transfer scheme phase 2	17.0	98.5	313.5	497.1	208.1%	4.4%	576.7	369.4	178.8	-28.9%	5.9%	
Berg water project	129.0	128.1	253.9	91.2	-10.9%	3.2%	94.0	74.2	61.2	-12.4%	1.2%	
Lesotho highlands water project	3 155.0	3 533.1	2 717.7	2 844.9	-3.4%	67.0%	2 786.7	2 875.3	2 967.5	1.4%	41.0%	
Acid mine drainage	—	—	80.4	256.0	—	1.5%	898.8	1 010.5	73.1	-34.1%	7.3%	
Borehole project	—	—	29.4	1.3	—	0.2%	0.0	0.0	0.0	-71.8%	0.0%	
Other objectives	—	—	2.2	9.2	—	0.1%	447.7	1 542.2	1 383.7	432.5%	10.9%	
<b>Total expense</b>	<b>3 758.0</b>	<b>4 432.3</b>	<b>5 080.5</b>	<b>5 578.6</b>	<b>14.1%</b>	<b>100.0%</b>	<b>7 378.5</b>	<b>8 753.1</b>	<b>6 996.9</b>	<b>7.8%</b>	<b>100.0%</b>	



## Expenditure estimates

Table 38.28 Trans-Caledon Tunnel Authority

Statement of financial performance		Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
		2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
R million												
<b>Revenue</b>												
<b>Non-tax revenue</b>		<b>3 590.0</b>	<b>4 148.4</b>	<b>4 676.9</b>	<b>5 599.8</b>	<b>16.0%</b>	<b>100.0%</b>	<b>6 665.4</b>	<b>8 014.9</b>	<b>6 261.7</b>	<b>3.8%</b>	<b>100.0%</b>
Sale of goods and services other than capital assets		2 741.0	1 341.0	2 301.0	3 316.1	6.6%	54.3%	5 105.4	6 358.6	4 662.2	12.0%	72.4%
of which:												
Sale of bulk water		2 741.0	1 341.0	2 301.0	3 316.1	6.6%	54.3%	5 105.4	6 358.6	4 662.2	12.0%	72.4%
Other non-tax revenue		849.0	2 807.4	2 375.9	2 283.7	39.1%	45.7%	1 560.0	1 656.3	1 599.5	-11.2%	27.6%
<b>Total revenue</b>		<b>3 590.0</b>	<b>4 148.4</b>	<b>4 676.9</b>	<b>5 599.8</b>	<b>16.0%</b>	<b>100.0%</b>	<b>6 665.4</b>	<b>8 014.9</b>	<b>6 261.7</b>	<b>3.8%</b>	<b>100.0%</b>
<b>Expenses</b>												
<b>Current expenses</b>		<b>3 758.0</b>	<b>4 432.3</b>	<b>5 080.5</b>	<b>5 578.6</b>	<b>14.1%</b>	<b>100.0%</b>	<b>7 378.5</b>	<b>8 753.1</b>	<b>6 996.9</b>	<b>7.8%</b>	<b>100.0%</b>
Compensation of employees		101.0	119.1	123.5	126.1	7.7%	2.5%	170.0	181.0	192.8	15.2%	2.3%
Goods and services		501.0	1 218.0	2 172.1	3 184.2	85.2%	35.2%	4 926.1	6 167.7	4 458.9	11.9%	64.5%
Depreciation		130.0	4.2	5.1	5.8	-64.4%	0.9%	9.2	9.8	10.5	21.5%	0.1%
Interest, dividends and rent on land		3 026.0	3 091.1	2 779.8	2 262.5	-9.2%	61.4%	2 273.2	2 394.5	2 334.7	1.1%	33.0%
<b>Total expenses</b>		<b>3 758.0</b>	<b>4 432.3</b>	<b>5 080.5</b>	<b>5 578.6</b>	<b>14.1%</b>	<b>100.0%</b>	<b>7 378.5</b>	<b>8 753.1</b>	<b>6 996.9</b>	<b>7.8%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>		<b>(168.0)</b>	<b>(284.0)</b>	<b>(404.0)</b>	<b>21.0</b>	<b>-150.0%</b>		<b>(713.0)</b>	<b>(738.0)</b>	<b>(735.0)</b>	<b>-427.1%</b>	
<b>Statement of financial position</b>												
Carrying value of assets		6.0	7.7	8.1	23.7	58.2%	0.0%	36.6	34.1	42.7	21.7%	0.1%
of which:												
Acquisition of assets		339.0	6.0	6.0	35.0	-53.1%	0.3%	3.4	3.5	3.6	-52.9%	0.0%
Investments		4 198.0	3 144.3	1 419.7	2 563.1	-15.2%	8.4%	3 486.4	4 932.9	7 299.5	41.7%	12.7%
Receivables and prepayments		30 503.0	30 131.6	30 747.7	31 203.2	0.8%	91.5%	31 174.2	31 208.3	29 886.2	-1.4%	87.2%
Cash and cash equivalents		-	1.1	-	-	-	0.0%	-	-	-	-	-
Taxation		23.0	10.7	40.7	-	-100.0%	0.1%	-	-	-	-	-
Derivatives financial instruments		8.0	9.3	40.7	-	-100.0%	0.0%	-	-	-	-	-
<b>Total assets</b>		<b>34 738.0</b>	<b>33 304.7</b>	<b>32 257.0</b>	<b>33 790.0</b>	<b>-0.9%</b>	<b>100.0%</b>	<b>34 697.1</b>	<b>36 175.4</b>	<b>37 228.4</b>	<b>3.3%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)		6 263.0	5 978.6	5 575.5	5 475.0	-4.4%	17.4%	4 761.9	4 023.6	3 288.4	-15.6%	12.5%
Borrowings		27 085.0	25 952.2	24 625.2	27 527.1	0.5%	78.4%	29 028.1	31 111.4	33 551.8	6.8%	85.3%
Trade and other payables		867.0	916.3	1 640.0	787.8	-3.1%	3.2%	907.1	1 040.3	388.2	-21.0%	2.2%
Taxation		66.0	74.6	81.7	-	-100.0%	0.2%	-	-	-	-	-
Provisions		37.0	41.2	40.2	-	-100.0%	0.1%	-	-	-	-	-
Derivatives financial instruments		420.0	341.9	258.0	-	-100.0%	0.8%	-	-	-	-	-
<b>Total equity and liabilities</b>		<b>34 738.0</b>	<b>33 304.7</b>	<b>32 220.6</b>	<b>33 790.0</b>	<b>-0.9%</b>	<b>100.0%</b>	<b>34 697.1</b>	<b>36 175.4</b>	<b>37 228.4</b>	<b>3.3%</b>	<b>100.0%</b>

## Personnel Information

Table 38.29 Trans-Caledon Tunnel Authority

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number				
				Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
				2011/12		Unit Cost	2012/13		Unit Cost	2013/14		Unit Cost	2014/15		Unit Cost			2015/16		
				Number	Cost		Number	Cost		Number	Cost		Number	Cost		Number	Cost	Number	Cost	
	173	-		153	123.5	0.8	173	126.1	0.7	175	170.0	1.0	175	181.0	1.0	175	192.8	1.1	0.4%	100.0%
1 - 6	2	-		1	0.1	0.1	2	0.2	0.1	2	0.4	0.2	2	0.2	0.1	2	0.2	0.1	-	1.1%
7 - 10	34	-		38	9.4	0.2	34	8.7	0.3	34	13.7	0.4	32	17.0	0.5	27	16.7	0.6	-7.4%	18.2%
11 - 12	44	-		36	15.9	0.4	44	18.8	0.4	46	25.9	0.6	43	18.4	0.4	47	20.3	0.4	2.2%	25.8%
13 - 16	81	-		64	51.7	0.8	81	70.5	0.9	81	87.9	1.1	86	98.8	1.1	86	108.2	1.3	2.0%	47.8%
17 - 22	12	-		14	46.4	3.3	12	27.9	2.3	12	42.2	3.5	12	46.6	3.9	13	47.4	3.6	2.7%	7.0%

1. Rand million.

## Expenditure trends

The Trans-Caledon Tunnel Authority derives its revenue from interest income from redemption investments, fees charged for construction services and payment for raw water. Revenue increased between 2009/10 and 2012/13 due to annual increases in tariffs implemented on the sale of water.

The spending focus over the medium term will be on the implementation of capital projects, servicing current debts and consultant services. Servicing of current debt will be on the following projects: the Mokolo-Crocodile water augmentation project, the Vaal River eastern subsystem augmentation project, the Komati water scheme augmentation project, the Berg River water project, and phase 2 of the Mooi-Mgeni transfer scheme.

The entity has an establishment of 173 approved funded posts, of which 10 were vacant as at 30 September 2012, resulting in a vacancy rate of 6 per cent. The entity spent R3.8 million on consultants in 2012/13, who were used mainly for project management, engineering design, legal services, auditing of financial statements and debt management.

## Umgeni Water

### Mandate and goals

Umgeni Water was established in 1974 to provide water services to six municipalities in its operational area in KwaZulu-Natal. The organisation operates in accordance with the Water Services Act (1997).

The entity's strategic goals over the medium term are to:

- embark on a water services growth strategy through the consolidation and expansion of its business beyond its area of operation
- develop an asset management strategy and infrastructure growth plan to address obsolete and aging infrastructure and bottlenecks its regional growth strategy while using its experience and commitment to improve skills transfer and people development in the region
- pursue the sustainable use of environmental resources, including alternative energy, technological and process enhancements, and catchment water quality management.

### Selected performance indicators

Table 38.30 Umgeni Water

Indicator	Programme/Activity/Objective	Past			Current	Projections		
		2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Volume of water sold per year (kl)	Water management	425 848 000	415 427 000	417 782 000	416 550 000	419 881 000	424 780 000	431 151 000
Debt service ratio per year	Water management	2.7	3.9	5.0	4.0	3.0	4.0	4.0
Costs per kilolitre per year	Water management	R2	R3.9	R2	R4	R4	R4	R4
Value of profit for the year	Water management	R540.7m	R428m	R591m	R477m	R392m	R448m	R467m
Debt collection period (days)	Water management	52	41	36	39	40	39	39
Total capital infrastructure expenditure	Infrastructure stability	R334m	R379m	R486m	R829m	R949m	R872m	R853m
Total revenue	Financial sustainability	R1.63bn	R1.66bn	R1.84bn	R1.97bn	R1.96bn	R2.01bn	R2.4bn
Net surplus	Financial sustainability	R540.7m	R428m	R591m	R477m	R392m	R448m	R467m
Liquidity	Financial sustainability	R847m	R1bn	R683m	R667m	R638m	R654m	R708m

### Programmes/activities/objectives

Table 38.31 Umgeni Water

R million	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2009/10 - 2012/13	2013/14		
Water management	1 030.7	1 092.3	1 076.7	1 364.6	9.8%	81.9%	1 535.9	1 588.4	1 684.3	7.3%	92.5%
Waste water	40.6	41.3	50.0	59.9	13.8%	3.4%	64.6	69.7	89.6	14.4%	4.2%
Other expenditure	183.1	198.1	284.0	143.7	-7.8%	14.7%	26.1	27.9	13.5	-54.6%	3.3%
<b>Total expense</b>	<b>1 254.4</b>	<b>1 331.7</b>	<b>1 410.6</b>	<b>1 568.2</b>	<b>7.7%</b>	<b>100.0%</b>	<b>1 626.6</b>	<b>1 686.0</b>	<b>1 787.4</b>	<b>4.5%</b>	<b>100.0%</b>

## Expenditure estimates

Table 38.32 Umgeni Water

Statement of financial performance	Audited outcome				Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12	2012/13				2013/14	2014/15	2015/16		
	R million											
<b>Revenue</b>												
<b>Non-tax revenue</b>	1 795.1	1 760.2	2 001.9	2 044.8	4.4%	100.0%	2 018.3	2 133.6	2 254.3	3.3%	100.0%	
Sale of goods and services other than capital assets	1 633.0	1 660.9	1 847.2	1 968.0	6.4%	93.5%	1 958.9	2 094.6	2 244.8	4.5%	97.8%	
<i>of which:</i>												
<i>Sale of bulk water</i>	1 633.0	1 660.9	1 847.2	1 968.0	6.4%	93.5%	1 958.9	2 094.6	2 244.8	4.5%	97.8%	
<i>Other non-tax revenue</i>	162.1	99.2	154.8	76.8	-22.0%	6.5%	59.4	39.0	9.5	-50.1%	2.2%	
<b>Total revenue</b>	<b>1 795.1</b>	<b>1 760.2</b>	<b>2 001.9</b>	<b>2 044.8</b>	<b>4.4%</b>	<b>100.0%</b>	<b>2 018.3</b>	<b>2 133.6</b>	<b>2 254.3</b>	<b>3.3%</b>	<b>100.0%</b>	
<b>Expenses</b>												
<b>Current expenses</b>	1 254.4	1 331.7	1 410.6	1 568.2	7.7%	100.0%	1 626.6	1 686.0	1 787.4	4.5%	100.0%	
Compensation of employees	290.9	289.1	320.7	325.2	3.8%	22.1%	355.8	392.4	422.1	9.1%	22.4%	
Goods and services	650.8	839.0	909.1	1 040.6	16.9%	61.4%	1 047.3	1 074.4	1 099.1	1.8%	64.0%	
Depreciation	82.4	89.4	96.2	114.8	11.7%	6.9%	128.4	135.6	149.1	9.1%	7.9%	
Interest, dividends and rent on land	230.3	114.2	84.6	87.5	-27.6%	9.6%	95.1	83.5	117.1	10.2%	5.7%	
<b>Total expenses</b>	<b>1 254.4</b>	<b>1 331.7</b>	<b>1 410.6</b>	<b>1 568.2</b>	<b>7.7%</b>	<b>100.0%</b>	<b>1 626.6</b>	<b>1 686.0</b>	<b>1 787.4</b>	<b>4.5%</b>	<b>100.0%</b>	
<b>Surplus/(Deficit)</b>	<b>541.0</b>	<b>428.0</b>	<b>591.0</b>	<b>477.0</b>	<b>-4.1%</b>		<b>392.0</b>	<b>448.0</b>	<b>467.0</b>	<b>-0.7%</b>		
<b>Statement of financial position</b>												
Carrying value of assets	2 697.2	2 883.8	3 112.3	3 874.8	12.8%	62.4%	4 730.7	5 492.1	6 433.7	18.4%	79.4%	
<i>of which:</i>												
<i>Acquisition of assets</i>	334.6	379.3	485.6	945.2	41.4%	10.3%	1 163.6	1 177.0	1 250.5	9.8%	17.7%	
Investments	1 306.6	1 530.2	1 796.4	1 646.4	8.0%	31.3%	988.2	348.2	333.2	-41.3%	13.6%	
Inventory	8.6	8.9	9.0	9.2	2.2%	0.2%	9.4	9.7	9.9	2.4%	0.1%	
Accrued investment interest	12.3	13.9	25.2	0.0	-89.6%	0.3%	0.0	0.0	0.0	-	0.0%	
Receivables and prepayments	264.9	214.8	205.7	257.1	-1.0%	4.8%	261.4	272.2	286.2	3.6%	4.2%	
Cash and cash equivalents	1.7	102.1	11.6	1.4	-5.5%	0.6%	51.5	201.2	302.1	496.0%	2.0%	
Non-current assets held for sale	17.0	14.5	13.5	14.5	-5.3%	0.3%	14.5	14.5	14.5	-	0.2%	
Derivatives financial instruments	-	16.6	-	27.7	-	0.2%	26.1	23.8	21.4	-8.2%	0.4%	
<b>Total assets</b>	<b>4 308.3</b>	<b>4 784.7</b>	<b>5 173.7</b>	<b>5 831.2</b>	<b>10.6%</b>	<b>100.0%</b>	<b>6 081.9</b>	<b>6 361.8</b>	<b>7 401.0</b>	<b>8.3%</b>	<b>100.0%</b>	
Accumulated surplus/(deficit)	1 645.2	2 073.6	2 664.9	3 074.4	23.2%	46.4%	3 466.0	3 913.6	4 380.5	12.5%	57.6%	
Capital and reserves	442.8	442.8	442.8	442.8	-	8.9%	442.8	442.8	442.8	-	7.0%	
Borrowings	1 534.9	1 372.8	1 257.1	1 474.1	-1.3%	28.5%	1 383.3	1 254.3	1 861.7	8.1%	23.2%	
Accrued interest	-	36.6	34.7	34.0	-	0.5%	32.4	29.4	27.2	-7.2%	0.5%	
Deferred income	17.0	-	-	-	-100.0%	0.1%	-	-	-	-	-	
Trade and other payables	415.1	558.4	399.1	456.0	3.2%	9.2%	418.7	385.4	355.0	-8.0%	6.4%	
Provisions	253.4	284.9	377.5	349.8	11.3%	6.3%	338.6	336.2	333.8	-1.6%	5.3%	
Derivatives financial instruments	-	15.6	12.5	-	-	0.1%	-	-	-	-	-	
<b>Total equity and liabilities</b>	<b>4 308.3</b>	<b>4 784.7</b>	<b>5 188.6</b>	<b>5 831.2</b>	<b>10.6%</b>	<b>100.0%</b>	<b>6 081.9</b>	<b>6 361.8</b>	<b>7 401.0</b>	<b>8.3%</b>	<b>100.0%</b>	

Table 38.33 Umgeni Water

Salary level	Post status estimated for 31 March 2013	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment												Number				
				Actual						Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)
				2011/12			2012/13			2013/14		2014/15		2015/16						
				Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost	Number	Unit Cost			
	1 076		141	923	320.6	0.3	935	325.2	0.3	945	355.8	0.4	945	392.4	0.4	954	421.8	0.4	0.7%	100.0%
1-6	17		-	244	11.5	0.0	17	1.0	0.1	17	1.5	0.1	17	1.7	0.1	10	1.0	0.1	-16.2%	1.6%
7-10	454		107	299	85.2	0.3	347	76.9	0.2	347	73.4	0.2	347	80.9	0.2	270	62.3	0.2	-8.0%	34.7%
11-12	410		18	303	154.8	0.5	392	165.7	0.4	402	154.6	0.4	402	170.5	0.4	384	144.1	0.4	-0.7%	41.8%
13-16	190		16	75	65.1	0.9	174	79.2	0.5	174	115.0	0.7	174	126.8	0.7	285	201.1	0.7	17.9%	21.3%
17-22	5		-	2	4.1	2.0	5	2.3	0.5	5	11.2	2.2	5	12.4	2.5	5	13.3	2.7	-	0.5%

1. Rand million.

## **Expenditure trends**

Umgeni Water's main source of revenue is the sale of potable water. Between 2009/10 and 2012/13, total revenue increased due to increased volumes of potable water sold. Over the medium term, revenue is expected to increase as a result of annual tariff increases.

The spending focus over the medium term will be on the capital infrastructure programme, maintenance and services.

Between 2009/10 and 2012/13, spending on goods and services increased due to rising raw water costs. In 2013/14, raw water costs are expected to increase by 108 per cent due to: the capital unit charge for the Spring Grove dam falling due, the cost of chemicals used to treat water increasing by 14 per cent in 2012/13, and energy costs increasing by 18 per cent due to a combination of a tariff increase and the additional pumping that will be required as demand for water increases.

Spending on interest, dividends and rent on land declined sharply between 2009/10 and 2012/13 due to repayments on interest bearing loans leading to lower outstanding balances and a reduction in interest expenditure. In the outer two years of the MTEF period, expenditure on interest, dividends and rent on land is projected to grow significantly due to a projected increase in interest bearing loans taken on by the entity due to the additional funding requirements for both capital and operating expenditure.

Maintenance costs increased by 20 per cent in 2011/12 due to major renewals undertaken in the entity's north coast systems. Other projected increases in costs over the medium term are the impairment costs arising from the social component of infrastructure projects. Projected expenditure over this period will be on bulk infrastructure development, which comprises water and wastewater management.

The entity expects to achieve strong operating cash flows in excess of R600 million per year over the medium term. Over the same period, the entity's debt to equity ratio is forecast to remain below 0.7 times. This will result in lower levels of interest paid and minimise net finance charges. The financial plan will ensure that Umgeni Water contributes to an affordable tariff, maintains optimal debt levels, and improves its return on assets by investing appropriately to enhance its shareholder value. Other initiatives include: enhancing procurement processes; assessing the effectiveness of maintenance spending; enhancing cost allocation and cost reporting systems, which will examine in greater detail the various business units' cost effectiveness and efficiencies; improving metering and billing systems by reviewing the metering process; and enhancing business controls to reduce fraud risk.

The entity has a funded establishment of 1 076 posts, of which 935 were filled at the end of September 2012. Vacancies are as a result of difficulties experienced in recruiting specialised technical expertise in the field of engineering. The ratio of support staff to line function staff was 1:17. The entity will spend R4.4 million on consultants in 2012/13, used for on-site support, analysis of chemicals, benchmarking exercises and training.

## **Water trading entity**

### **Mandate and Goals**

A water trading account was established in 1983 to ringfence departmental revenue collected through the sale of bulk water and related services from appropriated funds. The trading account was amended by the Public Finance Management Act (1999), under which it became the water trading entity in 2008. The rationale was to create an entity that would manage the recovery of usage costs to ensure the long term sustainability of South Africa's water resources.

The entity has two components, water resources management and infrastructure management. The water resources management component oversees the management of water quality, conservation and the allocation of water through catchment management agencies. The infrastructure component oversees the operations and maintenance of existing water infrastructure as well as the development of new infrastructure.

The entity's strategic goals over the medium term are to:

- establish appropriate governance structures
- strengthen financial management

- build organisational capacity to ensure that the entity operates economically and efficiently and provides water in an equitable and sustainable manner.

## Selected performance indicators

**Table 38.34 Water Trading Entity**

Indicator	Past			Current	Projections		
	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Number of dam safety rehabilitation projects completed per year	21	25	30	35	41	45	49
Number of water conveyance projects rehabilitated per year	1	11	8	13	20	28	36
Percentage completion on the construction of Olifants River water resources development project phase 2A (De Hoop Dam and related infrastructure) as outlined in the original and approved project implementation plan <sup>1</sup>	50%	72%	86%	95%	100%	- <sup>1</sup>	- <sup>1</sup>
Percentage completion on the construction of Olifants River water resources development project phase 2C (bulk distribution system) as outlined in the original and approved project implementation plan	1%	3%	5%	30%	50%	80%	95%
Percentage completion on construction of Nwamitwa dam as outlined in the original and approved project implementation plan <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	0%	8%	12%	25%	52%
Percentage completion on construction of raising Tzaneen dam as outlined in the original and approved project implementation plan <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	8%	25%	55%	100%
Percentage completion on construction of raising Clanwilliam dam wall as outlined in the original and approved project implementation plan <sup>2</sup>	- <sup>2</sup>	- <sup>2</sup>	1%	8%	30%	58%	80%
Percentage completion on construction of raising Hazelmere dam wall as outlined in the original and approved project implementation plan <sup>3</sup>	6%	28%	28%	42%	85%	100%	- <sup>3</sup>
Percentage completion on construction of phase 1 of Mokolo River augmentation as outlined in the original and approved project implementation plan <sup>3</sup>	1%	10%	12%	45%	95%	100%	- <sup>3</sup>
Value of revenue generated per year to fund the refurbishment programme	R525m	R563.9m	R714.6m	R914.6mn	R848m	R898m	R1 bn

1. Project is expected to be completed by 2013/14.

2. Projects construction commenced in 2012/13.

3. These projects are expected to be completed by 2014/15.

## Programmes/activities/objectives

**Table 38.35 Water Trading Entity**

R million	Audited outcome			Revised estimate	Average growth rate (%)		Medium-term estimate			Average growth rate (%)	
	2009/10	2010/11	2011/12		2012/13	2009/10 - 2012/13	2013/14	2014/15	2015/16	2012/13 - 2015/16	2015/16
Implementation of water resources management activities	469.7	391.7	348.6	458.4	-0.8%	7.8%	477.8	496.2	513.7	3.9%	6.7%
Operations, maintenance and refurbishment of national water resources schemes	981.6	1 039.2	924.9	1 048.4	2.2%	18.2%	1 092.9	1 134.9	1 175.0	3.9%	15.2%
Implementation of new water resources infrastructure	1 303.4	4 125.6	3 671.7	4 275.4	48.6%	54.7%	4 456.9	4 628.1	4 791.6	3.9%	62.1%
Bulk water supply to strategic users	583.9	1 016.6	904.8	754.1	8.9%	14.2%	786.1	816.3	845.1	3.9%	11.0%
Implementation of dam safety projects	261.5	268.5	239.0	349.8	10.2%	5.0%	364.7	378.7	392.1	3.9%	5.1%
<b>Total expense</b>	<b>3 600.2</b>	<b>6 841.5</b>	<b>6 088.9</b>	<b>6 886.0</b>	<b>24.1%</b>	<b>100.0%</b>	<b>7 178.5</b>	<b>7 454.2</b>	<b>7 717.5</b>	<b>3.9%</b>	<b>100.0%</b>

## Expenditure estimates

Table 38.36 Water Trading Entity

Statement of financial performance	Audited outcome			Revised estimate	Average growth rate (%)	Expenditure/total: Average (%)	Medium-term estimate			Average growth rate (%)	Expenditure/total: Average (%)
	2009/10	2010/11	2011/12				2012/13	2013/14	2014/15		
R million											
<b>Revenue</b>											
<b>Non-tax revenue</b>	<b>2 305.7</b>	<b>4 740.0</b>	<b>6 177.6</b>	<b>6 847.9</b>	43.7%	79.0%	<b>7 618.9</b>	<b>8 231.6</b>	<b>8 624.1</b>	8.0%	77.0%
Sale of goods and services other than capital assets	2 095.7	4 661.6	6 133.1	6 794.4	48.0%	76.4%	7 562.6	8 171.9	8 561.4	8.0%	76.5%
of which:											
Sale of bulk water	2 095.7	4 661.6	6 133.1	6 794.4	48.0%	76.4%	7 562.6	8 171.9	8 561.4	8.0%	76.5%
Other non-tax revenue	210.0	78.4	44.5	53.5	-36.6%	2.6%	56.3	59.7	62.7	5.4%	0.6%
<b>Transfers received</b>	<b>333.0</b>	<b>1 805.6</b>	<b>1 934.4</b>	<b>1 696.5</b>	<b>72.1%</b>	<b>21.0%</b>	<b>2 436.1</b>	<b>2 582.6</b>	<b>2 701.4</b>	<b>16.8%</b>	<b>23.0%</b>
<b>Total revenue</b>	<b>2 638.7</b>	<b>6 545.6</b>	<b>8 112.1</b>	<b>8 544.4</b>	<b>47.9%</b>	<b>100.0%</b>	<b>10 055.0</b>	<b>10 814.2</b>	<b>11 325.4</b>	<b>9.8%</b>	<b>100.0%</b>
<b>Expenses</b>											
<b>Current expenses</b>	<b>3 600.2</b>	<b>6 841.5</b>	<b>6 088.9</b>	<b>6 886.0</b>	<b>24.1%</b>	<b>100.0%</b>	<b>7 178.5</b>	<b>7 454.2</b>	<b>7 717.5</b>	<b>3.9%</b>	<b>100.0%</b>
Compensation of employees	875.1	579.3	619.5	872.4	-0.1%	13.9%	909.4	944.4	977.7	3.9%	12.7%
Goods and services	1 309.8	2 786.8	2 054.6	2 428.1	22.8%	36.5%	2 531.3	2 628.5	2 721.3	3.9%	35.3%
Depreciation	1 412.2	1 898.3	2 167.0	2 275.4	17.2%	33.9%	2 372.0	2 463.1	2 550.1	3.9%	33.0%
Interest, dividends and rent on land	3.1	1 577.1	1 247.7	1 310.1	650.2%	15.7%	1 365.8	1 418.2	1 468.3	3.9%	19.0%
<b>Total expenses</b>	<b>3 600.2</b>	<b>6 841.5</b>	<b>6 088.9</b>	<b>6 886.0</b>	<b>24.1%</b>	<b>100.0%</b>	<b>7 178.5</b>	<b>7 454.2</b>	<b>7 717.5</b>	<b>3.9%</b>	<b>100.0%</b>
<b>Surplus/(Deficit)</b>	<b>(961.0)</b>	<b>(296.0)</b>	<b>2 023.0</b>	<b>1 658.0</b>	<b>-219.9%</b>		<b>2 877.0</b>	<b>3 360.0</b>	<b>3 608.0</b>	<b>29.6%</b>	
<b>Statement of financial position</b>											
Carrying value of assets	65 006.6	89 061.1	90 026.1	94 440.6	13.3%	95.6%	98 783.6	103 681.9	107 554.9	4.4%	95.8%
of which:											
Acquisition of assets	1 744.1	1 790.1	2 983.5	3 552.7	26.8%	2.8%	4 790.7	5 277.5	5 533.4	15.9%	4.5%
Inventory	14.7	163.4	168.4	176.6	129.0%	0.1%	185.3	194.4	203.9	4.9%	0.2%
Receivables and prepayments	2 184.5	2 758.5	3 581.1	2 362.7	2.6%	3.1%	2 478.5	2 599.9	2 727.3	4.9%	2.4%
Cash and cash equivalents	430.7	1 022.0	1 488.7	1 563.1	53.7%	1.2%	1 639.7	1 720.1	1 804.3	4.9%	1.6%
<b>Total assets</b>	<b>67 636.5</b>	<b>93 005.0</b>	<b>95 264.2</b>	<b>98 543.0</b>	<b>13.4%</b>	<b>100.0%</b>	<b>103 087.0</b>	<b>108 196.2</b>	<b>112 290.4</b>	<b>4.4%</b>	<b>100.0%</b>
Accumulated surplus/(deficit)	1 570.7	60 818.2	62 855.5	64 513.8	245.0%	49.8%	67 390.4	70 750.4	74 358.4	4.8%	65.6%
Capital and reserves	61 548.9	286.6	272.5	286.1	-83.3%	23.0%	300.2	314.9	330.3	4.9%	0.3%
Capital reserve fund	2 580.0	-	-	-	-100.0%	1.0%	-	-	-	-	-
Borrowings	-	29 780.9	29 927.7	31 424.1	-	23.8%	32 963.8	34 579.1	34 924.9	3.6%	31.7%
Finance lease	17.9	9.3	14.0	14.7	-6.4%	0.0%	15.4	16.2	17.0	4.9%	0.0%
Trade and other payables	1 582.4	661.6	578.6	607.6	-27.3%	1.1%	637.3	668.6	701.3	4.9%	0.6%
Provisions	336.6	475.7	805.5	845.8	36.0%	0.7%	887.3	930.7	976.3	4.9%	0.9%
Derivatives financial instruments	-	972.7	810.4	850.9	-	0.7%	892.6	936.4	982.3	4.9%	0.9%
<b>Total equity and liabilities</b>	<b>67 636.5</b>	<b>93 005.0</b>	<b>95 264.2</b>	<b>98 543.0</b>	<b>13.4%</b>	<b>100.0%</b>	<b>103 087.0</b>	<b>108 196.2</b>	<b>112 290.4</b>	<b>4.4%</b>	<b>100.0%</b>

## Personnel information

Table 38.37 Water Trading Entity

Salary level	Number of funded posts	Number of vacant posts	Number and cost <sup>1</sup> of personnel posts filled/planned for on funded establishment															Number	
			Actual			Revised estimate			Medium-term expenditure estimate						Average growth rate (%)	Salary level/total: Average (%)			
			2011/12		Unit Cost	2012/13			2013/14		2014/15		2015/16				2012/13 - 2015/16		
			Number	Cost		Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost	Unit Cost	Number	Cost		Unit Cost	
	4 459	-	3 710	619.5	0.2	4 459	872.4	0.2	4 459	909.4	0.2	4 459	944.4	0.2	4 459	977.7	0.2	-	100.0%
1 - 6	2 828	-	2 507	178.7	0.1	2 828	251.6	0.1	2 828	262.2	0.1	2 828	272.3	0.1	2 828	281.9	0.1	-	63.4%
7 - 10	1 326	-	987	325.3	0.3	1 326	458.1	0.3	1 326	477.6	0.4	1 326	495.9	0.4	1 326	513.4	0.4	-	29.7%
11 - 12	278	-	196	99.6	0.5	278	140.2	0.5	278	146.2	0.5	278	151.8	0.5	278	157.2	0.6	-	6.2%
13 - 16	27	-	20	16.0	0.8	27	22.5	0.8	27	23.4	0.9	27	24.3	0.9	27	25.2	0.9	-	0.6%

1. Rand million.

## Expenditure trends

Revenue for the water trading entity is generated from raw water charges and transfers from the department. The increase in revenue between 2009/10 and 2012/13 relates to the annual tariff adjustment, the increase in the sale of raw water and related services, and the significant increase in transfers the entity has received from the department, starting in 2010/11. Over the medium term, total revenue is expected to increase due to the completion of dams and bulk distribution systems, increasing the availability of water and, as a result, the amount of water sold.

The spending focus over the MTEF period is on the development of new water infrastructure and the operation, the maintenance and refurbishment of existing water resources infrastructure. This focus is reflected in the implementation of the De Hoop dam's bulk distribution (phases 2B, 2C and 2D), which also accounts for the increased projected expenditure on Nwamitwa, Clanwilliam and Hazelmere dams over the medium term.

The growth in spending on goods and services between 2009/10 and 2012/13 was mainly due to expenditure on contractors, repairs and maintenance relating to the provision and the operation of water infrastructure. Expenditure on new water infrastructure is expected to fast track the completion of the De Hoop dam; the raising of the Tzaneen, Clanwilliam and Hazelmere dam walls and phase 1 of the Mokolo augmentation project. This will take the value of assets on the entity's balance sheet to R112.3 billion in 2015/16.

The decline in expenditure in compensation of employees in 2010/11 relates to business engineering review processes, as positions could not be filled until the process was completed. Expenditure on compensation of employees increased by 40.8 per cent in 2012/13 due to the filling of vacant technical positions.

Over the medium term, the department and the water trading entity will implement a recovery plan to improve the management of the entity's assets that will focus on reducing the backlog in the operation and maintenance of the national water infrastructure. This will be done through comprehensive programmes for dam safety, and the rehabilitation and refurbishment of all water related infrastructure including reservoirs, canals, weirs, pipelines and wastewater treatment works.

The entity has an approved establishment of 4 459 posts, all of which are filled. Personnel numbers are expected to remain at this level over the medium term. The ratio of support staff to line function staff is 1:2.3. Consultants are mainly used for project and contract management, engineering design and services, and construction monitoring.

The increased expenditure on goods and services between 2009/10 and 2012/13 is as a result of the growth in the construction of water infrastructure projects. Over the medium term, expenditure on interest, dividends and rent on land is expected to increase due to: higher royalty fees to be paid to the government of Lesotho for water delivered to South Africa, and the payment of interest on debt not capitalised during construction projects.

## Other public entities and agencies

Comprehensive coverage of the following public entities is provided with the more detailed information for the vote at [www.treasury.gov.za](http://www.treasury.gov.za) under the budget information link.

- The **Breede-Overberg Catchment Management Agency** was established in terms of the National Water Act (1998) and is a schedule 3A public entity. It manages water resources through continuous engagement with all stakeholders and devolves decision making to the lowest level for the benefit of all water users in the Breede-Overberg water management area, and ensures that water is used to support equitable and sustainable socioeconomic transformation and development. The agency's total budget for 2013/14 is estimated to be R23.9 million. The agency received transfers of R18.1 million in 2011/12 and R21.7 million for 2012/13 from the department. Expenditure for 2012/13 will still be covered through financial support from the department as the agency has not yet generated revenue.
- The **Inkomati Catchment Management Agency** was established in terms of the National Water Act (1998) and is a schedule 3A public entity. It manages water resources through continuous engagement with all stakeholders and devolves decision making to the lowest level for the benefit of all water users in the Inkomati water management area, and ensures that water is used to support equitable and sustainable socioeconomic transformation and development. The agency's total budget for 2013/14 is estimated to

be R48.6 million. The budget is monitored on a quarterly basis through the submission and review of quarterly reports that include financial information. The agency received transfers of R34.7 million in 2011/12 and R49.4 million in 2012/13.

- The **Water Research Commission** was established in terms of the Water Research Act (1971) and plays an important role in water research by establishing needs and priorities for research, stimulating and funding water research according to each priority, promoting effective transfer of information and technology, and enhancing the knowledge and capacity building in the water sector. Its total budget for 2013/14 is R194.7 million.



Additional table: Summary of expenditure on infrastructure

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate			
				2009/10	2010/11		2011/12	2013/14	2014/15	2015/16
R million										
<b>Departmental infrastructure</b>										
Sedibeng bulk regional sewerage scheme; Sebokeng and Meyerton wastewater treatment works	Extension of wastewater treatment works	Tender	1 456.0	–	–	31.3	48.0	140.0	200.0	280.0
Sedibeng bulk regional sewerage scheme; Sebokeng and Meyerton wastewater treatment works	New Sedibeng regional sanitation scheme proposed	Design	2 400.0	20.2	18.8	5.2	–	–	20.0	15.0
Bulk water supply: Various projects	Abstraction points: Abstraction works, pump stations and rising mains. Water treatment works: treatment facility, raw water reservoirs and clear water reservoirs. King Sabata Dalindyebo district: pump station; command reservoirs and bulk pipelines. Naledi local municipality: pump stations, command reservoirs and bulk pipelines	Construction	2 705.0	1.7	–	0.6	40.4	200.0	300.0	350.0
De Hoop: Greater Sekukhune district municipality regional bulk water and wastewater infrastructure	Reservoirs, booster pump station, rising mains of different sizes, gravity mains of different sizes	Preliminary Design	2 088.0	–	–	–	66.0	266.3	396.1	400.0
Vaal Gamegata scheme	Upgrade of existing pipeline, water treatment works, reservoirs and pump stations	Construction	2 000.0	1.8	–	9.4	20.0	30.5	40.0	53.8
Nandoni: Water treatment works and distribution	Supply of water to Vhembe district municipality	Construction	2 012.0	–	151.6	–	125.0	142.4	15.0	–
Mogalakwena bulk water supply	Refurbishment of 19 boreholes at Planknek well field. Equipping of two new boreholes at Planknek well field. Construction of bulk pipeline from Fothane to Sekuruwe. Construction of bulk pipeline to link the well field with raw water pipeline.	Construction	1 530.0	27.6	64.3	80.0	90.0	60.0	84.0	141.5
Nebo bulk water supply	Construction of steel pipe, pump stations, reservoir and water treatment works to supply water to several communities around GaMasha, Ngwaritsi, Vargelegen, Mid Ngwaritsi, Lepellane, Nkadimeng, Schoonoord, Eerstegeeluk, Spiskop, Mahlangu, Sephaku, Zaaiplaats; Kalkfontein, Piet Gouws West and Piet Gouws East	Construction	1 350.0	28.0	19.4	21.0	30.0	40.0	40.0	80.0
Magalies Water to Waterberg	Regional water scheme: New water treatment works at the Klipvoor dam in North West and additional pipelines. This project must also serve the Moretele West area	Feasibility	1 891.0	0.8	–	–	–	–	–	–
Ndlambe bulk water supply	Construction of bulk pipeline from Grahamstown to Port Alfred and all coastal towns and reservoirs in each coastal town. Upgrading of the water treatment works in Grahamstown to meet the requirements of the Ndlambe municipality. Drawing water from Glen Melville dam	Construction	879.0	–	–	31.9	40.5	56.0	143.5	128.0

**Additional table: Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome		Adjusted appropriation	Medium-term expenditure estimate			
				2009/10	2010/11		2011/12	2013/14	2014/15	2015/16
R million										
<b>Departmental infrastructure</b>										
Mbizana regional bulk water supply	Phase 1: raw water supply system including the proposed Ludeke dam, raw water pump station and raw water rising main pipeline; upgrade and extension of the Nomiacu water treatment plant near Bizana; and initial development of the bulk treated water supply system including bulk pipelines, bulk reservoirs and a pump station	Construction	780.0	34.3	35.9	85.7	50.0	59.3	60.0	49.7
Westonaria/Randfontein regional bulk wastewater treatment works	Upgrading and extension of the Hannes van Niekerk wastewater treatment plant	Construction	266.0	7.8	24.1	44.9	150.0	71.0	—	—
Westonaria/Randfontein regional bulk wastewater treatment works	Provide additional sewage treatment capacity by 2020. Preferred alternative comprises the upgrade and extension of the Hannes van Niekerk wastewater treatment plant to cater for the western areas of the Westonaria local municipality	Design	621.5	—	—	—	—	—	67.7	60.0
Western Highveld regional bulk water supply	Refurbishment of the Bronkhorstspuit water treatment works to ensure more supply into the western Highveld scheme	Construction	486.0	1.0	12.4	30.0	20.0	30.0	50.0	—
Pongolapoort bulk water scheme	Supply water from Jozini in the south to the boundaries of the Shemula water supply scheme to the north, supplying Ingavuma and its surrounds in the north: Package treatment plant, bulk mains, pump stations and reservoirs	Construction	674.0	—	—	5.4	43.2	179.0	350.0	90.0
Greater Mthonjaneni phases 1 to 3 bulk water supply	Water treatment works, reservoir, pump stations, booster pump stations and rising main	Construction	668.8	1.2	4.7	23.0	35.0	35.0	150.0	330.0
Ngcebo regional bulk water supply	Ilembe district municipality's Ngcebo 3 bulk water supply scheme, provide potable water to the rapidly developing north coast area of KwaZulu-Natal	Construction	682.6	—	12.7	37.3	100.0	80.0	90.0	81.2
Umgeni Water Board: Lower Thukela bulk water supply scheme	Abstraction works with a weir in the lower Thukela River near the town of Mandini, with an adjacent low lift pump station, transfer to treatment works located above the banks of the river, thereafter pumped via a high lift pump station and a rising main pipeline to a command reservoir a short distance away, feeding a gravity main pipeline which discharges this water into the Mvoti reservoir at Kwabukuzi in addition to a number of off take points along the way	Construction	965.0	—	—	—	38.6	50.0	200.0	300.0
Umshwathi bulk water supply scheme	Phase 1: steel pipeline from Claridge to Wartburg, booster pump station and reservoir. Phase 2: steel pipeline from Wartburg to Dalton, pump station and reservoir. Phase 3: pipeline from Dalton to Efaye take off, steel pipeline from Efaye take off to Ozwathini, steel pipeline from Efaye take off to Nadi reservoir, booster pump stations	Tender	747.8	—	—	—	—	—	—	—

## Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million Mooihoek/Tubatse bulk water supply	Augmentation of surface water from the Steelpoort River to villages and towns in the Greater Tubatse municipality. Steel pipe, reservoirs, gravity mains, treatment plants	Construction	807.0	22.5	13.0	48.0	40.0	35.0	43.0	80.0
Lebalele central and north regional water supply	Supply water to 22 200 people: Raw water obtained from the Lebalele pipeline, purified at Mooihoek and distributed to Lebalele south, central and north including 6 villages and Mafolo Park residential and commercial development, comprising 5 719 units	Feasibility	600.0	0.4	-	-	-	-	-	-
Makhado West regional bulk water supply	Augmentation of bulk water supply to the Makhado West area	Feasibility	841.0	1.8	-	-	-	-	-	-
Matoks bulk water supply	Supply water to 87 200 people: Regional bulk transfer scheme from Nandoni dam with off take at Vuvani to supply 15 villages located approximately halfway between Polokwane and Makhado	Feasibility	880.0	0.6	-	-	-	-	-	-
Nwamitwa bulk water supply	Supply water to 244 500 people in 47 941 households: Regional water supply scheme covers the rural area between the Groot Letaba and Molotoisi rivers, proposed that the Nkambaku water treatment works be upgraded and extended, and pipelines be constructed to 4 major command reservoirs	Feasibility	644.0	0.7	-	-	-	-	-	-
Nzhelele Valley bulk water supply	Supply water to 167 723 people in 32 504 households: Regional water scheme covers the area located in the upper Nzhelele Valley, on the slopes of the Soutpansberg northwest of Makhado, by converting water logged irrigation to primary water, raising Musetzi dam, and purchasing water rights of commercial farmers downstream of Nzhelele dam	Feasibility	600.0	0.1	-	-	-	-	-	-
Replacement Namakwa bulk water supply	Upgrading and replacement of the current bulk water infrastructure	Construction	530.0	-	3.4	27.9	36.0	72.2	72.4	120.0
Matibeng bulk water supply	Upgrading of the existing water treatment works in Brits. Phase 1: Additional module; phase 2: design and construction for certain sections of the bulk supply pipeline to Lethabile, and improved abstraction works and the raw water supply pipeline to the Brits water treatment works as well as additional storage reservoirs that will supply the surrounding villages in the municipality	Construction	500.0	3.0	12.8	14.9	5.0	18.0	42.4	50.0

**Additional table: Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million Taung/Maledi bulk water supply	Phase 1: Refurbishment/upgrading of the existing water treatment works of 6MI at Pudumong. Phase 2A: design and construction of a new 8MI module. Phase 2B: construction of rising main and gravity main from Pudumoe water treatment works to Vryburg, including the construction of reservoirs and pump stations. Phase 2C: construction of a gravity main from the Taung dam to the Taung water treatment works. Phase 2D: construction of the Taung water treatment works, a purified water pump station and improved pipe work to the current supply system in Taung. Phase 2E: construction of a new pipeline to a new command reservoir for supply to the south eastern villages of the Greater Taung local municipality	Construction	733.8	5.9	27.8	136.9	250.0	110.0	98.0	-
Greater Mamusa bulk water supply	Develop groundwater resources, supplemented by surface water abstracted from the Bloemhof dam. This will include the upgrading of the abstraction works at the Bloemhof dam, upgrading of the water treatment works at the Bloemhof dam, the bulk rising main from the Bloemhof dam to Schweizer-Reneke, including pump stations as required	Design	403.0	0.8	-	6.8	3.0	25.0	49.0	70.0
Planesberg north and south bulk water supply	Joint venture between Magalies Water, as the bulk water supplier in the region, mines in the area and municipalities: Upgrade water treatment works at Vaalkop, various bulk water pipelines, pump stations and storage facilities for both the north and south schemes; extend capacity of the Vaalkop treatment works and a new pump station; new bulk water pipelines in the north from Vaalkop water treatment works to Tussenkomst; new reservoirs at La Patrie and at Tussenkomst; new pipeline in the south from Evergreen along the Elands River past Sun City to Ledig. Wesizwe and western bushveld joint venture; and pipeline from there to provide water to Boshoeck in the Rustenburg local municipality as well as to Xstrata	Design	1 176.0	-	-	-	-	200.0	70.0	94.0
Inyaka: Waste treatment works phases 3 and 4	Water supplied to Bohlabela district municipality	Construction	704.0	121.3	92.7	-	62.4	10.4	-	-
Great Letaba River development project: Phases 1 and 4	Water supplied to Mopani district municipality	Construction	560.0	41.0	17.1	-	3.6	-	-	-
Nandoni pipeline	Water supply to Vhembe district municipality	Construction	750.0	-	-	-	317.0	92.6	-	-
Chris Hani District municipality: Bulk Water Supply, Ncora	Abstraction from Doringrivier Dam, Ncora Dam and borehole development to supply water to 24 320 households, 155 schools and 18 clinics in the Sakhisizwe and Intsikisa local municipalities.	Construction	353.9	5.1	6.2	16.4	20.8	20.0	54.3	60.0
Chris Hani district municipality: Ngcobo	Supply water to 38 214 people in 6 369 households in 125 villages: Abstraction points	Construction	324.0	11.2	8.3	9.2	30.0	30.0	35.0	10.3

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million Xonxa dam water supply to Lukhanji	Supply water to 172 500 people: Augmentation of bulk water supply to Queenstown by pumping the full available surplus of from Xonxa dam to Berry reservoir in a single stage	Construction	444.0	–	16.3	11.7	95.0	60.0	68.7	78.2
Alfred Nzo bulk water supply	Anatolia Water Board: Upgrade/refurbishment of 6 existing plants and downstream infrastructure	Feasibility	500.0	–	–	–	–	–	150.0	350.0
Nketoana bulk water supply	Supply water to 62 363 people in 14 905 households in Petrus Steyn and Mamatubedu: Construction of rising main from Reitz water treatment works to Petrus Steyn, upgrade Reitz water treatment works and build a new pump station and reservoir. Lindley and Ntha: boreholes, supply lines, pump stations and reservoir. Arlington and Leratswana: boreholes, supply lines, pump stations and reservoir	Tender	304.0	–	–	0.4	4.0	14.0	16.0	21.0
Sterkfontein dam scheme	Bulk water supply to the rural Qwaqwa areas divided into 2 phases: Phase 1: water treatment works, storage reservoir and pumping mains. Phase 2: 45km long pipeline and reservoirs. Phase 2 will also include the mechanical and electrical equipping of the water treatment plant	Construction	330.0	36.0	40.2	62.4	63.6	32.6	35.9	32.6
Mhlabatshane bulk water supply	Ugu district municipality to provide 101 062 people in the Umzumbe and Hibiscus Coast local municipalities with an assured supply of potable water	Construction	483.5	–	14.0	126.5	41.0	35.0	35.0	18.8
Greytown regional bulk scheme	Supply water to 50 707 people in 8 430 households	Construction	950.0	–	28.6	5.6	13.4	31.8	200.0	320.0
Middledrift Nkandla regional bulk scheme	New waterworks will be adjacent to the existing package plant about 100m west of the Mkhazazi pump station	Construction	431.2	–	–	26.0	4.0	–	30.0	30.0
Sinthumule Kutama bulk water augmentation	Bulk water supply connector lines for Makhado; Sinthumule/Kutama; the Louis Trichardt Air Force Base and its residential area; Braambos; the Sinthumule/Kutama rural villages to the west of Makhado, Tshikota and the Kutama Sinthumule Maximum Security Prison. Groundwater will be pumped from Nootgedacht pumping facility to Mowkop reservoir to supply the town of Makhado and extensions with additional water. The proposed pumping station and balancing tank at Nootgedacht will be designed to ultimately supply water from Nandoni water treatment works to zones A, B, and C and the Louis Trichardt Air Force base. The pumps designed for the ultimate scheme at Nootgedacht will be used to pump to Mowkop reservoir from the Nootgedacht boreholes for the interim solution. The Nootgedacht boreholes will only be used as standby supply to Sinthumule/Kutama and the air force base for the ultimate scheme	Construction	455.0	14.3	16.0	39.3	15.0	60.0	25.0	–

**Additional table: Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million Moutse bulk water supply	Contract 1: Upgrading of Groblersdal water treatment works. Contract 2: Construction of pipeline from Groblersdal water treatment works to the existing reservoir outside Groblersdal town. Contract 3: Construction of pipeline from Groblersdal reservoir. Contract 4: Construction of long branch pipeline. Contract 5: Construction of long gravity main. Contract 6: Construction of Lusaka reservoir. Contract 7: Construction of Groblersdal West pump station	Construction	560.0	-	14.9	23.0	70.0	40.0	42.5	-
Glen Alpine bulk water supply	Supply water to 137 000 people in 24 400 households: Abstraction of unused irrigation raw water from existing outlet, raw water pumping to the water purification works above the dam, clear water pump main to a system command reservoir, gravity main	Feasibility	345.0	0.3	-	-	-	-	-	-
Lephalale Eskom: Bulk water augmentation	Supply water to 104 144 people in 25 401 households: Upgrading of components	Feasibility	330.0	1.8	-	-	-	-	-	-
Ohrigstad bulk water supply	Supply water to 26 400 people in 29 rural villages and one formal village: boreholes	Feasibility	450.0	0.2	-	-	-	-	-	-
Tsantsabane bulk water supply and sanitation	Upgrade existing water and sewerage bulk infrastructure in the Postmasburg area	Hand over	314.0	0.4	15.3	29.7	-	-	-	-
Moretele bulk water supply	Construction of abstraction works at the Klipvoor dam which straddles the boundary of the Moretele and Madibeng local municipalities: Water treatment works, purified water pump station, bulk water supply line and new storage reservoirs that	Feasibility	340.0	0.4	-	-	-	-	-	-
Bojanala regional water supply	Phase 1: Consolidate all feasibility studies in the Bojanala Platinum district municipality area. Phase 2: Abstract water from Hartbeespoort dam, purify and make it available to the mines in the Rustenburg Madibeng Corridor that currently use potable water. Phase 2A: Ensure that the mines shed some of their potable water demand in exchange for the industrial standard water, making it available for primary domestic use in Rustenburg and Madibeng. Phase 2B: Implemented when Rustenburg has absorbed all the released potable water from Rand Water and the Magalies Water systems. New water treatment works will be built at Rustenburg and at Madibeng, where only the additional potable water demand can be met by purifying the industrial grade water to potable standards. The main components of the project will consist of an abstraction works from the Crocodile River, an industrial water treatment works and a high lift pump station and pipeline	Feasibility	400.0	-	-	0.6	-	-	-	-

Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation 2012/13	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million										
West Coast desalination plant	8.5 Ml/day desalination plant approved	Design	563.2	-	-	4.0	6.0	10.0	16.0	30.0
Stellenbosch wastewater treatment works	Refurbishment and significant increase in capacity of the treatment works	Tender	304.3	-	-	2.0	-	30.0	14.2	25.8
Graaf-Reinet emergency water supply scheme	Supply water to 7 105 households with an estimated population of 35 625 people	Design	29.4	-	-	-	2.5	10.0	14.4	-
Sundays River: Paterson bulk water supply	Upgrade water treatment works at Caesar's dam in Addo and raise main pipeline from the water treatment works at Caesar's Dam to the proposed clear water reservoir in Paterson	Construction	80.2	-	16.3	13.3	17.0	6.5	-	-
Steytlerville water supply scheme	Augmentation bulk water supply to Steytterville by conveying surface water from Erasmus Kloof	Construction	70.0	-	-	-	7.0	10.0	20.0	23.8
Mncwasa bulk water supply	Construction of the Mndwaka dam, a pump station and a 1 km long raw water pumping main from the Mndwaka dam to the proposed water treatment works; new 2.5Ml water treatment works, including a 5.5Ml balancing dam and high lift pump station; 12.5km long rising main from the water treatment works to the main storage reservoir; 5 Ml reinforced concrete bulk storage reservoir	Construction	264.2	6.4	17.6	16.6	25.0	26.5	34.4	60.0
Xhosa east bulk water supply	Project area northeast of the Mbashe River in the former Transkei region. Supply water to 66 931 people in 11 115 households	Construction	258.5	0.2	4.4	9.6	20.0	25.0	30.0	30.0
Ibika water supply	Make potable water services available to the residents of the Mhquma local municipality area by means of providing bulk water services. The project will serve 48 172 people in 9 167 households	Construction	49.0	3.1	11.6	18.5	7.0	5.0	-	-
Tsomo	Bulk pipelines, concrete reservoirs, clear water storage, pump stations, upgrading of Tsomo town water treatment works	Complete	22.3	6.6	3.1	-	-	-	-	-
Chris Hani district municipality: Bulk water supply, Quthubeni	Provide bulk water to settlements in the Intsika Yethu, Amathali and Mhquma local municipalities to 30 821 people in 5 137 households	Construction	196.0	6.2	3.1	23.4	25.6	35.0	49.1	-
Hofmeyr groundwater supply	Augmentation of bulk water supply to Hofmeyr to benefit 12 279 people in 3 013 households	Construction	64.0	-	4.9	-	5.0	30.0	4.7	-
Middelburg groundwater supply	Augmentation of bulk water supply to Middelburg to benefit 46 200 people	Construction	22.0	-	4.9	3.4	11.2	-	-	-

**Additional table: Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million Bulk water intervention	Abstraction works, water treatment works, raw water reservoirs. King Sabata Dalindyebo: Pump station, command reservoirs and bulk pipelines. Naledi local municipality: Pump stations, command reservoirs and bulk pipelines	Complete	10.4	3.2	7.1	-	-	-	-	
Coffee Bay bulk water supply	Pump station, rising main, regional water storage reservoir, gravity mains to village reservoirs, village reservoirs, break pressure tanks, valve chambers, power line to pump station	Complete	94.0	25.3	34.2	15.1	-	-	-	
Matatiele bulk water supply	Develop 4 well fields north and northwest of Kinira Valley to benefit 36 644 people	Design	182.0	-	0.4	4.0	2.5	20.0	25.0	
Mount Ayliff bulk water supply	Construction of water treatment works, pump station and reservoir for the Mount Ayliff area	Construction	183.0	-	-	3.2	28.0	20.0	25.0	
Jagersfontein /Fauresmith bulk water supply phases 1 to 3	Provide bulk water to the Jagersfontein and Fauresmith treatment works at Jagersfontein, a raw water storage dam, a pipe line and pump stations; and upgrading of the storage dam reservoir. Phase 2: Reduce water demand from the Kalkfontein dam by providing water from the Vanderkloof dam	Construction	250.0	10.9	13.3	16.9	4.0	24.9	25.0	
Mohokare bulk water supply	Supply water to 39 556 people in 7 607 households. Phase 1: Supply water to Rouxville. Phase 2: Supply bulk water to Smithfield and Zastron	Construction	161.0	0.2	0.3	8.1	9.8	23.0	25.0	
Masilonyana bulk water supply	Water supply to 23 443 people in Theunissen, 14 852 in Winburg, 14 269 in Brandfort, 2 751 in Soutpan and 2 210 in Verkeerdelei	Design	150.0	-	-	0.5	6.0	17.0	20.0	
Tokologo regional water supply phase 1	Supply water to Hertzogville from Christiana, comprising of abstraction works, raising main, pump stations, water treatment works, clear water storage reservoirs and 1 raw water storage	Construction	250.0	-	6.9	46.0	37.0	32.8	45.0	
Setsoto bulk water supply	Supply water to 130 313 people in 32 746 households by repairing and refurbishing 2 water treatment plants for Senekal, installing additional storage reservoir capacity, upgrading an old Senekal water treatment plant, increasing the Sandspruit weir height, upgrading pumping mains, construction of Rosendal dam to feed into the Meulspruit dam for the augmentation of raw water supply for Ficksburg, Clocolan, and Marquard; construction of raw water storage dam in Ficksburg and linking the Caledon river with the Meulspruit dam for water resource planning; and exploring and developing groundwater resources for all 4 towns	Design	160.0	-	-	13.7	10.0	20.0	25.0	



Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million Dhlabeng bulk water supply	Supply water to 9 296 people in 2 315 households. This entails maximising groundwater development after which water will be supplied from the Morelig reservoir to Paul Roux	Construction	150.0	–	1.3	15.3	33.9	20.6	35.0	21.1
Phumelela bulk water supply	Supply water to 12 739 people in 2 690 households by implementing a sustainable regional bulk water supply scheme in the Phumelela municipal area, specifically for Warden as Phase 1	Construction	125.0	–	–	10.7	32.4	20.0	30.0	30.0
Moghaka regional water scheme	Implement a sustainable regional bulk water supply scheme in the Moghaka local municipal area, specifically for Steynsrus, Kroonstad and Vijoenskrone. Proposed scope of works includes Vals river intake works, and pump stations and storage facilities. Proposed scheme includes rising main from the Vaal to Rhenoster river then to Vijoenskrone, and a pump station	Design	230.0	0.8	0.7	0.6	8.0	15.0	15.0	20.0
Ngwathe bulk water supply	Water treatment works, pumping mains, pump stations and storage reservoirs	Hand over	11.3	0.6	3.8	5.5	–	–	–	–
Ngwathe bulk water supply phase 2	Supply water in Edenville to 6 974 people in 1 797 households. The water demand is 1,35Ml/day which is projected to increase to 2,14Ml/day in 2030. The project will comprise rising mains, pump stations and increasing storage capacity in Edenville.	Feasibility	160.0	–	–	–	–	5.0	14.0	14.0
Letsemeng-Petrusburg-Koffiefontein bulk water supply	Letsemeng: Supply water to 11 714 people in 3 472 households by upgrading raw water intake, the water treatment plant, rising mains and storage reservoirs. Petrusburg: Supply water to 72 351 people in 2 029 households by increasing groundwater development, equipping boreholes, upgrading rising mains water treatment and storage reservoirs	Feasibility	90.0	–	–	0.1	–	–	–	–
Tswelopele bulk water supply	Upgrade bulk water supply infrastructure for Builfontein and Hoopstad	Feasibility	85.0	–	–	0.1	–	–	–	–
Malangeni waterborne sanitation	Construction of wastewater treatment works	Hand over	7.2	10.5	–	–	–	–	–	–
Greater Eston water scheme	Supply water to the Greater Eston area	Construction	296.3	–	9.9	28.1	76.8	38.0	31.8	35.0
Driefontein Complex bulk water supply	Regional project to cater for the extended bulk water supply to neighbouring areas including possible supplementary supply to the existing Olifantskop regional water scheme	Construction	176.1	2.8	11.5	22.3	25.0	35.0	30.0	40.0
Emadlangeni bulk regional scheme	Provide bulk supply pipeline between Newcastle and Utrecht by developing 2 reservoirs, 2 balancing tanks and 2 pump stations	Construction	50.3	9.5	8.2	10.3	15.6	–	–	–
Mandlakazi bulk water supply	Provide bulk water supply to the Mandlakazi tribal area except for a small portion in the south, which is to be served via the Usuthu regional scheme	Construction	206.1	37.5	26.9	28.4	35.0	6.9	–	–
Nongoma bulk water supply	Supply water to the Vukwane dam that supplies the town of Nongoma and surrounding communities	Construction	215.0	–	12.9	23.1	29.6	48.4	–	–

**Additional table: Summary of expenditure on infrastructure (continued)**

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome			Adjusted appropriation	Medium-term expenditure estimate		
				2009/10	2010/11	2011/12		2013/14	2014/15	2015/16
R million Dukuduku resettlement bulk water supply	Supply water to meet needs for 3 communities within the Dukuduku onsite resettlement project. Develop bulk pipeline from Mtubatuba to St. Lucia to feed the three identified areas	Construction	266.4	1.0	4.1	30.5	41.0	30.0	17.0	15.0
Hlabisa regional bulk water supply	Bulk water supply to the tribal authority areas of Mdlatshe's western portion, Hlabisa Abasempembeni and Hlabisa Abakwahlabisa	Construction	155.9	24.0	24.5	51.8	20.0	20.0	-	-
Greater Bulwer Donnybrook water scheme	Supply water to Gala, Gqumeni, Isgodi Esikhulu, Jokweni, Okhetheni, Hlabeni, Qulasthe and Mincundekeni	Construction	133.6	-	-	8.6	15.0	15.4	33.2	30.0
Groblersdal Lukau bulk water supply	Pipelines, including links with existing steel tanks and reservoirs, Groblersdal West pump station, Lusaka reservoir and extensions to the Groblersdal water treatment works	Hand over	168.0	-	14.9	23.0	40.0	50.0	55.0	70.0
Giyani bulk water supply drought relief	Address water shortages in areas relying on water supply from the Middle Letaba and Nsami dams. The raw water will be extracted from the Nandoni dam to Nsami dam	Construction	252.0	-	-	42.1	10.0	35.0	42.0	-
Olifantspoort water treatment works	Upgrade existing water treatment works and related water infrastructure	Hand over	218.0	98.4	50.0	-	-	-	-	-
Speon bulk water supply	Pipeline and reservoirs	Hand over	73.0	18.0	19.0	-	-	-	-	-
Mameya Sekororo bulk water supply	Water treatment works at the Oaks/Willows, rising main pipeline to connect to the Oaks, rising main pipeline to connect to the Willows, a command reservoir and 2 substantial storage reservoirs	Construction	214.0	-	-	-	15.9	45.7	44.9	83.2
<b>Infrastructure transfers to other spheres, agencies and departments</b>										
De Hoop dam phase 2A	Supply water to new mining developments, augmentation of domestic water supplies to urban and rural users in the middle Olifants river catchment area and to various communities on the Nebo Plateau and Sekhukhune	Construction	3 074.0	688.8	604.2	562.6	324.3	49.0	-	-
Bulk distribution phase 2	Bulk distribution works from Flag Boshield to Mokopane, De Hoop to Steelpoort, Steelpoort to Mooihoek, Mooihoek to Olifantspoort, and Nebo Plateau to Roosenekal	Construction	3 400.0	74.3	267.1	468.7	567.0	773.5	790.3	786.7
Groot Letaba River water development project: Nwamitwa dam	Meet projected growing primary supply requirements to the year 2025, improve water availability for the riverine ecosystem, building Nwamitwa dam	Feasibility	1 325.0	-	-	-	67.8	263.6	238.0	344.2
Dam safety rehabilitation programme	Rehabilitation of assets and dam safety work	Construction	2 800.0	353.8	327.7	300.5	341.8	392.7	454.7	393.3
Water resources project: Raising of Clanwilliam dam	Upgrade existing dam to stabilise the distortion and the augmentation of agricultural water supply to meet increasing demands	Design	1 830.0	-	-	9.3	50.9	359.0	583.9	368.8

## Additional table: Summary of expenditure on infrastructure (continued)

Project name	Service delivery outputs	Current project stage	Initial project cost	Audited outcome				Adjusted appropriation	Medium-term expenditure estimate			
				2009/10	2010/11	2011/12	2012/13		2013/14	2014/15	2015/16	
R million												
Mokolo river and west Crocodile river water augmentation project: Phase 1	Augmentation of domestic and industrial water supply to the new Eskom/Independent Power Producer stations to extend associated mining activities and accommodate the fast growing population in the area	Construction	2 138.0	30.1	155.2	233.0	–	41.6	63.0	26.6		
Mokolo river and west Crocodile river water augmentation project: Phases 2A and 3	Augmentation of domestic and industrial water supply to the new Eskom/IPP power stations to extend associated mining activities and accommodate the fast growing population in the area	Feasibility	13 950.0	–	–	–	–	75.1	851.1	2 714.1		
Groot Letaba river water development project: Tzaneen dam raising	Meet the projected growing primary supply requirements to the year 2025, improve water availability for the riverine ecosystem and raise the Tzaneen dam	Design	125.0	–	–	–	15.8	69.3	33.7	4.9		
Mdloti river development project: Raising of Hazelmere dam	Augmentation of the water supply to Umgeni Water for treatment for Kwazulu-Natal north coast	Design	360.0	–	10.8	4.5	49.1	193.8	98.5	–		
Mopani district municipality emergency works	Refurbish dilapidated infrastructure	Construction	80.0	–	–	–	39.9	–	–	–		
Enterprise Resource Programme system upgrade	Upgrade the current version of SAP to the new version	Construction	205.0	–	–	53.8	80.0	99.1	–	–		
National water resources infrastructure support/project management	Fund national office costs including construction, engineering, operations and new development		–	–	–	–	222.7	244.7	265.8	274.5		
Financial management/project support	Fund financial management and SAP maintenance and support		–	–	–	–	174.7	175.1	213.8	220.8		
Mdloti River development project: Raising of Hazelmere dam	Supply water to Umgeni Water for treatment for Kwazulu-Natal north coast	Completed	110.0	0.1	17.1	–	43.1	–	–	–		
<b>Total</b>			<b>77 289.8</b>	<b>1 804.6</b>	<b>2 368.4</b>	<b>3 181.8</b>	<b>4 569.3</b>	<b>5 795.4</b>	<b>7 586.9</b>	<b>9 520.7</b>		

