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# 6. EXPENDITURE PROPOSALS: NATIONAL BUDGET

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## 6.1 NATIONAL BUDGET EXPENDITURE: 1998/99 – 2000/01

### 6.1.1. Total national expenditure

<b>Total expenditure</b>	The national Budget provides for expenditure of R201 299 million in 1998/99, increasing to R235 048 million in 2000/01. The 1998/99 expenditure estimate is 6,4 per cent above the revised 1997/98 expenditure level, and national budget spending is projected to increase by 7,2 per cent in 1999/00 and 9,0 per cent in 2000/01.
<b>Division of revenue</b>	The Budget for 1998/99 includes the provincial equitable share of revenue of R79 117 million and the local government equitable share of R1 024 million. Provinces and local government will also receive conditional and other grants from the national share, including transfers to provinces for improvements in conditions of service.
<b>Debt service costs</b>	Provision for debt service costs in 1998/99 amounts to R42 525 million, or 21,1 per cent of total expenditure. Debt service costs are expected to be R48 000 million in 2000/01, or 20,4 per cent of expenditure.

### 6.1.2. Printed estimate and supplementary allocations

<b>White Book</b>	Total budgeted expenditure includes amounts set out in the <i>Estimate of Expenditure to be defrayed from the National Revenue Fund</i> (first print), amounts identified for inclusion in the Supplementary and Adjustments estimates and standing appropriations. <sup>1</sup> Total national expenditure comprises budgeted expenditure less a recovery to be made from the government pension funds explained below.
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<sup>1</sup> Claims on guarantees, subscriptions to the International Development Association and the International Bank for Reconstruction and Development and valuation payments to the International Monetary Fund.

**Supplementary Estimate**

The first print Estimate for 1998/99 amounts to R196 399 million. Additional amounts to be included in the Supplementary Estimate are as follows:

- ◆ R500 million for poverty relief, still to be allocated between votes;
- ◆ R300 million for infrastructure investment, still to be allocated between votes;
- ◆ R300 million for strengthening the criminal justice system, still to be allocated between votes;
- ◆ R200 million for the construction of the Durban Academic Hospital;
- ◆ R50 million for the proposed National Development Agency; and
- ◆ R3 375 million set aside for improvements in conditions of service.

**Contingency reserve**

An amount of R1 000 million is set aside within the expenditure level to provide for contingencies. Allocations from this reserve will be made in the Adjustments Estimate to be tabled towards the end of the financial year.

**Pension contribution**

Actuarial advice indicates that an employer's contribution to the Government Employees' Pension Fund of 15 per cent is sufficient to meet the fund's liabilities. Government will propose in the Public Service Coordinating Bargaining Council that the employer's contribution be reduced from 17 per cent to 15 per cent with effect from 1 April 1998. The lower contribution is at this stage shown as a negative expenditure item, or a recovery from the pension fund, of R870 million in 1998/99.

**Expenditure :1998/99**

Table 6.1 sets out the 1998/99 Budget estimates alongside revised estimates for the 1997/98 year.

<b>Table 6.1 Total national expenditure: 1997/98 and 1998/99</b>		
<b>R million</b>	<b>Revised estimate 1997/98</b>	<b>Budget 1998/99</b>
Printed Estimate	184 772,2	196 398,5
Supplementary allocations		4 725,0
Adjustments Estimate	9 119,6	1 000,0
<b>Total</b>	<b>193 891,8</b>	<b>202 123,5</b>
Less:		
Recovery from pension funds	-400,0	-870,0
Savings in state debt cost	-279,0	
Suspensions and declared savings	-420,7	
Projected unspent balances	-3 600,0	
Function shifts	-37,2	
<b>Budget votes and statutory amounts</b>	<b>189 154,6</b>	<b>201 253,5</b>
Plus:		
Standing appropriations	37,5	45,0
<b>Total expenditure</b>	<b>189 192,1</b>	<b>201 298,5</b>
<b>% increase</b>		<b>6,4%</b>

### 6.1.3. MTEF expenditure: 1998/99 – 2000/01

National budget estimates of expenditure for the 1998/99 to 2000/01 period for each vote are provided in Annexure A. These include a provisional distribution between votes of the amount available for improvements in conditions of service in 1998/99 (shown in table 3 of Annexure B). The MTEF estimates for 1998/99 therefore differ from the amounts to be voted as shown in the first printed Estimate.

The MTEF estimates for 1999/00 and 2000/01 similarly include provision for annual salary improvements and cost increases associated with inflation.

**Inflation assumptions** The MTEF has been compiled on the basis of the macroeconomic assumptions set out in chapter 2. The expected average rates of inflation are:

- ◆ 6 per cent in 1998/99;
- ◆ 5,5 per cent in 1999/00; and
- ◆ 5 per cent in 2000/01.

**Forward estimates** The national budget medium term estimates are summarized in table 6.2. The MTEF provides for a contingency reserve of R1 000 million in 1998/99, increasing to R7 000 million in 2000/01. After allowing for debt service costs, the provincial equitable share (including the provincial share of improvements in conditions of service), other statutory amounts and standing appropriations, expenditure to be voted by the national legislature increases from R76 934 million in 1998/99 to a projected R85 774 million in 2000/01 thus rising by 5,7 per cent in 1999/00 and 5,4 per cent in 2000/01.

**Table 6.2 National budget medium term expenditure estimates**

R million	1998/99	1999/00	2000/01
<b>Amounts to be voted</b>	<b>76 933,7</b>	<b>81 346,8</b>	<b>85 772,4</b>
% increase		5,7%	5,4%
State debt costs	42 525,2	45 000,0	48 000,0
Provincial equitable shares <sup>1</sup>	81 420,2	86 964,4	94 905,5
% increase		6,8%	9,1%
Other statutory amounts	244,3	255,1	269,5
Contingency reserve	1 000,0	3 000,0	7 000,0
<b>Budgeted expenditure</b>	<b>202 123,5</b>	<b>216 566,3</b>	<b>235 947,5</b>
Less:			
Recovery from pension funds	-870,0	-920,0	-960,0
<b>Budget votes and statutory amounts</b>	<b>201 253,5</b>	<b>215 646,3</b>	<b>234 987,5</b>
Plus:			
Standing appropriations	45,0	50,0	60,0
<b>Total expenditure</b>	<b>201 298,5</b>	<b>215 696,3</b>	<b>235 047,5</b>
% increase		7,2%	9,0%

<sup>1</sup> including the projected provincial share of improvements in conditions of service

The medium term expenditure estimates for each vote are summarised in section 6.3 below, together with brief remarks on developments in policies and departmental programmes.

## **6.2 TRANSFERS TO PROVINCES AND LOCAL GOVERNMENT**

### **6.2.1. Provincial and local government equitable shares**

#### **Equitable shares**

Section 214(1) of the Constitution requires that an Act of Parliament provide for an equitable division of revenue between the national, provincial and local government spheres, and for an equitable division of the provincial share between provinces.

Schedules 1 and 2 of the Division of Revenue Bill, 1998, set out these allocations for 1998/99. The determination of the division of revenue is described in chapter 4 and Annexure E.

After taking into account a provisional distribution of the projected provincial improvements in conditions of service, the equitable allocations to provinces for the 1998/99 to 2000/01 period are the amounts set out as direct charges on the National Revenue Fund in the Finance vote estimates in Annexure A.

#### **Local government**

The determination of the local government equitable share over the MTEF period is described in chapter 4. These allocations are included in the budget of the Department of Constitutional Development, and amount to R1 024 million in 1998/99, increasing to R2 316 million in 1999/00 and R2 542 million in 2000/01.

### **6.2.2. Conditional grants**

#### **Schedule 3**

In addition to the equitable division of revenue, the Constitution prescribes that an Act of Parliament provide for any other “allocations to provinces, local government or municipalities from the national government’s share of that revenue, and any conditions on which those allocations may be made.” Schedule 3 of the Division of Revenue Bill, 1998, sets out these allocations to provinces and local governments to be appropriated from the National Revenue Fund in 1998/99.

#### **Conditional grants**

The following amounts are identified in schedule 3 as transfers from national budget votes to provincial revenue, for expenditure to be appropriated by provinces:

- ◆ Constitutional Development: Staff and functions of former R293 towns – R951 million;
- ◆ Constitutional Development: Local government transitional reserve – R181 million;
- ◆ Education: KwaZulu-Natal education initiative for peace – R80 million;
- ◆ Education: Classroom backlogs – R51 million;

- ◆ Finance: Supplementary allocations to provinces – R2 800 million;
- ◆ Health: Health professional training and research – R1 060 million;
- ◆ Health: Central hospital services – R3 021 million;
- ◆ Health: Durban Academic Hospital – R200 million (to be voted in the Supplementary Estimates);
- ◆ Health: Umtata Regional Hospital – R100 million;
- ◆ Health: Redistribution of specialised health services – R53 million; and
- ◆ Health: Primary school nutrition programme – R526 million.

**Agency transfers**

The following amounts are identified as grants for programmes implemented by provincial and municipal authorities as agents of the responsible national department:

- ◆ Constitutional Development: Consolidated municipal infrastructure programme – R583 million;
- ◆ Constitutional Development: Settlement of outstanding municipal debts – R129,9 million;
- ◆ Constitutional Development: Municipal management audits – R2,1 million;
- ◆ Constitutional Development: Municipal financial support programme – R7,2 million;
- ◆ Constitutional Development: Masakhane campaigns – R3,9 million;
- ◆ Housing: Special Presidential projects on urban renewal – R419,4 million;
- ◆ Housing: Provincial housing capacity building – R10 million;
- ◆ Housing: Housing support – R50 million;
- ◆ Housing: Hostel redevelopment – R90 million;
- ◆ Housing: SA Housing Fund allocations – R2 880 million;
- ◆ Land Affairs: Land development objectives – R26 million;
- ◆ Sport and Recreation: Youth sport and recreation facilities – R28 million;
- ◆ Transport: Bus commuter subsidies – R1 188,7 million;
- ◆ Water and Forestry: Government supported local government water schemes – R25 million; and
- ◆ Welfare: Developmental programme for unemployed women with children under 5 years of age – R2,7 million.

**Unallocated amounts** The following amounts identified in Schedule 3 have still to be divided between national and provincial allocations:

- ◆ Education: Financial management and quality enhancement – R200 million;
- ◆ Improvements in conditions of service;
- ◆ State Expenditure: Financial and personnel management systems – R100 million; and
- ◆ Welfare: Financial management of social security systems – R100 million.

### 6.2.3. Total allocations to provinces – 1998/99 to 2000/01

Taking into account provinces' equitable shares of revenue, projected shares of improvements in conditions of service and allocated schedule 3 grants, the total allocations to provincial revenue in the national Budget over the MTEF period alongside the adjusted appropriation for 1997/98 are the amounts set out in table 6.3.

**Table 6.3 Total allocations to provincial revenue – 1997/98 to 2000/01**

R millions	Adjusted appropriation	Medium term expenditure estimates <sup>1</sup>		
	1997/98	1998/99	1999/00	2000/01
Eastern Cape	14 444,8	15 383,2	15 946,4	17 033,2
Free State	5 842,6	6 193,0	6 459,5	6 929,4
Gauteng	13 571,4	14 492,8	15 596,0	17 144,1
KwaZulu-Natal	16 406,5	18 045,4	18 567,0	20 279,3
Mpumalanga	5 073,3	5 649,3	6 177,4	6 941,0
North West	7 064,1	7 389,0	7 681,2	8 240,2
Northern Cape	2 055,3	2 111,7	2 195,3	2 332,1
Northern Province	10 892,0	11 366,1	11 769,2	12 607,6
Western Cape	9 210,9	9 759,5	10 183,1	10 867,0
Unallocated		53,0	112,0	176,0
<b>Total</b>	<b>84 560,7</b>	<b>90 443,0</b>	<b>94 687,1</b>	<b>102 549,9</b>
Less:				
Local government grants	1 999,0	1 132,0		
<b>Comparable totals</b>	<b>82 561,7</b>	<b>89 311,0</b>	<b>94 687,1</b>	<b>102 549,9</b>
% increase		8,2%	6,0%	8,3%

<sup>1</sup> Conditional grants not yet allocated and agency payments not reflected on provincial budgets are excluded

- Intergovernmental grants** Part of the 1997/98 provincial allocation for intergovernmental grants is shifted to the national budget in 1998/99 as the local government equitable share. The conditional grants to provinces for R293 towns and the local government transitional reserve fall away in 1999/00, and are incorporated into the local government equitable share. For comparative purposes, these function shifts should be taken into account, as shown in table 6.3.
- Provincial allocations** The estimated total allocations to provincial revenue increase by 8,2 per cent in 1998/99, after adjustment for the shift in the local government function, and by 6,0 per cent and 8,3 per cent in 1999/00 and 2000/01 respectively.

## 6.3 EXPENDITURE ESTIMATES AND REMARKS ON VOTES

### 6.3.1. Vote 1: President

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	15 818	15 113	16 111
Auxiliary and associated services	16 670	18 054	18 769
<b>AMOUNTS TO BE VOTED</b>	<b>32 488</b>	<b>33 167</b>	<b>34 880</b>
Amount forming a direct charge on the National Revenue Fund			
Salary of President	552	552	552
<b>Total</b>	<b>33 040</b>	<b>33 719</b>	<b>35 432</b>

The budget of the Office of the President is R33,0 million in 1998/99, projected to increase to R35,4 million in 2000/01.

The revival of the practice whereby the Head of State bestows national orders on certain citizens, has resulted in some increased expenditure over the past year. This vote also provides for the privileges of former State Presidents and legal costs in cases where the President is a respondent.

### 6.3.2. Vote 2: Executive Deputy President

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	17 663	19 504	21 261
Auxiliary and associated services	17 052	18 037	19 692
<b>AMOUNTS TO BE VOTED</b>	<b>34 715</b>	<b>37 541</b>	<b>40 953</b>
Amount forming a direct charge on the National Revenue Fund			
Salary of Executive Deputy President	538	573	610
<b>Total</b>	<b>35 253</b>	<b>38 114</b>	<b>41 563</b>

**Expenditure trend** The budget of the Office of the Deputy President is projected to increase from R35,3 million in 1998/99 to R41,6 million in 2000/01.

**Coordination units** The Office of the Deputy President includes several units for co-ordination of policy and programmes across Government as a whole. The increase in the budget allocation for 1998/99 mainly reflects the establishment of the Office on the Status of Women; the Office on the Status of the Disabled; and a newly established Coordination and Implementation Unit, intended to facilitate co-ordination of government policy, promote inter-departmental cooperation and to evaluate and monitor the effectiveness of government policies and programmes.

**Special programmes** The Office also deals with programmes on children, AIDS and the establishment of the National Development Agency. In addition, it has overall responsibility for the National Youth Commission. The programmes on children and AIDS coordinate policy in these two respective areas across the various government departments. The Development Agency will be responsible for the coordination of donor funding to non-governmental organisations. Once established, the function and the budget will be transferred to the Department of Finance. An amount of R50 million has been allocated for this purpose as a supplementary amount.



**6.3.3. Vote 3: Parliament**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	83 483	89 423	121 259
National Assembly	67 031	71 748	96 183
National Council of Provinces	38 505	41 205	55 376
Constitutional Assembly			
Parliamentary committees	16 520	17 707	23 236
Parliamentary catering	10 898	11 668	14 875
<b>AMOUNTS TO BE VOTED</b>	<b>216 437</b>	<b>231 751</b>	<b>310 929</b>
Amounts forming a direct charge on the National Revenue Fund			
National Assembly	106 930	113 880	121 283
National Council of Provinces	27 633	29 429	31 342
<b>Total</b>	<b>351 000</b>	<b>375 060</b>	<b>463 554</b>

The MTEF provides for expenditure of R351,0 million on Parliament in 1998/99, of which R134,6 million comprises amounts to be directly charged to the National Revenue Fund.

Increased allocations in 1999/00 and 2000/01 allow for rising prices and salary adjustments as well as for carry-through costs in terms of items, especially in the Administration programme, that were previously funded by donor organisations.

**6.3.4. Vote 4: Agriculture**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	81 355	85 004	88 078
Agricultural financing and information services	128 915	91 381	83 747
Resource conservation and quality control	136 066	141 427	146 201
Veterinary services and production inputs	58 001	56 767	54 222
Agro-economic services	22 853	23 855	24 687
Auxiliary and associated services	299 668	317 017	324 495
<b>Total</b>	<b>726 858</b>	<b>715 451</b>	<b>721 430</b>

<b>Expenditure trend</b>	<p>Projected expenditure on the Agriculture vote decreases from R726,9 million in 1998/99 to R715,5 million in 1999/00 and R721,4 million in 2000/01. The decreases reflect:</p> <ul style="list-style-type: none"><li>◆ termination of loan repayments, on behalf of the Maize Board;</li><li>◆ phasing out of the conversion of marginal lands programme and several other former agricultural support programmes; and</li><li>◆ termination of funding for the Agricultural Credit Board.</li></ul> <p>The budget includes R298,9 million for the Agricultural Research Council in 1998/99, provisionally budgeted to increase to R309,7 million in 2000/01.</p>
<b>Aims and functions</b>	<p>The Department of Agriculture provides support to both large scale commercial farmers and emerging and small scale farmers. These include many women, living on communal land, who are engaged in subsistence farming.</p> <p>The Department also maintains agricultural relations with the rest of the world, including the establishment and maintenance of multilateral and bilateral agreements, facilitating trade and international plant and animal disease control, technology exchange, accessing of foreign financial aid and expertise and assisting agricultural development in the subcontinent.</p>
<b>Cooperatives</b>	<p>Particular attention has been paid to the provision of state assistance to developing cooperatives and promoting their sustainability. During the past year, 129 developing cooperatives were registered, compared to 27 in 1994/95.</p>
<b>Marketing Act</b>	<p>The Marketing of Agricultural Products Act, 1996 came into effect in 1997. It prescribes that all control boards will be abolished. In certain instances the boards will be replaced by alternative structures such as trusts or section 21 companies, whilst, in other cases no further statutory intervention will take place.</p>
<b>Marketing Council</b>	<p>The National Agriculture Marketing Council has been active in this reform process, while also promoting market access for the developing agricultural sector.</p>
<b>Irrigation policy</b>	<p>The Department has also participated in a joint exercise with the Department of Water Affairs and Forestry in the development of an irrigation policy that is to be included in the proposed new agricultural White Paper.</p>
<b>Strauss Commission</b>	<p>Cabinet has approved the main recommendations of the Strauss Commission. The Agricultural Credit Board's function of allocating loans was finally terminated on 17 October 1997 and this role is being transferred to the Land Bank. The Minister for Agriculture and Land Affairs resolved that the debt incurred by farmers through the granting of loans by the Agricultural Credit Board will still be managed by the Department.</p>
<b>Development finance</b>	<p>In early 1997 the Minister for Agriculture and Land Affairs initiated a policy review process including the formation of an agricultural financing working group, to address the Strauss Commission's report and make</p>

recommendations to translate that vision into practical policies and programmes. An interim report in this regard has already been presented. This reviews the agricultural finance system, explaining the nature of barriers to entry confronting emerging producers and setting out principles which should govern agricultural finance provision.

**Locust and black fly programmes**

The Ministerial Locust Policy Committee has concluded its development of a managerial programme dealing with locust problems. It has been agreed that the land user is primarily responsible for controlling locusts on his or her property. The Department will assist where necessary and control actions that must be carried out according to regulation. During 1998 the Minister will appoint a committee to investigate the black fly problem.

**Drilling works**

Drilling services are now governed in terms of the Agricultural Resources Conservation Act. All drilling operations carried out in future will be conducted from a resource conservation viewpoint. The subsidy on private drilling works paid by the Department will be abolished with effect from 1 April 1998.

**Agricultural Research Council**

The policies and activities of the Agricultural Research Council have been reviewed by a team instituted by the Department of Arts, Culture, Science and Technology, incorporating members of the Department of Agriculture. In restructuring research priorities and activities, particular attention will be given to the role and needs of provincial agricultural departments.

**Cooperation with provinces**

Strong links are maintained with provinces in order to coordinate policy, norms and standards that will facilitate engineering service delivery to emerging farmers, particularly those under the traditional tenure system. Coordination has taken place through the agricultural engineers' forum, a working group on sustainable use of natural resources, the technical committee for soil conservation, irrigation action committees, training of technical personnel on request, the provision of stock water drilling services on a cost recovery basis, and key soil conservation works.

**6.3.5. Vote 5: Arts, Culture, Science and Technology**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	20 205	21 381	21 551
Arts and culture	273 819	247 329	253 608
National archives of South Africa	14 737	15 848	17 005
National language services	26 511	29 964	31 771
Science, technology and meta-information	404 697	429 056	452 861
<b>Total</b>	<b>739 969</b>	<b>743 578</b>	<b>776 796</b>

**Expenditure trend**

An amount of R740,0 million is allocated to this vote for 1998/99, increasing to R776,8 million in 2000/01. This includes allocations to the Human Science Research Council and the Foundation for Research and Development and

amounts set aside to be distributed to science councils at a later stage for deserving projects. The total amount for science councils is R368,0 million in 1998/99, projected to increase to R374,0 million in 2000/01. Capital expenditure of R39,4 million, R38,4 million and R30,0 million for 1998/99, 1999/00 and 2000/01 respectively, are provided for.

**Arts and culture**

Policy developments and projects undertaken include the following:

- ◆ Establishment of the National Arts Council to develop a vibrant arts and culture sector in South Africa;
- ◆ Development of a growth strategy for the cultural industries;
- ◆ Identification of locations for 43 community arts centres, to be funded from a prior allocation of R50 million from the RDP Fund;
- ◆ Development of a legacy project to restructure the heritage sector to make it more representative in its presentation of the history of our country;
- ◆ Provision of opportunities to local artists and cultural industries through the international trade missions of the Department of Trade and Industry;
- ◆ Establishment of the Robben Island Museum; and
- ◆ The proposed replacement of the National Monuments Council by a new South African Heritage Agency.

**Archives**

The National Archives of South Africa Act, has come into effect, and associated regulations have been promulgated.

**Science and technology** Current science and technology initiatives include the following:

- ◆ A three-year science and technology budget survey providing a profile of science and technology expenditure by Government over the period 1994/95 to 1996/97;
- ◆ Evaluation reviews of science, engineering and technology institutions;
- ◆ The development of a new financing and reporting system for science councils;
- ◆ The establishment of the National Advisory Council on Innovation to advise the Minister and the Ministers Committee of Science and Technology on policy and related issues; and
- ◆ A campaign to celebrate 1998 as the Year of Science and Technology.

**Further activities**

Further activities of the Department include:

- ◆ A special fund to support research and technology projects related to crime prevention;
- ◆ Restructuring of the National Terminology Services and State Language Services to form a National Language Service;

- ◆ The Legal Deposit Act, 1997, which provides for the legal deposit of audio-visual and electronic documents and the establishment of official publications depositories in each province; and
- ◆ Amalgamation of the state libraries, for which a National Libraries Amendment Bill has been drafted.

### 6.3.6. Vote 7: Central Statistical Service

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	23 408	23 896	25 632
Statistical service	66 786	81 472	91 459
Population census	5 000	5	5
Auxiliary and associated services	100	100	113
<b>Total</b>	<b>95 294</b>	<b>105 473</b>	<b>117 209</b>

#### Expenditure trend

This vote increases from an expected R95,3 million in 1998/99 to R117,2 million in 2000/01, making provision for completion of census analysis, the phasing in of revised national accounts surveys and compliance with enhanced international statistics standards.

#### Statistical services

Recent developments include:

- ◆ Completion of internal training in anticipation of the implementation of the United Nations' 1993 System of National Accounts;
- ◆ Revision of the labour statistics surveys;
- ◆ Introduction of a newly designed local government census, with a strong focus on financial information;
- ◆ Re-designed quarterly financial surveys for 1998, including financial statistics of the construction and business services sectors;
- ◆ A new business address register, which provides the sampling frame for economic surveys; and
- ◆ Completion of the 1996 census, including spatial referencing in a geographical information system.

Processing of census results, involving some 5 000 employees, is proceeding in nine provincial centres.

**SADC statistics** The Statistical Service has established provincial offices and is a leading player in the harmonisation of statistics in the SADC region. It is convening a project to align the next census in several countries, to achieve better measures of regional population migrations.

**IMF data dissemination standards** The Auditor-General has conducted a performance audit of selected economic and financial indicators which the Statistical Service has to publish to comply with the special data dissemination standards of the International Monetary Fund. Considerable progress has been made on this project.

### 6.3.7. Vote 8: Communications

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	45 983	52 534	57 279
Telecommunications policy	113 298	124 871	138 635
Postal service policy	457 551	443 455	372 978
Broadcasting service policy	271 791	295 391	322 281
<b>Total</b>	<b>888 623</b>	<b>916 251</b>	<b>891 173</b>

**Expenditure trend** The MTEF envisages spending on the Communications vote of R888,6 million in 1998/99, R916,3 million in 1999/00 and R891,2 million in 2000/01. The major portion of the 1998/99 budget is allocated to the SA Post Office (R450,8 million) and the South African Broadcasting Corporation (R205,0 million).

**New vote** This is a new vote, reflecting the changes brought about by the Telecommunications Act, 1996. Subsidies to the Post Office and transfers to the former Department of Posts and Telecommunications were previously included in the vote of the Department of Finance.

The Department of Communications has responsibility for overseeing the provision of universal access to telecommunications. This budget includes provision for the Independent Broadcasting Authority, SA Telecommunication Regulatory Authority and the Universal Service Agency.

**Telecommunication Policy** The provisions of the Telecommunications Act envisage four million new telephone services to historically disadvantaged communities, and universal access to postal, telecommunication and broadcasting services.

**Human Resources Fund** The Act further provides for the establishment of a Human Resources Fund, to be credited with contributions payable by every holder of a licence granted in terms of the Act, in addition to licence fees. The Fund will be used to pay grants and subsidies to promote the provision of adequately skilled human resources at all levels of the telecommunications sector in numbers sufficient for the telecommunication needs of the country. It is proposed that the Human Resources Fund finance standardised internet laboratories to train students. The Human Resources Fund is positioned to deliver both infrastructure and training from 1998.

**Research and development programme**

The Department intends to launch a telecommunications research and development programme aimed at the creation of a telecommunications manufacturing and testing industry in South Africa. The programme will largely fulfil the country's requirements for small rural public exchanges. The allocations for this purpose are R7,2 million for 1998/99; R8 million for 1999/00; and R6,5 million for 2000/01.

**Postal service policy**

A Green paper on Postal Policy was launched in 1997/98. Parliament also adopted an amendment to the Post Office Act dealing with the subsidy of the South African Post Office Services, which was formerly linked to Telkom dividends and taxes. Government plans to reduce the Post Office subsidy by 10, 20 and 40 per cent of the present level up to 2001/02.

**Broadcasting service policy**

As from 1998/99, funding of public broadcasting projects will be made from the budget, as are provisions for new regulatory bodies.

Amongst others, the following projects were undertaken as part of the broadcasting policy:

- ◆ The integration of the former Transkei, Bophutatswana, Venda and Ciskei broadcasters;
- ◆ The sale of Capital Radio's assets;
- ◆ The corporatisation of the SABC and Sentech. (Sentech is a broadcasting signal distribution company that was incorporated as a limited company wholly owned by the Government, as provided for in the Sentech Act, 1996, but formerly a wholly owned subsidiary of the SABC);
- ◆ Supporting the community broadcasting sector;
- ◆ Establishment of a school of broadcasting;
- ◆ Launching of a broadcasting policy project; and
- ◆ A report on the financial irregularities of the Independent Broadcasting Authority.

**6.3.8. Vote 9: Constitutional Development**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	18 650	19 497	20 525
Constitutional development	15 530	16 379	17 500
Local government	2 922 437	3 140 741	3 536 704
Auxiliary and associated services	83 402	71 418	77 248
<b>Total</b>	<b>3 040 019</b>	<b>3 248 035</b>	<b>3 651 977</b>

The Constitutional Development vote is expected to spend R3 040,0 million in 1998/99, increasing to R3 652,0 million in 2000/01. Allocations for local government account for the bulk of spending on this vote.

**Local government grants**

The budget of Constitutional Development includes provision for the local government equitable share of revenue of R1 024 million in 1998/99, increasing to R2 542 million in 2000/01. The 1998/99 allocation includes conditional grants amounting to R1 132 million to provinces to cover the costs of R293 towns, transitional municipal arrangements and R129,9 million for the settlement of municipal debts. These are incorporated in the equitable share from 1999/00 onwards.

The consolidated municipal infrastructure programme provides for new and rehabilitated infrastructure services. The programme rationalises a number of previous programmes into a single coherent funding stream. It channels capital subsidies to investment in basic service infrastructure for low income households and towards the rehabilitation of collapsed infrastructure in previously disadvantaged areas. This project is connected to the government's housing subsidy programme as it provides bulk infrastructure in municipal jurisdictions in which low income housing projects are being planned or developed.

**Auxiliary and associated services**

The funds provided under the auxiliary and associated services programme include the following:

- ◆ A transfer to a fund for the operation of the Local Government Training Board and fifteen local government training centres;
- ◆ Provision for the Council for Traditional Leaders which will begin to function during the 1998/99 budget year; and
- ◆ Further research pertaining to the constitutional accommodation of vulnerable indigenous communities, such as the Griqua, Nama and Khoi groups.

**Policy initiatives**

A number of policy initiatives were undertaken in 1997/98:

- ◆ preparation of the White Paper on local government transition;
- ◆ provision for the participation of local government in national decision-making on legislation and revenue issues;
- ◆ the restructuring of local government training;
- ◆ preparation of a policy framework on municipal international relations; and
- ◆ monitoring and review of the financial problems of municipalities ("project viability").

**Masakhane Campaign**

In the new budget cycle the challenge is to consolidate and advance the Masakhane Campaign which seeks to ensure payment for municipal services. Expenditure of R15 million annually over the MTEF period is envisaged.



<b>Municipal revenues</b>	The Department has embarked on a policy process which will address the issues of property taxation, tariff structuring, the pricing of municipal services and reform of Regional Services Council levies.
<b>Public-private partnerships</b>	An amount of R20 million was spent on projects to facilitate partnerships with the private sector during the 1997/8 financial year, while the total capital invested by the private sector is anticipated to be over R1 000 million. Work is in progress on a regulatory framework for private sector participation in municipal service delivery (see also paragraph 7.5.10 for further details).
<b>Local economic development</b>	The Department has worked with municipalities to produce policy and guide - lines on integrated development planning, resulting in a number of pilot projects across the country. A programme focusing on local economic development, has been established. It supports 10 local authorities in designing poverty alleviation strategies by using the local economy as a starting point.
<b>Funding political parties</b>	A fund for transfers to political parties has been established in terms of legislation promulgated in 1997. Provision is made for transfers of R53 million in 1998/99, R56,5 million in 1999/00 and R61 million in 2000/01.

### 6.3.9. Vote 10: Correctional Services

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	860 021	942 410	1 025 432
Incarceration	3 070 759	3 360 109	3 669 967
Development of offenders	365 960	404 595	442 554
Community corrections	196 441	226 968	259 056
<b>Total</b>	<b>4 493 181</b>	<b>4 934 082</b>	<b>5 397 009</b>

**Expenditure trend** Expenditure over the MTEF period is projected to increase from R4 493,2 million in 1998/99 to R5 397,0 million in 2000/01.

A marked increase in capital spending is envisaged over the MTEF period, including the building of two new facilities with a prisoner accommodation of 1 500 each.

The Department of Correctional Services is responsible for the safe custody, supervision and control over probationers and parolees in the community, humane detention and treatment of offenders, the provision of development services to offenders and re-integration of offenders into the community.

<b>Number of offenders</b>	The number of offenders is expected to increase from 156 000 in 1998/99 to 200 000 in 2000/01. To reduce overcrowding, investigations into alternative options for provision or management of capacity have been investigated.
<b>Private sector partners</b>	The Department of Correctional Services has initiated a process of asset procurement and operating partnerships for the construction and maintenance of four new prison facilities. A total of 5 300 additional beds will be created through these pilot projects. Options for other service delivery contracts with private sector partners are also being explored.
<b>Differentiation of categories of offenders</b>	<p>Improved management and better differentiation of categories of offenders include the following:</p> <ul style="list-style-type: none"><li>◆ A C-Max prison (super maximum classification) has been established at Pretoria Maximum Prison to ensure the effective management of 130 high-risk prisoners; and</li><li>◆ New Juvenile Centres have been established at certain prison complexes to manage youths in prisons in an effective and efficient manner.</li></ul>
<b>Community supervision</b>	The Department is exploring options for the management of offenders outside of prisons to reduce the cost of offender management and to promote rehabilitation. More cost effective control and monitoring of people is being achieved under the community corrections programme. A research project on the electronic monitoring of offenders within the community has been undertaken. Implementation is planned for the 1998/99 financial year.
<b>Improved security</b>	To combat escapes from prisons, electrified security fences have been established at 19 high-risk prisons with funds set aside for the national crime prevention strategy. To combat corruption within the Department, an anti-corruption unit has been established at Head Office.
<b>Management of each offender through the system</b>	Efforts are in progress within the justice system cluster to ensure the effective movement of offenders through the justice system. Special emphasis has been placed on the speeding up of court cases in order to reduce the high percentage of unsentenced prisoners in detention. This initiative could result in significant savings.
<b>Personnel</b>	The Correctional Services budget provides for an establishment of 31 900 personnel.
<b>The cost of incarceration</b>	<p>The budget for 1998/99 includes an expected R3 070,8 million for detention and care of 156 000 prisoners. This amounts to R19 685 per year per prisoner.</p> <p>A further amount of R366,0 million is projected for 1998/99 under the programme development of offenders. This includes religious care, education and training, psychological services, recreational sport and library projects, and self-sufficiency and skills programmes.</p>

**6.3.10. Vote 11: Defence**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	457 579	473 509	475 270
Landward defence	3 970 989	4 033 706	4 089 689
Air defence	1 919 030	1 955 980	1 959 788
Maritime defence	845 412	896 314	906 843
Medical support	918 363	965 035	973 191
General support	635 002	628 911	619 572
Special Defence Account	1 212 462	1 533 478	1 962 893
<b>Total</b>	<b>9 958 837</b>	<b>10 486 933</b>	<b>10 987 246</b>

The Defence budget is projected to increase from R9 958,8 million in 1998/99 to R10 987,2 million in 2000/01.

The nature of the commitments of the Defence Force have changed considerably over the past few years. Furthermore considerable pressure was placed on the Defence budget as a result of an increase in personnel numbers associated with integration of the former members of statutory and non-statutory forces into the SANDF. Without a reduction in personnel costs, operations and capital programmes will be difficult to maintain over the MTEF period. However, the Defence Force has made sterling efforts, despite a substantial cut in its share of the Budget, to reprioritise activities and deliver the required services.

**White Paper  
and Defence Review**

Parliament approved the White Paper on National Defence for the Republic of South Africa in May 1996. The main theme of the White Paper is the transformation of defence policy and the South African National Defence Force (SANDF) in the light of the political and strategic developments which have occurred at national, regional and international levels following the demise of the cold war and the ending of apartheid. This has been followed by a long-range Defence Review. The first and second reports of the Review have been approved by Parliament. These included chapters on defence posture, functions and force design, human resources and the part-time component of the SANDF. A White Paper on the defence industry is in process.

**Landward defence**

The primary duty of the Army is to protect the borders and its secondary duty is to support the SAPS adequately.

The Landward defence programme budget remains the same with a resultant percentage increase for personnel expenditure from 72 to 79 per cent. This represents a significant constraint on training and renewal of equipment of the Army.

**Air defence**

The reduction in the Air defence programme has resulted in the percentage expenditure for personnel increasing from 45 per cent to 50 per cent of this

budget. Budgeting constraints have led to reductions in flying hours and other services, and closure of several flying units.

**Maritime defence**

The Navy has experienced similar pressures, with funds available for operations at sea and maintenance of vessels and infrastructure declining. It is recognised that the submarine capability of the Navy, for example, cannot be maintained after 2002 at the current funding level.

**Medical support**

The Department of Defence has a statutory obligation to provide operational health care to deployed members of the SANDF as well as ensuring a medical assistance benefit to employees and their dependants. This service also provides support during disasters in neighbouring countries, assists in disaster relief, maintenance of essential health services or support to other national departments.

**Special Defence Account**

The augmentation of the Special Defence Account is reduced by 34 per cent in 1998/99. This has been achieved by postponing new capital acquisition projects, cutting back on existing contracts and rescheduling several procurement contracts.

**Transformation project**

A transformation project has been commissioned by the Minister of Defence to determine the appropriate force design and structure commensurate with the budget approved in terms of the MTEF. The aim is to reduce personnel numbers and achieve a sound balance between personnel, operating and capital expenditure. The related recommendations are presently being finalised for political approval and will form the basis for defence planning in the medium term.

**Support for SA Police Service**

Cabinet has agreed that the SANDF will be required to continue upholding law and order by supporting the Police, based on an agreed level of support likely to be required in the medium term.

During 1997/98 the SANDF deployed troops in order to stabilise the security and crime situation in the Cape Flats and to act as a deterrent against attacks on farmers in the Free State. Defence also provided support in respect of the following:

- ◆ Crime prevention, including confiscation of large volumes of dagga and illegal drugs, the apprehension of alleged criminals and people illegally crossing the borders, recovery of stolen vehicles and livestock and confiscation of firearms;
- ◆ Airforce support for the recovery of stolen vehicles, apprehension of illegal immigrants and destruction of dagga plantations;
- ◆ Assistance to the Democratic Republic of the Congo by deploying the SAS Outeniqua during April and logistic support to the Department of Environmental Affairs in the Antarctic;
- ◆ Deployment of navy divers in Lake Victoria after the ferry disaster;
- ◆ Transport of humanitarian supplies and equipment to Rwanda and Tanzania and medical support to Tanzania and Zanzibar during disasters

in these countries. Support was also provided in various search and rescue operations; and

- ◆ Support by the SA Medical Health Services with campaigns to eradicate diseases such as rabies, measles and polio.

### 6.3.11. Vote 12: Education

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	40 892	43 542	45 384
Systems and planning	220 621	420 704	623 426
General and further education and training	211 858	70 739	43 320
Higher education	6 015 364	6 724 296	7 281 296
Higher educational institutions	5 675 785	6 259 886	6 763 767
NSFAS	300 000	350 000	400 000
Redress	27 615	100 000	100 000
Other subprogrammes	11 964	14 410	17 529
Auxiliary and associated services	9 225	9 157	11 698
<b>Total</b>	<b>6 497 960</b>	<b>7 268 438</b>	<b>8 005 124</b>

The budget for the Department of Education is projected to increase to R8 005,1 million in 2000/01. The higher education programme increases from R6 015,4 million in 1998/99 to R7 281,3 million in 2000/01. This includes subsidy allocations to universities and technikons and provision for the National Student Financial Aid Scheme. An allocation has been made for the Council for Higher Education that will be appointed by April 1998.

#### National-provincial cooperation

The Council of Education Ministers and Heads of Education Departments Committee meet on a regular basis to explore policy matters and coordinate education development.

#### Key programmes

Key initiatives include:

- ◆ Curriculum 2005, launched in March 1997;
- ◆ A quality assurance programme developed to facilitate the provision of quality education and coordinate and monitor educational performance standards and outcomes;
- ◆ Preparation of a policy framework for learners with special needs;
- ◆ Ministers approved a multi-year implementation plan for adult basic education;

- ◆ Standardising framework guidelines for the development of textbook-based learner and educator support materials;
- ◆ An audit of the early childhood programmes and a national pilot project;
- ◆ A programme aimed at addressing skills shortfalls in science, mathematics and technology education;
- ◆ Development of training programmes in technology education;
- ◆ Life skills and HIV/AIDS education programmes;
- ◆ The culture of learning, teaching and service campaign;
- ◆ The first national survey of all schools; and
- ◆ A task force to develop implementation plans for the establishment of an Education Management Development Institute in 1998.

The National Commission on Higher Education that was appointed in 1995 completed its work, culminating in the promulgation of the Higher Education Act, 1997. The development of a new higher education funding framework, in line with the new policy on higher education, has commenced. The Department has commissioned the development of a model of the growth and costs of the higher education sector, and intensive empirical work on cost factors in higher education institutions has begun. A study of student financial aid has been undertaken.

**Re-organisation of higher education**

The committee set up to investigate the incorporation of colleges of education into the national department of education has, completed its task and the Department is considering its report. A second technical committee has completed work on norms and standards for teacher education in line with the new outcomes-based curriculum approach.

**6.3.12. Vote 13: Environmental Affairs and Tourism**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	29 250	30 374	31 985
Environmental management	118 425	124 081	128 758
Sea fisheries management and development	73 494	77 087	81 133
Weather bureau services	57 309	59 734	62 902
Promotion of tourism	71 181	76 249	86 110
Pollution control	13 124	13 635	14 501
Auxiliary and associated services	37 942	39 592	40 395
<b>Total</b>	<b>400 725</b>	<b>420 752</b>	<b>445 784</b>

**Expenditure trend**

The Environmental Affairs and Tourism vote is expected to increase from R400,7 million in 1998/99 to R445,8 million in 2000/01. This includes allocations to SATOUR for tourism promotion, set at R64,7 million in 1998/99.

**Policy initiatives**

Specific policies have been launched in order to:

- ◆ secure the sustainable and equitable use of coastal and marine resources;
- ◆ mitigate the effects of severe weather conditions and climatic changes;
- ◆ ensure integrated pollution management;
- ◆ improve control over toxic waste and hazardous material; and
- ◆ stimulate tourism.

**Environmental management and pollution control**

The development of a national environmental framework policy made progress during 1997/98. Other policy development processes include reviews of biodiversity, pollution control and waste management, coastal zone management, environmental resource economics and the development of environmental indicators.

- Sea fisheries** The 1998 report of the National Fishing Policy Development Committee is now being converted into a White Paper. The central principles are to broaden access to achieve equity, to recover costs of management from resource users and to improve law enforcement.
- Weather Bureau** In line with developments in many countries worldwide, the Weather Bureau is exploring the possible commercialisation of certain functions. International activities have dramatically increased during the present financial year. The World Meteorological Organisation is seeking greater involvement of the Weather Bureau in the field of meteorology, with regard to activities on the African Continent. Involvement with SADC countries in meteorological matters is increasing.
- Promotion of tourism** After a lengthy consultation process, the Cabinet adopted the White Paper on the Development and Promotion of Tourism in South Africa in June 1996. It proposes a number of policies to ensure the equitable distribution of tourism opportunities and benefits among all South Africans and sets targets for tourism to become a lead economic sector within the next five to ten years. It also proposes the transformation of the South African Tourism Board (SATOUR) to reflect the interest of a broader spectrum of the South African population.
- Antarctic Research Programme** Environmental awareness and global climate change are major emphases of the South African National Antarctic Research Programme on the Prince Edward Islands and on Marion Island.
- Commissions of Inquiry** During 1997, progress was made with the following:
- ◆ Inquiry into Thor Chemicals;
  - ◆ Inquiry into the importation of a consignment of material containing cupric arsenate; and
  - ◆ Inquiry into the sulphur blaze at Somerset West.



**6.3.13. Vote 14: Finance**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	24 566	28 624	28 775
Financial and economic measures	34 541	42 292	42 509
Exchequer financing	12 033	14 001	14 077
Fiscal transfers	1 897 299	1 939 407	2 004 043
Civil pensions and contributions to funds	1 057 311	1 136 063	1 158 602
Military pensions and other benefits	135 793	136 606	136 606
Provincial transfers	2 800 000	2 600 000	2 400 000
Associated services	7 772	7 787	8 287
<b>Total</b>	<b>5 969 315</b>	<b>5 904 780</b>	<b>5 792 899</b>

**Expenditure trend**

The Finance vote provides for expenditure of R5,969 billion in the 1998/99 year, excluding state debt costs and the equitable share of revenue due to provinces, which are statutory obligations. The Finance budget falls to R5 792,9 million in 2000/01.

**Financial and economic measures**

The main activities of the Department of Finance are funded from the financial and economic measures programme. The aim of this programme is to provide policy advice on state finances and to manage the State's overall economic and financial policy. It includes an analysis of national and international economic trends, coordination of financial, monetary and other economic policies, promotion of sound public finances and tax policy advice.

A recurrent transfer to the Financial and Fiscal Commission is also provided under this programme. The amount for 1998/99 is R6,6 million.

**Fiscal transfers**

Fiscal transfers in 1998/99 include:

- ◆ An allocation to the SA Revenue Service of R1,739 million;
- ◆ R120,2 million in terms of agreements with Lesotho and Namibia; and
- ◆ R38,9 million for the purchase of shares in the African Development Bank.

**Post Office losses**

Post Office losses and certain other transfers previously on this vote have been transferred to the Communications vote.

**Pensions and contributions to funds** An amount of R1 057,3 million in 1998/99 is included for the Government's contributions to pension funds and medical schemes in terms of certain statutory commitments. This includes special pensions paid to ex-combatants in terms of the Special Pensions Act, 1996.

**New departmental structure** To give effect to its economic, fiscal and financial policy and advisory responsibilities, the Department of Finance now comprises three branches:

- ◆ The Budget Office incorporating financial planning, macroeconomic policy, intergovernmental relations and tax policy;
- ◆ Asset and Liability Management, which deals with the management of state debt, cash management and the financial supervision of Government's interest in public enterprises; and
- ◆ Financial Management, including international development finance, corporate services, pensions administration and the secretariat to the Public Investment Commissioner.

#### 6.3.14. Vote 15: Foreign Affairs

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	124 332	127 176	133 344
Foreign relations	943 588	928 944	887 024
Supporting services: foreign representation	143 329	141 455	134 126
Amount forming a direct charge on the National Revenue Fund	1	1	1
<b>Total</b>	<b>1 211 250</b>	<b>1 197 576</b>	<b>1 154 495</b>

Over the MTEF period, projected allocations to the Foreign Affairs vote are reduced from R1 211,3 million in 1998/99 to R1 154,5 million in 2000/01.

These allocations require a rationalisation of several international missions and reduced numbers of transferred officials and locally recruited staff at remaining embassies.

**Policy and programmes** The Department of Foreign Affairs is playing an increasing role in trade and investment promotion, tourism promotion, issuance of visas, the promotion of scientific and agricultural relations and defence liaison, as other departments scale back on their activities.

<b>Non-Aligned Movement</b>	South Africa was chosen to chair the Non-Aligned Movement from 1998 until 2001. This will entail numerous activities to fulfil the mandate and responsibilities bestowed upon the chair of the movement.
<b>European Union</b>	<p>Significant progress has been made in negotiations with the European Union concerning the proposed Trade, Development and Cooperation Agreement. The aim remains to reach a final agreement by the middle of 1998.</p> <p>In 1997, South Africa acceded to the Lomé Convention and simultaneously became a member of the African, Caribbean and Pacific group of countries which are signatories to the Georgetown Agreement. South Africa also became involved in the process of preparing for the forthcoming renegotiations of the Lomé Convention, which expires in February 2000.</p>
<b>Indian Ocean Rim</b>	The role played by South Africa in the establishment of the Indian Ocean Rim has been significant. The benefits which South Africa can derive from acting as a bridgehead for the creation of trading links between this regional economic organisation and the Zone of Peace and Co-operation in the South Atlantic, are being explored.
<b>WTO and UNCTAD</b>	South Africa is an active member of the Ministerial Conference of the World Trade Organisation and is President of the United Nations Conference on Trade and Development until the year 2000.
<b>United Nations</b>	South Africa has been elected to several international bodies and in 1997 assumed its seat on the UN Commission on Human Rights (three year term); the UN Commission for Social Development (four year term); the Executive Committee of the Programme of the UN High Commissioner for Refugees (indefinite term); and several other UN Commissions and international organisations.
<b>World Expo</b>	As a member of the Bureau International des Expositions, South Africa has been invited to participate in the last World Exposition this century, which will be held in Lisbon from May to September 1998. The theme of the Expo will be "The oceans, a heritage for the future". An Interdepartmental Steering Committee, composed of all relevant Departments and chaired by the Department of Foreign Affairs, has been actively involved during the past year in preparing for South Africa's participation.

### 6.3.15. Vote 16: Health

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	50 094	46 342	46 818
Policy and planning	4 478 851	4 825 047	5 233 325
Regulation, services and programmes	707 389	743 850	776 570
Auxiliary and associated services	15 225	15 485	15 506
<b>Total</b>	<b>5 251 559</b>	<b>5 630 724</b>	<b>6 072 219</b>

<b>Expenditure trend</b>	The Health vote is projected to increase from R5 251,6 million in 1998/99 to R6 072,2 million in 2000/01. The budget includes transfers to provinces amounting to R4 759,8 million in 1998/99, increasing to R5 044,4 million in 2000/01. A further amount of R200 million for the Durban Academic Hospital is proposed for each of the years of the MTEF, to be included in the Supplementary Estimate. The budget also provides R76,4 million for the Medical Research Council in 1998/99, increasing to R83,4 million in 2000/01.
<b>Mission statement</b>	The Department of Health's mission is "to provide leadership and guidance to the National Health System in its efforts to promote and monitor the health of all people in South Africa, and to provide caring and effective services through a primary health care approach".
<b>Hospital rehabilitation programme</b>	The MTEF includes allocations to the hospital rehabilitation programme of R100 million in 1998/99, R300 million in 1999/00 and R600 million in 2000/01. Planning for the rehabilitation of hospitals and community health centres will be done jointly with provincial health departments and the provincial and national public works departments.
<b>White Paper</b>	The White Paper on transformation of the health care system, published in April 1997, presents a vision of the national health system with comprehensive policies and strategies for implementation of the vision. The paper envisages the creation of a national health system that integrates the public, private, non-governmental organisations and community health care systems, and lays a firm foundation for coordinated national health research and information systems to inform the development of health policy and programmes. Policies and strategies addressed include nutrition, maternal and child health, HIV/AIDS and sexually transmitted diseases and other communicable diseases. A National Health Bill was tabled during 1997. This will provide the legislative mandate for the policies set out in the White Paper.
<b>Clinic building programme</b>	The clinic building programme has seen the building of 504 new clinics since 1994, serving an additional 5 million people.
<b>Foreign doctors</b>	The Department of Health has arranged for 272 Cuban and 16 German doctors to work in under-served areas. This has led to a reduction in patient referrals to hospitals, particularly in the Eastern Cape, Free State, KwaZulu/Natal and Mpumalanga.
<b>Termination of Pregnancy Act</b>	Since the Termination of Pregnancy Act came into effect on 1 February 1997, 15 545 women have had pregnancies terminated, compared with the 2599 legal terminations in 1996. This service, together with an expanded reproductive health service, reduces the risk of unnecessary illness and death in women.
<b>Conditional grants</b>	The Health budget includes several conditional transfers to provinces: <ul style="list-style-type: none"><li>◆ the health and professional training and research grant;</li><li>◆ the central hospital services grant;</li><li>◆ provision for the redistribution of specialised health services;</li><li>◆ allocations for the primary school nutrition programme;</li></ul>

- ◆ an allocation for the construction of the Umtata Regional hospital; and
- ◆ an allocation for the construction of the Durban Academic Hospital.

### 6.3.16. Vote 17: Home Affairs

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	117 182	111 955	111 872
Services to citizens	298 761	329 690	364 356
Migration	144 431	160 650	168 530
Auxiliary and associated services			
Film and Publication Board	2 757	2 861	2 940
Government Printing Works	7 001	4 001	1 001
Government Motor Transport	1 676	1 778	6 445
Electoral Commission	500 000	300 000	200 000
<b>Total</b>	<b>1 071 808</b>	<b>910 935</b>	<b>855 144</b>

#### Expenditure trend

The budget of the Home Affairs Department is expected to be R1 071,8 million in 1998/99, falling to R855,1 million in 2000/01. The allocations include supplementary transfers for R500 million for the Electoral Commission in 1998/99, R300 million in 1999/00 and R200 million in 2000/01.

#### Improved services

Various steps have been taken by the Department of Home Affairs to improve service delivery and ensure universal access to services. New offices in previously disadvantaged communities, additional service points, and mobile units have been established. The Department has created an anti-corruption unit.

#### Services to citizens

The Department has begun to put in place a national identification system (HANIS) that will ensure that an individual qualifies for a single identity number and that establishes a certain means of verification of the identity of any person. It is hoped to shorten the implementation period from the eight years initially envisaged. Other projects include partnerships with various departments regarding the computerised identification of persons, including registration of social grants beneficiaries and the drivers' license database.

A special initiative will be launched early in 1998 to register an estimated 4 per cent of the voters who do not have identity documents, in preparation for the 1999 General Elections.

**Migration** The Aliens Control Amendment Act, 1995, provides for stricter immigration policy, and the implementation of visa fees and other measures to curtail illegal immigration. The Government is determined to strengthen border controls in order to more effectively police trans-national crimes and trade abuses that currently afflict the economy.

**Government Printing Works** The Government Printing Works operates a trading account in accordance with generally accepted business principles. Investigations to privatise the Printing Works were initiated during 1997.

**Personnel expenditure and capital works** About 60 per cent of the Home Affairs budget is for personnel expenditure and 80 per cent of the increase in personnel spending for 1998/99 is related to the function of combating the inflow of aliens.

The amounts allocated to capital works for the following three years are R56,2 million, R64,6 million and R80,6 million respectively. This includes amounts set aside to address the problem of accommodation for aliens awaiting repatriation.

### 6.3.17. Vote 18: Housing

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	28 755	28 432	29 513
Housing support	225 911	171 112	120 246
Human settlement policy	424 153	4 977	4 880
Housing sector performance	2 943 960	3 530 636	3 483 400
Communications	7 641	7 700	7 726
<b>Total</b>	<b>3 630 420</b>	<b>3 742 857</b>	<b>3 645 765</b>

**Expenditure trend** The projected Housing allocation of R3 630,4 million in 1998/99 is 24 per cent lower than the adjusted appropriation of R4 773,4 million in 1997/98. This decrease is mainly due to the shifting of bulk and connector infrastructure grants funds to the Department of Constitutional Development, and a decrease of the programme: housing support initiatives from R150 million in 1997/98 to R50 million in 1998/99. The Housing budget increases to R3 743 million in 1999/00 followed by a reduction to R3 646 million in 2000/01.

**Housing delivery and support** Provision of housing under the capital housing subsidy scheme, which was implemented in April 1994, has gained momentum, with expenditure reaching between R250 million and R300 million per month in 1997/98. It is anticipated that this trend will continue in the 1998/99 financial year. Between April 1994 and December 1997, approximately 385 000 houses have been built or are under construction. More than 700 000 subsidies have already been reserved and these projects are in various stages of development.

At the end of 1996, Cabinet approved the allocation of R50 million to SERVCON Housing Solutions (Pty) Ltd to facilitate the creation of right

sizing stock in order to assist people to relocate to more affordable housing. Thubelisha Homes (a section 21 company) was created to give effect to this decision.

The lead time from the approval of a housing project to its commencement has been reduced from eighteen to under ten months. Provinces are currently contractually committed to an amount of R5,8 billion in subsidies to housing projects to be completed over the next three years.

**Hostel development**

Government-owned hostels are being redeveloped to create humane living conditions and enhance the contribution of these assets to providing urban residential space. To date, 32 of the total of 182 public sector hostels have been upgraded. A tripartite initiative is currently underway to investigate the feasibility of private sector hostel redevelopment within the mining industry.

**NURCHA**

The National Urban Reconstruction and Housing Agency was established to expedite metropolitan housing delivery for low-income households. This support takes the form of providing equity, underwriting risk and providing initial capital for cooperative housing ventures. A loan guarantee capacity of R32,5 m is available and 3 600 agreements have been approved.

Recent developments and programmes of the Department include the following:

- ◆ In collaboration with the South African Disability Institute, guidelines have been developed, focussing on the special housing needs of those categories of disabled persons who are eligible for housing subsidies;
- ◆ Some schemes inherited from the previous Government are being phased out, such as the First-time Home Buyer Subsidy Scheme, State Assisted Home-owner Saving Scheme and Relief Measures to Mortgagees. Subsidies for the provision of farm worker housing will be phased out by 1998/99; and
- ◆ The financing of the Mortgage Indemnity Fund, which was established to encourage home lending in previously marginalised areas, will fall away after 1998/99 as it is due to wind down its activities in June 1998.

**The funding of the NHFC and SAHT**

The National Housing Finance Corporation does not foresee financing problems as it has sufficient funds to see it through 1998/99 and 1999/00. Further financing of the NHFC has therefore been postponed to later years.

However, the South Africa Housing Trust has, during the last financial year, continued to experience problems despite its restructuring. This is mainly due to non-payment of instalments on bonds related to boycotts. The result is that its capacity to deliver has been restricted. Government will be considering various options to address this situation during 1998.

### 6.3.18. Vote 20: Independent Complaints Directorate

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	10 004	9 782	10 383
Investigation of complaints	15 229	13 020	13 848
Monitoring and developing	3 187	3 177	3 371
<b>Total</b>	<b>28 420</b>	<b>25 979</b>	<b>27 602</b>

#### Expenditure trend

The Independent Complaints Directorate took over certain functions previously performed by the SA Police Service and the relevant staff was taken over in April 1997.

#### Mission

Within the mission “to promote proper police conduct”, the Directorate has determined the following objectives:

- ◆ To ensure that misconduct by members of the SAPS is properly investigated by an impartial and independent civilian body, as well as to identify problems and make recommendations; and
- ◆ To have an independent body free from SAPS and any executive interference, to investigate complaints against SAPS in a manner acceptable to the community through competent investigating of allegations, and to ensure that the complaint handling mechanism within SAPS is adequate in recommending appropriate remedial measures.



**Provincial offices**

During 1997/98 provincial offices were established in Johannesburg, Cape Town and Durban. For the next financial year, it is planned to establish offices in all nine provinces to extend the line function of the Directorate to the provinces. In order to save costs, the support function will still be rendered from the national office in Pretoria.

**6.3.19. Vote 21 : Justice**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	136 240	136 409	141 306
Administration of justice	1 299 565	1 375 132	1 465 174
Administration of law	157 228	166 088	172 358
Public Protector	7 659	7 983	11 244
Legal aid	222 903	259 100	284 267
Auxiliary and associated services	240 783	351 152	467 734
<b>AMOUNTS TO BE ALLOCATED</b>	<b>2 064 378</b>	<b>2 295 864</b>	<b>2 542 083</b>
Amount forming a direct charge on the National Revenue Fund			
Judges' salaries and allowances	108 696	110 696	115 696
<b>Total</b>	<b>2 173 074</b>	<b>2 406 560</b>	<b>2 657 779</b>

The Justice vote will increase from R2 173,1 million in 1998/99 to a projected R2 657,8 million in 2000/01.

The 1998/99 increase in the budget allocation to the Department of Justice compared to 1997/98 is primarily as a result of increased allocations to the Human Right Commission, Gender Equality Commission and the establishment of the Special Investigation Unit and Special Tribunal. The allocation to legal aid costs has also increased considerably. Amounts allocated for capital works are R84,9 million; R115,9 million and R127,3 million for 1998/99, 1999/00 and 2000/01 respectively.

A new head office of the Justice Department and regional offices in each province have been established. A new cluster system, grouping several magistrates offices together, has been adopted to improve service delivery and rationalise administrative functions.

**National crime prevention strategy**

Several initiatives of the national crime prevention strategy are in progress:

- ◆ Court infrastructure is being upgraded;
- ◆ Court management is being enhanced;
- ◆ Legal personnel training schemes are being implemented;
- ◆ Community Safety Centres are being developed in collaboration with departments;

- ◆ The lay-assessor system will be implemented during 1998 to involve the community in the adjudication of certain categories of court cases; and
- ◆ A pre-trial service pilot project has also been established which is aimed at reducing the administrative functions of judicial staff and to shorten the period of awaiting trials.

**Affordable legal aid** There has been a substantial increase in the demand for legal aid, partly as a result of the obligation in terms of the Constitution. The Department has convened a consultative Legal Aid Forum to discuss the transformation of the current legal aid system. Several other role players participated and it is envisaged that the current legal aid system will evolve into a public defender system. The aim is to reduce the overall cost of legal aid. The Department intends to launch a pilot project in this regard.

**Commissions of inquiry** The Hoexter Commission, which was appointed to investigate the rationalisation of various courts, has completed its investigations and the final report has been submitted to the President.

It is envisaged that the activities of the Commission of Inquiry into violence in the former Bophuthatswana will be concluded during 1998.

**Truth and Reconciliation Commission** The Truth and Reconciliation Commission (TRC) will end its activities during 1998 and a final report will be presented to the President.

The Justice vote includes R100 million in 1998/99 for the TRC reparations programme, increasing to R200 million in 1999/00 and to R300 million in 2000/01. Regulations determining the guidelines for reparations are currently under discussion and will be introduced during 1998/99.

### 6.3.20. Vote 22: Labour

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	125 348	130 453	131 723
Occupational health and safety of persons	29 163	30 061	30 284
Social insurance	19 674	19 674	19 674
Human resources development	325 240	575 240	849 815
Labour relations	191 525	194 267	194 949
Labour policy	22 474	22 543	22 560
Auxiliary and associated services	32 223	32 353	32 386
<b>Total</b>	<b>745 647</b>	<b>1 004 591</b>	<b>1 281 391</b>

**Expenditure trend** The budget of the Labour Department is projected to increase from R745,6 in 1998/99 to R1 281,4 million in 2000/01. The increase is due primarily to the phasing in of the new skills development strategy, included in the human

resources developments programme. The allocation to this programme increases by 75 per cent in 1999/00 and by 48 per cent in 2000/01.

**Activities**

The Department of Labour is responsible for the administration of labour market policies and for ensuring compliance with occupational health and safety standards, management of the Unemployment Insurance Fund, promotion of human resources development, provision of labour dispute resolution services and support for work centres for the disabled and workshops for the blind.

Key institutions funded:

- ◆ The Commission for Conciliation, Mediation and Arbitration (CCMA);
- ◆ The Central Organisation for Trade Testing; and
- ◆ The costs of the National Economic Development and Labour Council (NEDLAC).
- ◆ The budget makes provision for total personnel of about 6 500, of which the Unemployment Insurance Fund and compensation funds account for 2 500. Placement, inspection, advisory and regulatory offices account for most other non-management personnel. Personnel costs account for approximately one-third of the expenditure on this vote in 1998/99.

**Skills development strategy**

The Green Paper on a Skills Development Strategy was published in March 1997. A draft Skills Development Bill has been under negotiation at NEDLAC. An amount of ECU 46 million<sup>1</sup> has been secured from the European Union to contribute to the implementation of the skills strategy.

**Occupational health**

A national policy and strategy on occupational health and safety is being developed. A Committee of Inquiry has concluded that the problems experienced in the field are related to the fragmentation of the function across various departments.

The Employment Equity Bill, released for public comment in December 1997, will be presented to NEDLAC and Parliament this year. Employment equity codes of good practice and a system for monitoring employment equity are being developed.

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<sup>1</sup> R248,1 million with the 28 February 1998 exchange rate of R1=ECU 0,1854.

### 6.3.21. Vote 23: Land Affairs

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	95 268	99 812	101 347
Surveys and mapping	35 481	37 164	37 600
Cadastral surveys	49 585	51 927	52 400
Land reform policy	80 528	82 728	83 390
Land reform implementation	391 307	555 612	659 890
Auxiliary and associated services	33 211	32 375	32 737
<b>Total</b>	<b>685 380</b>	<b>859 618</b>	<b>967 364</b>

**Key responsibilities** The Department of Land Affairs is responsible for creating and implementing a land reform programme and managing the land survey, mapping and deeds for the registration systems.

**MTEF allocation** The allocation to Land Affairs for 1998/99 is R685,4 million, increasing to R967,4 million in 2000/01. The rapidly growing MTEF allocations reflect the increasing pace of implementation of land reform.

**Redistribution of land** By the end of 1997, land transfer had been completed in 89 projects, involving 87 695 beneficiaries and 324 486 hectares of land. 148 projects had been designated, involving 115 022 beneficiaries and 391 790 hectares of land. A total of R183,6 million has been allocated for the purchase and development of land in redistribution projects during 1998/99. This represents a substantial decrease on the R316 million which was provided on the vote for 1997/98, but an increase of approximately 50 per cent on the amount which is expected to be spent during 1997/98. An application to roll-over to 1998/99 an additional amount committed from the 1997/98 budget but not yet spent, will be made.

**Restitution** Despite the challenges and complexities of the restitution programme, eighteen restitution cases had been resolved by the end of 1997. The outcome is that 27 000 people have recovered approximately 150 000 hectares of land which were taken from them under apartheid. The largest group of cases is at Cato Manor, where more than 3 000 claims have been lodged.

The 1998/99 vote provides R28,5 million for the operating costs of the Commission on Restitution of Land Rights. The budget also includes R30 million for compensation payable as a result of orders by the Land Claims Court or agreements with claimants. A further R50 million has been provided for support to successful claimants and for land development in restitution cases.

**Tenure reform** The Extension of Security of Tenure Act 62 of 1997 was enacted. The Act affects at least 6 million rural people who, with the permission of the owner or person in charge, live on land which belongs to someone else. The increased allocation to the provincial offices of the Department includes provision for

the implementation of the Act, primarily by informing people of their rights and obligations and facilitating the resolution of disputes.

Pilot projects have been run to assist in finalising policy on the transfer of ownership to people living in the former "homeland" areas. The 1998/99 budget includes R47 million for land purchases, compensation for the resolution of the pilot projects and other pressing cases.

#### Land Reform

The poorer provinces are disproportionately rural, and contain disproportionately many women and children. Although this is characteristic of many other countries, in South Africa it has been exacerbated by influx control, pass laws, forced removals and the migratory labour system.

In addition to the racial inequalities experienced by black men, women suffer discrimination from social practices. Legal restrictions have impeded women's access both to land and to the financial resources to develop it. In addition to legislation which designated women as minors who could not own property or conclude contracts in their own right, customarily law has in many cases deprived women the right to own property.

Women tend to have access to smaller plots, with less available irrigation, and a smaller likelihood that they will have paid employment to augment their livelihoods. Around 80 per cent of woman-headed households with access to land contain no wage or salary earners.

The Department of Land Affairs is conscious that unless more attention is directed to meeting women's needs and concerns, the land reform programme could exacerbate existing gender inequities in the allocation of land and its productive use. The Department is providing gender training and is endeavouring to build gender concerns into its monitoring and evaluation system.

- Land development** Progress was made in 1997/98 with the implementation of the Development Facilitation Act 67 of 1995. Land development tribunals were established in seven provinces. The vote includes R26 million for grants to under-resourced local authorities (mainly in rural areas) to enable them to establish land development objectives, as well as provision for the Development and Planning Commission.
- Surveys and mapping** During 1997 all the rural and urban cadastral properties in the country were captured into digital format. At the same time, basic topographical data for the whole country was made available in digital format. By the end of the MTEF period, viewing and data access workstations will be made available in all local authorities or magisterial offices in the country.
- Deeds registration** A deeds registries business account was instituted in 1994 and its current expenditure is funded from user charges. During 1998/99 steps will be taken to curb an increase in exempted transactions by reviewing some or all of the exemptions. The expenditure budget for 1998/99 amounts to R115,6 million, including provision for the upgrading of equipment, the incorporation of former "homeland" property records, and the upgrading of the Umtata Deeds Registry.

### 6.3.22. Vote 24: Minerals and Energy

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	34 230	35 961	38 926
Promotion of mine safety and health	57 925	62 549	67 300
Mineral development	52 880	59 777	66 040
Energy management	29 319	30 707	32 648
Associated services	473 464	449 042	394 041
<b>Total</b>	<b>647 818</b>	<b>638 036</b>	<b>598 955</b>

#### Expenditure trend

An amount of R647,8 million is allocated for 1998/99. Over the MTEF period, the allocations to the Department will decrease substantially as the subsidisation of the Atomic Energy Council decreases.

Projected allocations to two science councils are also accommodated within this vote. The MINTEK allocation is R83,1 million and the allocation to the Council for Geoscience is R65,8 million for 1998/99.

#### Aims and key policies

The Department of Minerals and Energy aims to promote the optimal utilisation of mineral and energy resources and ensure that the mining and energy sector can operate profitably and in a safe and healthy environment. Key policies and programmes include:

- ◆ Promotion of increased use of renewable energy, facilitation of the installation of solar home systems and better use of biomass energy;
- ◆ The low-smoke coal programme, aimed at reducing health risks and loss of productivity caused by smoke pollution in urban inland townships;
- ◆ Restructuring the electricity distribution sector into a limited number of regional distributors, to improve efficiency and reduce costs;
- ◆ The policy of restructuring the Central Energy Fund group of companies (including the Central Fuel Fund, Soekor and Mossgas) to lead to an efficient and integrated liquid fuel and gas company that can be used to advance black economic empowerment;
- ◆ Improved guidelines and processes with respect to the regulation of mining-related environmental impacts;
- ◆ Active promotion of opportunities in the South African mineral industry, particularly in respect of State-owned mineral rights and small-scale ventures;
- ◆ Improved monitoring of mine downscaling and closure;

- ◆ Improved auditing of exploration and mining performance on State-owned mineral rights;
- ◆ Removal of barriers that constrain the local beneficiation of minerals; and
- ◆ Publications providing statistics and information about the South African mineral industry.

**Energy policy**

A comprehensive White Paper on Energy Policy was distributed early in 1997. Government envisages a restructured electricity distribution industry, a national electrification funding and planning system, an improved liquid fuels policy to ensure minimum prices and a fair dispensation for producers, marketers and users of liquid fuels.

**Mine health and safety**

The Mine Health and Safety Council is a statutory body financed through the Minerals and Energy vote. The Mine Health and Safety Inspectorate has prepared a business plan for the 1997-2001 period. Costs associated with implementation are reflected in the MTEF allocation for mine safety and health. A new directorate has been established to oversee occupational hygiene and the availability of medicine at mining operations.

**Nuclear energy**

An amount of R285,0 million in 1998/99 is allocated to activities relating to nuclear energy. This amount consists of R200 million for running costs of the Atomic Energy Council, R36,5 million for the closing of the Z-plant and R48,5 million for strategic loans.

**Electricity Restructuring Interdepartmental Committee**

Cabinet approved the recommendations of the Electricity Restructuring Interdepartmental Committee in February 1997. Following this, a fulltime restructuring team is to be appointed to investigate detailed issues involving the restructuring of the electricity distribution industry. Further consultations with stakeholders, such as Eskom, municipalities and organised labour are still in progress.

**6.3.23. Vote 25: Public Enterprises**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	9 055	9 136	9 152
Management and restructuring of public enterprises	19 388	8 156	7 082
<b>Total</b>	<b>28 443</b>	<b>17 292</b>	<b>16 234</b>

The aim of the Office for Public Enterprises is to manage and protect the interest of the State in public enterprises.

Expenditure on personnel and professional consultants services constitute the major portion of the budget. The functions and responsibilities of the Office are:

- ◆ Monitoring and evaluating the performance of public enterprises. Although other ministries are responsible for sectoral issues such as energy or transport policy, the management and reporting of the public enterprises in these sectors are dealt with by this Office.
- ◆ Coordinating the process of state asset restructuring and privatisation.

Details of progress with the restructuring of public enterprises are provided in Chapter 7.

#### 6.3.24. Vote 26: Public Service and Administration

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	19 619	20 807	21 662
Functional assistance to the Minister	38 297	39 875	40 089
Auxiliary and associated services	70	70	70
<b>Total</b>	<b>57 986</b>	<b>60 752</b>	<b>61 821</b>

#### Expenditure trend

The core function of the Department of Public Service and Administration is the effective and efficient management of the public service. Its budget is expected to increase from R58,0 million in 1998/99 to R61,8 million in 2000/01.

#### Transformation of the Public Service

The White Paper on the Transformation of the Public Service outlines a strategic framework for change by specifying objectives, guidelines and instruments to carry the transformation process forward.

The Department has been responsible for revising the public service regulations and personnel administration standards, together with developing of a new approach to right-sizing. A project on improved service delivery commonly referred to as the "batho pele" or "people first" initiative aims to promote a customer friendly focus in the public service.

A White Paper on Human Resource Management, Affirmative Action and Education and Training was drafted during 1997.

The activities of the Commission of Inquiry into the Transformation and Reform of the Public Service is to report by 31 March 1998.



**Public Service Employment**

Government aims to create a “genuinely representative public service which reflects the major characteristics of South African demography”. The White Paper on the Transformation of the Public Service sets targets to be achieved over the next four years:

- half of managers should be black;
- 30 per cent of new recruits to middle and senior management should be women.

In September last year there were 1 164 843 public servants. Over seven in every ten (828 494) were employed by provincial governments. More than half are women.

Whites, who make up 20 per cent of the public service, are over-represented compared to their 13 per cent share of the population. Women are underrepresented among Africans and over-represented among whites.

The employment patterns differ between national and provincial governments, reflecting the differences in functions. The three large social services - Education, Health and Welfare - are largely provided by provinces and have traditionally employed more women. The security functions, which have traditionally employed more men, are provided at the national level.

**6.3.25. Vote 27: Public Service Commission**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	13 412	13 859	14 434
Functional assistance to the Public Service Commission	15 126	15 886	16 755
<b>Total</b>	<b>28 538</b>	<b>29 745</b>	<b>31 189</b>

**Expenditure trend**

The aim of the Public Service Commission is to promote the constitutional values and principles of public administration in the public service. The funds allocated to this vote are utilised for administration and functional assistance to the Commission.

During 1997 the Public Service Commission Act and the Public Service Laws Amendment Act were passed by Parliament, leading to a new model for state administration.

The Commission has developed a Code of Conduct that sets out standards of professional behaviour and a new approach to evaluation of critical performance areas in the public service.

### 6.3.26. Vote 28: Public Works

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	100 125	103 620	109 855
Provision of land and accommodation	3 708 633	3 804 516	4 029 768
National Public Works Programme	14 292	14 452	117 772
Auxiliary and associated services	12 992	10 992	8 992
<b>Total</b>	<b>3 836 042</b>	<b>3 933 580</b>	<b>4 266 387</b>

#### Expenditure trend

The Public Works budget increases by 24 per cent to R3 836,0 million in 1998/99, and is expected to grow to R4 266,4 million in 2000/01. This includes significant increases in capital works for Justice, Correctional Services and Police, and increased provision for maintenance of buildings. The Department of Public Works has two functions :

- ◆ to provide land and accommodation to national departments; and
- ◆ to promote and facilitate job creation, skills development and capacity building in the delivery of infrastructure.

#### Land and accommodation

In so far as the provision of land and accommodation to the national departments is concerned, the following initiatives were launched or consolidated in 1997/98 and will continue to grow in the medium term:

- ◆ The implementation of the asset procurement and operating partnership initiative has reached the stage where Requests for Qualification have been evaluated and a short list of tenders has been announced for four projects of the Department of Correctional Services. It is anticipated that a request for proposals (tenders) will be made at the latest by early March 1998;
- ◆ The implementation of the affirmative procurement policy has, over a 12 month period, resulted in 1 619 out of 3 423 tenders being awarded to qualifying firms. These contracts were valued at R400 million. The premium paid for awarding these contracts to qualifying firms was 0,8 per cent;
- ◆ A rapid delivery procurement system to shorten the delivery period of buildings was implemented, reducing delivery times of buildings by as much as 50 per cent;
- ◆ The number of properties listed on the state asset register increased by 133 000 during the period April 1997 to January 1998;
- ◆ The Department has embarked on a programme to ensure accessibility to government buildings for disabled people;

- ◆ The ground work has been laid for the outsourcing of workshops, horticulture, cleaning and security services, with an expected saving of R77 million per year; and

It has been agreed that the budget structures should be adapted to show the costs of accommodation per departmental vote. This will promote transparency by allowing Parliament to get a clear picture of both the operating costs of a department as well as its accommodation costs.

**National public works programme**

One of the major thrusts of the national public works programme is the community based public works programme which was initially funded by an allocation from the RDP Fund and has received an allocation of R85 million in 1997/98 from the funds set aside for poverty relief by the Minister of Finance. During 1998/99 the thrust of the programme will shift towards the creation of productive assets and assets that improve access to markets for rural communities.

**Emerging contractors development**

The emerging contractor development programme, which is aimed at empowering small contractors to participate more effectively in mainstream construction activities, was launched in 1997 in the Cape Town region and help desks will be established in all regions in 1998. These will assist contractors by providing information on matters such as tendering and quoting procedures and by rendering external support such as training, finance and supplies.

**White Paper on Public Works**

The Department launched its White Paper "Public Works: towards the 21<sup>st</sup> century" in November 1997, after an intensive process of consultation and efforts to determine best practice. This reflects the Department's intention to establish a strategy that demonstrates how South Africa's broader socio-economic objectives will be met in part through expanded investments in public works and dynamic changes in the Department's approach to public works programmes, property investments, property and facilities management and project management.

A Green Paper: "Creating an Enabling Environment for Reconstruction, Growth and Development in the Construction Industry" was launched in November 1997. This sets out Government's vision for an enabling strategy aimed at enhanced delivery, greater stability, improved industry performance, value for money and growth of the emerging sector. It is premised on increasing public sector demand and identifies the need for improved public sector capacity to manage the delivery process.

**The National Public Works Programme**

Approximately R350 million has been allocated to the National Public Works Programme from national budgets since 1994. The Community Based Public Work Programme (CBPWP) accounts for R250 million of this. Some provinces have added funds from their own budgets.

A 1997 evaluation of the programme found that the quality of the assets produced was exceptionally high compared to similar programmes elsewhere in the world. It found the 599 projects to be well-distributed geographically with respect to the relative poverty profiles of the nine provinces. KwaZulu-Natal, Eastern Cape and Northern Province jointly received nearly two-thirds of the nationally allocated funds.

Of those employed on the projects, 41 per cent were women and 12 per cent were youths. While the figure for women is lower than the female proportion of the population in the rural areas in which the projects operate, it is almost certainly higher than would have been the case without explicit targeting. Unfortunately, the evaluation suggests that women were often assigned the more menial jobs, that their average wages were lower, that they were generally employed for shorter periods than men, and that they were less likely than men to receive training. 37 per cent of men who were employed received training, compared to 32 per cent of women.

The evaluation results have formed the basis of the Department's current plans to fine-tune the programme and further improve targeting.

**6.3.27. Vote 29: South African Communication Service**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Corporate Services	11 704	12 321	12 912
Communication execution	20 716	21 822	22 879
Communication support	15 928	16 776	17 588
<b>Total</b>	<b>48 348</b>	<b>50 919</b>	<b>53 379</b>

**Expenditure trend**

An amount of R48,3 million has been allocated to government's central communication office in 1998/99, increasing to R53,4 million in 2000/01. No real increases in this allocation over the next 2 years are envisaged. This is in line with Government's commitment to maintain a lean central body, with enhanced communication services departments.

The restructuring of the communication strategy of government and subsequently of the SA Communication Service were reviewed by a task team, known as COMTASK, and major changes will take place during 1998/99.

The Government Communication and Information System (GCIS) will replace the present structure of SACS and is to start its work during 1998. The chief executive officer of Government's new communication service was appointed during January 1998.

**6.3.28. Vote 30: SA Management Development Institute**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	6 562	7 014	7 446
Training	8 362	8 705	9 034
Auxiliary and associated services	9	9	9
<b>Total</b>	<b>14 933</b>	<b>15 728</b>	<b>16 489</b>

**Expenditure trend**

The South African Management Development Institute (SAMDI) is mandated to provide training for public servants. Its primary focus is to provide high quality programmes in the areas of leadership and management training, training of trainers, provisioning management and administration, human resource management and support for adult basic education, and training for government employees.

**Institutional strengthening**

During the past two years the Institute was engaged in a major institutional strengthening programme as a response to the demands of the public service transformation agenda.

The Institute is developing partnerships with other high calibre training providers within South Africa as well as the international training community.

With the present allocation of personnel and budgetary resources, training of about 12 000 public servants per annum can be undertaken.

SAMDI is a training-rendering Institute of which personnel expenditure represents 77 per cent of the budget (transfer payments excluded).

**6.3.29. Vote 31: South African Police Service**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	3 486 563	3 634 625	3 768 488
Crime prevention and response service	7 652 327	8 183 552	8 668 993
Detective services	2 570 424	2 679 969	2 743 411
<b>Total</b>	<b>13 709 314</b>	<b>14 498 146</b>	<b>15 180 892</b>

The SA Police Service budget is projected to increase from R13 709,3 million in 1998/99 to R15 180,9 million in 2000/01.

The Constitution prescribes the establishment of a national Police Service that is to be representative, legitimate, impartial, transparent and accountable - one

that upholds and protects the fundamental rights of all people and carries out its mission in consultation and cooperation with, and in accordance with the needs of the community.

**Policies, programmes and plans**

The Police Service has embarked on an overhaul of its management processes, methodology, mechanisms and capacity, together with a strategic review of functions and priorities.

**Security cluster**

The national crime prevention strategy forms part of the strategy for the security cluster. The objective of the strategy is to coordinate, align and facilitate crosscutting initiatives between the relevant departments and other role-players. The implementing agencies are the departments, provincial and local government structures, private sector management organisations and other institutions.

**Projects**

Approved projects include the development of an integrated justice system, including crime scene handling, case management, court management and automatic fingerprint identification system; diversion; rehabilitation; community corrections; border control; victim empowerment; firearms proliferation; corruption; commercial crime; vehicle crime; drugs; environmental design; and local crime prevention.

**Priorities**

Several policing priorities have been identified within the crime prevention strategy:

- ◆ detection of illegal firearms;
- ◆ combating criminal organisations;
- ◆ crimes against women and children; and
- ◆ corruption within the criminal justice system.

**Crimes against women and children**

Informing vulnerable groups of their rights and enhancing the quality of service provided to victims are priorities. While the National Crime Prevention Strategy will begin to address the longer term root causes, the SAPS will primarily focus on ensuring better care for women and children when they report crimes against themselves.

**Corruption within the system**

The aim is to reduce the incidence of corruption within the criminal justice system by increasing detection, apprehension and/or dismissal of offenders by amongst others encouraging, supporting and rewarding the reporting thereof.

**Organisational focus areas**

To achieve these objectives, the Police Service needs to build the necessary capacity and support systems in the following organisational focus areas: Improving the quality of investigative services; introducing a victim-centred approach to investigation; budget and resource management; performance appraisal and service monitoring; affirmative training; and communication.

The goal will be to build “pockets of excellence” geographically as well as in core functional areas and then to extend these skills nationally. A service delivery improvement programme will form the basis of this.

**Diversion**

The goal of the diversion programme within the Police Service is to ensure optimal utilisation of investigators on priority crimes, to focus policing resources on identified priority crimes and further divert the workload of the criminal justice system, specifically courts and prisons. Therefore, other options for dealing with less serious crime will be considered. This will include initiatives such as spot fines and warnings.

Although the diversion programme is internally focussed, it will have a knock-on effect through the rest of the justice system in that the burden on the Departments of Justice and Correctional Services will be lightened.

**Personnel expenditures**

Personnel spending represents over 80 per cent of total expenditure. In order to achieve a better balance between personnel costs and other spending and to reach a headcount between 120 000 and 123 000 fully equipped personnel over the next five years, the following action plans have been initiated:

- ◆ reduced absenteeism;
- ◆ release of administrative staff into operational and basic policing duties;
- ◆ replacement of trained police officials in administrative positions by civilians;
- ◆ Accelerated training and development; and
- ◆ Diversion.

This initiative will be supported by the restructuring of the use of police reservists and promotion of representivity, productive utilisation of personnel and improved service motivation.

**6.3.30. Vote 32: Sport and Recreation**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	13 327	13 795	14 406
Sport advancement	10 881	11 406	11 859
Recreation advancement	7 677	8 207	8 673
Sport services	7 781	8 310	8 772
Sport development	42 746	11 272	11 729
<b>Total</b>	<b>82 412</b>	<b>52 990</b>	<b>55 439</b>

The 1998/99 budget of the Department of Sport and Recreation is expected to be R82,4 million, including support for several international sporting events.

The development of sport by the Department is aimed at extending participation in sport to all people, particularly those in disadvantaged communities, and raising the standard of sport at all levels.

**Sport advancement** Sport advancement is one of the core functions of the Department. It has assisted various sport federations in the organisation of international events locally, and in their participation in events abroad. In the Department's attempts to strive for increasing the participation of women in all spheres of sport and recreation, a Women's Day was organised and empowering workshops held.

The Department made transfer payments totalling R15 million in 1997/98 to national sports federations to support them in their activities.

The Department has launched a research project to monitor the impact of the introduction of recreation programmes in rural communities.

**Sports projects** The SANGALA project which involves senior citizens, street children and young children in various community activities reached 700 000 participants during 1997 and aims for 1,1 million participants with the recommended allocation for 1998/99.

The Department has had oversight over the construction of approximately 185 sports facilities that were financed from its own budget and with donor funding. Further, there are nine facilities, one in each province, being built at a total cost of R50 million, which should be completed before the end of 1998.

A White Paper, entitled "Getting the Nation to Play" has been approved by Cabinet and will be published during 1998. The Department continues to promote the creation or upgrading of basic, multi-purpose sport facilities in disadvantaged areas and the development of the human resource potential required for the effective management of sport and recreation in South Africa.

**Commission of inquiry** A judicial commission has been appointed to investigate matters relating to the running of rugby by SARFU. It is estimated that the work of the Commission will cost R1,3 million.

### 6.3.31. Vote 33: State Expenditure

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	26 915	27 848	28 628
Expenditure management	23 432	23 786	24 101
Purchase management and logistics control	17 208	17 869	18 538
Financial management and reporting	146 791	154 434	161 498
Computer services	101 042	75 078	84 699
Auxiliary and associated services			
Secret services	800 000	850 000	850 000
Other subprogrammes	114 468	115 961	117 427
<b>Total</b>	<b>1 229 856</b>	<b>1 264 976</b>	<b>1 284 891</b>



<b>Expenditure trend</b>	<p>Projected expenditure on the State Expenditure vote increases from R1 229,9 million in 1998/99 to R1 265,0 million in 1999/00 and R1 284,9 million in 2000/01. The Department provides financial services to the entire public sector, including the provinces. Funds are made available to support the goals of public accountability and economic efficiency in the management of the State's finances and movable property.</p> <p>An amount of R100 million per year is allocated over the MTEF period to financial and personnel management information systems support. These amounts are intended to implement measures for improved financial control. The following aspects will be promoted: audit of the financial components within organisational structures, audit of the competence, experience and training needs of financial management personnel, implementation of financial and personnel management systems and a management information system, promoting sound budgeting procedures and controls to ensure proper cash flow management.</p>
<b>IT systems</b>	<p>State Expenditure is responsible for rendering an effective computer service to Government. The mainframe of the Central Computer Service also needs to be upgraded. It has been decided to rationalise the number of mainframes in Government while phasing out the Unemployment Insurance Fund's computer. The 1998/99 budget includes provision for a new mainframe computer system.</p>
<b>Disaster recovery</b>	<p>The Department is coordinating a computer recovery strategy for the various mainframe computer information systems in use in Government. This project focuses initially on the SA Revenue Service, SA Police Service systems and the Central Computer Service.</p>
<b>Secret Services</b>	<p>The State Expenditure budget includes provision for the National Intelligence Agency and the South African Secret Service.</p>

### 6.3.32. Vote 34: Trade and Industry

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	49 106	46 976	45 548
Industrial sector strategy	80 290	77 970	77 146
Investment support	771 531	775 546	801 716
Small business promotion	77 152	77 345	79 692
Trade facilitation	788 962	782 365	795 259
Trade policy and global repositioning	25 722	25 719	26 415
Business environment regulation, consumer services and fair trade	61 168	58 845	57 498
Standards and industrial environment	93 008	96 903	101 156
Technology enhancement in industry	408 602	427 323	448 335
Policy analysis and research	14 185	13 792	13 668
<b>Total</b>	<b>2 369 726</b>	<b>2 382 784</b>	<b>2 446 433</b>

The amount allocated to the Department of Trade and Industry is projected to increase from R2 369,7 million in 1998/99 to R2 446,4 million in 2000/01. The budget has fallen in recent years because of the phasing out of the government export incentive scheme. The funds allocated to the Council for Scientific and Industrial Research and the SA Bureau of Standards of R388,5 million for 1998/99 are included in the budget of the Department of Trade and Industry.

**Supply side measures** The budget reflects a shift in expenditure towards supply-side programmes in the fields of technology promotion, small business development, black economic empowerment and targeted investment support. These supply-side measures will assist downstream manufacturing, rapid technical and design change and the training of highly skilled human resources.

Progress in the policies and programmes is as follows:

- ◆ The technology and human resources for industry programme, which makes provision for support of the movement of personnel between tertiary institutions and industry, presently involves 110 firms of which 30 per cent are small and medium enterprises.
- ◆ The support programme for industrial innovation has completed 115 projects, generating R797 million of sales of which R87 million was exports, and providing 1 790 job opportunities.
- ◆ The tax holiday scheme and the small/medium manufacturing development programme became fully operational during the 1997/98

financial year with 42 projects worth R1 billion and the creation of 3 700 new direct job opportunities.

- ◆ The industrial participation policy, which came into being in September 1996, has led to 12 contracts with the potential of generating revenue of R2,6 billion.
- ◆ The sector partnership fund is operational and one application valued at R0, 5 million has been approved.
- ◆ A framework proposal for an improvement in competition policy has been circulated for discussion and a revamped competition policy and competition law will be implemented in the 1998/99 financial year.
- ◆ The National Empowerment Fund is being set up and will be operational in the 1998/99 financial year as a new supply-side measure with the objective of increasing the participation of previously disadvantaged people in mainstream economic activities.
- ◆ The cabinet investment cluster consisting of 13 national departments responsible for investment and infrastructure, began to co-ordinate its work during 1997. The work programme has been reported to the Intergovernmental Forum which has accepted the proposed framework as a basis for intergovernmental cooperation on investment. A database of programmes and investment opportunities identified by national and provincial departments is being compiled.
- ◆ Custom tariff reform investigations, including reviews of the motor industry development plan, clothing and textile industries, as well as reviews and revisions in respect of the tariff dispensations of a number of agricultural, processed agricultural, chemical, metal, machinery and electronic products, have been undertaken in 1997/98.

### Small Medium and Micro-Enterprise

The Department of Trade and Industry has created Ntsika Enterprise Promotion Agency (NEPA), Khula Enterprise Finance Limited and the Centre for Small Business Promotion to promote small, medium and micro-enterprises (SMMEs).

In addition to government funding, these institutions have received funding from overseas donors of about R500 million. This support partly reflects concern with gender equity as women tend to be more represented in smaller enterprises. International experience also suggests that income accruing to women is more likely to be spent on basic goods and services for other family members, and that women borrowers are better than men at repaying loans.

Khula provides credit guarantee schemes to banks for loans to SMMEs. By March 1997 138 credit guarantees had been issued and a total of R42m mobilised in bank funds. The 138 loans issued between January and March 1997 are estimated to have created or sustained 2 760 jobs. Applications for funding from Khula are evaluated on the basis of location, the extent to which their target market involves manufacturing enterprises, and the gender profile of the target market.

### Trade negotiations

South Africa and the European Union (EU) are completing negotiations with a view to concluding a trade and development agreement. South Africa presented its offer to the EU on the dismantling of tariff barriers on all trade, with special arrangements for products or sectors undergoing major structural changes in 1997. South Africa's offer was a product of interactive discussions in NEDLAC.

The Department implemented six international agreements on investment promotion and protection in 1997.

A financial services offer to the World Trade Organisation (WTO) has been concluded, and is awaiting ratification in Parliament during 1998. Similarly, a telecommunications services offer was formulated and ratified by Parliament in 1997. South Africa has responded to WTO reviews on legislation regarding subsidies, in particular the motor industry development plan, and notification in this regard occurred.

### Ntsika Enterprise Promotion

Ntsika Enterprise Promotion Agency offers non-financial support to providers of services to small enterprises. These providers gave assistance to about 12 000 potential entrepreneurs during 1997.

### Wholesale financial support

Khula Enterprise Finance Limited was established in 1996 to improve access of small enterprises to finance. The Credit Guarantee Division of Khula has seen an upsurge in business activity and Khula embarked upon an intensive marketing campaign aimed at the branches of the banks. Khula has recently signed an agreement on financial and capacity building support to non-governmental organisations with the Swedish international development cooperation agency.

**6.3.33. Vote 35: Transport**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	30 852	31 953	32 086
Civil aviation authority	38 760	34 918	35 199
Shipping	65 913	65 591	68 958
Roads	662 106	1 000 366	1 100 727
Land transport	2 341 185	2 506 151	2 697 231
Road traffic	87 853	68 372	64 805
Research and development	19 280	20 333	21 135
Auxiliary and associated services	1 791	1 828	1 901
<b>Total</b>	<b>3 247 740</b>	<b>3 729 512</b>	<b>4 022 042</b>

**Expenditure trend** The Transport vote will increase from R3 247,7 million in 1998/99 to R4 022,0 million in 2000/01. Capital spending increases from R741,7 million to R1 152,5 million over this period.

**Policy priorities** The key elements of transport policy reflect, firstly, the need for government's role to change from being actively involved in operations to becoming strategically focussed on policy, planning and the minimum practical regulation required to provide an efficient transport system.

The second major element is to change the institutional arrangements for the provision of transport so as to ensure effective coordination between the three levels of government and between government and the private sector.

The third major element is to promote integrated planning processes and initiate projects geared towards maximising transport's role in realising South Africa's social and economic development priorities.

**Moving South Africa** The Department has initiated a project, "Moving South Africa", which will identify the key requirements for the next 20 years and position it to meet both the international challenge of global competition and the domestic challenge of satisfying the people's needs for increased mobility and access to work, services and recreational facilities.

**Service agencies** In the area of restructuring the Department, the aim is to separate government's policy and regulatory role from its executive functions. Four areas where it is possible to provide a dedicated service, funded by user charges and managed at arm's length from government as commercial agencies, have been identified. The establishment of such agencies will have the important effect of relieving the Treasury of the current subsidy burden and allowing for the redirection of fiscal resources to priority areas of social and economic delivery.

The areas in which agencies will be created are: cross-border permits for goods and passengers; maritime and aviation safety; and national roads. Their

introduction, planned to begin in April 1998, will reduce the staff of the Department of Transport from over 1 000 to about 250 people, will result in additional financial savings. Government will retain policy, regulatory and financial control of all four agencies.

**Civil aviation**

The primary aim of the Civil Aviation line function is to maintain a competitive civil aviation environment which ensures safety in accordance with international standards and enables the provision of air services in a reliable and efficient manner, and improving levels of service and cost while contributing to the social and economic development of South Africa and the region. An investigation into the establishment of a Civil Aviation Safety Agency recommended that it be established in 1998.

**Shipping**

The Shipping function aims to encourage and support the South African maritime transport industry and promote maritime safety. The Department is currently in collaboration with other role players to develop a voluntary ship reporting system for vessels around the SA coastal waters, as well as investigate the feasibility of a National Ports Authority.

**National Roads**

The key policy thrust of the roads function is to provide, and properly maintain, a primary road network which meets with the needs of inter-city road travel throughout the country in an economic, efficient and safe manner.

During 1997/98 programmes were focussed on:

- ◆ establishing a National Roads Agency;
- ◆ developing a sound financial base for roads, including public/private partnerships in financing through concessions and development corridors;
- ◆ promoting improved road technologies and maintenance of assets;
- ◆ coordination with provincial road administrations to improve roads administration; and
- ◆ investigating technological advances which promote and enhance the role of transport in the economy and development.

**Land Passenger Transport**

The Land Passenger Transport function encompasses all forms of public and private passenger movement on land, including the rail, bus, minibus-taxi, metered taxi, light delivery vehicle, private motor car, motor cycle and bicycle travel modes as well as pedestrian movement, and covers all passenger movements from short distance urban transport to long distance inter-city and rural transport.

During 1997/98, programmes were focussed on the refinement of the policy principles contained in the White Paper on National Transport. This includes projects such as demonstration projects on spatial development initiatives, transport authorities, transport demand management, transport for people with disabilities, a global positioning system for the monitoring of bus contracts and the development of a land transport information framework for the three spheres of Government.

**Road Traffic Management**

The overall thrust of the Road Traffic Management programme is to ensure an acceptable level of quality in road traffic, with an emphasis on road safety.

During 1997/98, the implementation of the road traffic management strategy, which was approved during 1996/97, commenced. A revised syllabus for the training of traffic officers was implemented from January 1998. The Traffic Management Mode for Traffic Authorities was deployed at 67 local and provincial departments. A major country-wide road traffic safety campaign, called "Arrive Alive", was implemented, involving provincial and local traffic authorities over the period October 1997 to January 1998.

The preparation of legislation and an implementation strategy for the creation of a Cross-Border Road Transport Permit Agency, to start functioning in April 1998, was also finalised.

**6.3.34. Vote 36: Water Affairs and Forestry**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	106 074	117 055	122 042
Water resource assessment	51 851	59 374	62 077
Water resource planning	86 396	93 200	95 084
Water resource development	252 014	283 715	293 122
Regional implementation	1 247 001	1 324 562	1 517 337
Integrated water resource management	80 288	83 791	86 767
Water services	143 795	146 724	152 976
Forestry	354 626	370 382	310 501
<b>Total</b>	<b>2 322 045</b>	<b>2 478 803</b>	<b>2 639 906</b>

**Expenditure trend**

The Water Affairs and Forestry budget is projected to increase from R2 322,0 million in 1998/99 to R2 639,9 million in 2000/01. Capital expenditure grows from R1 537,2 million to R1 785,3 million over the period.

**Main functional areas**

The Department of Water Affairs and Forestry has three main functional areas: water resources management, water services (previously called community water supply and sanitation) and forestry.

**Water resources management**

During 1996 Cabinet approved the "Fundamental Principles and Objectives for a New Water Law" which paved the way for the "White Paper on a National Water Policy for South Africa", adopted in April 1997.

To advise on water policy matters, a representative National Water Advisory Council has been established.

A National Water Bill to be tabled during 1998 will replace the existing Water Act of 1956. It will ensure that water is available to meet the needs of all South Africans well into the 21st Century on an equitable and sustainable basis.

Planned new projects include:

- ◆ The R248 million transfer of water from the Mooi to the Mgeni River to supply Umgeni Water, being developed as an off-budget project for implementation in 1999/00;
- ◆ Repairs to the Tugela-Vaal canal, to be rendered via the Government Water Schemes Trading Account;
- ◆ Mvoti Dam – R150 million water supply to communities in the Stanger area in KwaZulu/Natal;
- ◆ Luvuvhu Project – R596 million water supply in the Northern Province to about 600 000 people including Thohoyandou and Louis Trichardt; and
- ◆ Skuifraam Dam – R632 million augmentation of water supply to the Greater Cape Town Metropolitan area.

Progress on the critical Lesotho Highlands Water Project (LHWP) has continued to be satisfactory. Phase 1A of the LHWP was opened on 22 January 1998 and the contracts for the next subphase have been awarded. Other planning and construction projects, such as the Komati River Project, which is a joint project with the Government of the Kingdom of Swaziland, are also on track.

#### **Water services**

The Water Services Act was passed at the end of 1997. The Act will provide a regulatory and implementation framework through which local government will be assisted to plan new projects and to ensure that the new services are delivered. The Act also clarifies the relationship between various water services institutions.

As at September 1997, 1 020 water supply projects were identified, underway or completed and will ensure that a total of 8,9 million people gain access to water supplies and 100 000 to adequate sanitation. R725 million was spent to deliver water to over 1 200 000 people previously not served. Between January and July 1997, 569 000 people were supplied with water services.

#### **Forestry**

The Forestry White Paper was published in March 1996, and laid the foundation for the establishment of the National Forestry Advisory Council in 1997. The National Forestry Action Programme, which translates the new policy into concrete action steps, was developed and launched during 1997.

With the support of labour and management of SAFCOL, the state forestry company, a decision was taken in November 1997 to place special emphasis on encouraging private investors to develop the forest potential of the Eastern Cape.

By July 1997, a total of 924 major community forestry projects and 2 567 minor projects were initiated throughout the country. All these activities are coordinated through the National Forestry Action Programme.



**Working for water**

The working for water programme which is a successful public works programme, employing and training previously unemployed women and men, has proceeded successfully. Some 38 000 jobs have been created, mainly benefiting women.

As part of the Government's poverty relief programme, the working for water programme was allocated R150 million in November 1997 to spend on alien vegetation clearance programmes.

### Basic Water Supply

In late 1995 only a third of African households and less than three-quarters of coloured households had running tap water inside their dwellings, compared to 97 per cent of Indian and white households. Outside urban areas only 12 per cent of African households had an inside tap and 21 per cent had a tap on the site, while 28 per cent were collecting water from a river, stream, dam or well and 16 per cent from a borehole. One in six African households who had to fetch water were forced to travel at least a kilometre to do so.<sup>2</sup> In 1993 the average time spent on the task by members of rural African households forced to collect water was 1 hour and 40 minutes. The average time spent by individual women who collected water was over an hour, at 74 minutes. Just under half of rural African women over the age of 18 were spending part of their time collecting water.<sup>3</sup>

A programme to supply water is one of the Presidential Lead Projects of the Reconstruction and Development Programme. One thousand days after the 1994 elections more than a million people had benefited from the ready availability of fresh, safe water for the first time in their lives. By the end of October 1997 the programme had provided basic water supply and sanitation to approximately 1,2 million people and spent approximately R800 million on the more than 1 000 projects initiated since 1994. Of the 195 878 jobs created by the twelve Presidential Lead Projects initiated in 1994/5, 25 750 (13 per cent) were reported to have been taken up by women and 12 516 (6 per cent) by youths.

In late 1997, on the basis of available information, the estimated involvement of women in various roles was as follows:<sup>4</sup>

<b>Role</b>	<b>per cent women</b>
Employees on schemes	14
Trainees on schemes	16
Contractors	0
Consultants	25
Steering committee members	20

The Department has initiated the Working for Water Programme as part of its national water conservation campaign. The programme provides for the employment of local people in the clearing of invasive alien plants. By doing so it both enhances the available water supply and provides much-needed employment. In May 1997, 7 400 previously unemployed people, of whom more than half were women, were working on the Working for Water Programme. Meanwhile the Forestry division of the Department has encouraged the planting of trees in community woodlots. Many of these are managed by local women's groups.<sup>5</sup>

<sup>2</sup> Central Statistical Service. 1996: Living in South Africa: Selected findings of the 1995 October Household Survey. Pretoria: 32

<sup>3</sup> Calculations by Ingrid Woolard

<sup>4</sup> Personal communication, Hugh Sussens

<sup>5</sup> Department of Water Affairs and Forestry. 1997. The Magic of Delivery: Water to 1 million persons, and 3,6 million trees plants in 1 000 days. Pretoria, and other information provided by Departmental staff.

**6.3.35. Vote 37: Welfare**

	Medium term expenditure estimates		
	1998/99	1999/00	2000/01
	R'000	R'000	R'000
Administration	32 587	32 356	31 954
Population unit	9 280	10 204	11 037
Strategic policy development and planning	115 115	115 027	14 974
Social development	8 034	8 995	9 795
Social welfare services	12 144	12 495	11 129
Auxiliary and associated services	80	111	118
<b>Total</b>	<b>177 240</b>	<b>179 188</b>	<b>79 007</b>

<b>Expenditure trend</b>	The Welfare vote amounts to R177,2 million in 1998/99, falling to R79,0 million in 2000/01. The budget includes R100 million in each of the next two financial years for enhancing the financial management of social grants programmes.
<b>National Population Unit</b>	It is the aim of the National Population Unit to develop and maintain integrated national population and related policies and planning. The Unit is also committed to strengthening intersectoral collaboration and human resource development to initiate technical population support to other departments after the inter-relationships between population and development have been analysed and interpreted.
<b>Policy development</b>	Cabinet approved that a national social security system be phased in from 1998, and that it should be fully operational by the year 2000. Technical work is in progress, including evaluation of information system needs.
<b>Child support grant</b>	Cabinet has approved the introduction of the child support grant and the phasing out of the state maintenance grant over three years. The child support grant will be targeted at children under the age of seven years and will be paid to a primary care-giver at the level of R100 per month.
<b>Welfare Laws Amendment Act</b>	The Welfare Laws Amendment Act was published and the associated regulations are now under review to: <ul style="list-style-type: none"> <li>◆ introduce the child support grant;</li> <li>◆ introduce uniformity, equality of access to, and regulation of social assistance; and</li> <li>◆ reassign some powers to the national Minister for Welfare and Population Development, who in turn may delegate powers to the provinces.</li> </ul>

- Data audit** The Department has initiated a review of social grants data to establish an accurate data base of social security beneficiaries. It was discovered that the amalgamated data amounting to 3,2 million records contained duplicate records, beneficiaries with invalid ID numbers and many incomplete records.
- The Department has embarked on a major drive to re-register all beneficiaries of social grants and pensions. The process will last 18 months and is estimated to realise savings of about R1 billion per annum. The estimated cost of the project is approximately R110 million. Progress has already been made in the Free State and Eastern Cape and preparations are underway in all other provinces.
- Social welfare services** The Social Welfare Action Plan has been developed as a guideline for the implementation of the White Paper for Social Welfare.
- Victim empowerment** An integrated policy framework and model for victim empowerment in South Africa have been developed with a particular focus on violence against women. Crime prevention summits were held in all the provinces with victim empowerment as an issue at each of these summits.
- Secure care** The interim policy recommendations drafted by the Inter-Ministerial Committee on Young People at Risk represent an integrated policy framework for a transformed child and youth care system. Progress has been made in all provinces to establish secure care facilities and two such facilities are operational.
- Criminal diversion** An adult diversion programme is being developed as part of the national crime prevention strategy. It will draw from the benefits of the transformation of the child and youth care system.
- Unemployed women** The “Unemployed Women with Children Under Five Programme” empowers women from local communities through training in life-skills and training in employment opportunities such as printing and vegetable farming, amongst others. Projects also allow for early childhood development programmes.
- The programme has attracted collaboration in the form of overseas and local donor funding, co-operation with local NGOs and assistance from a range of government departments and local authorities. There are currently between one and three projects within each of the nine provinces.
- Income generation programme** The Department of Welfare has launched a new income generation programme focused on women, children and youth. Community based organisations and welfare organisations that work with communities living below the poverty line will receive funding for once-off expenditure to initiate sustainable income generation programmes. Funding will take place through existing organisations that have infrastructure and management systems in place and are currently involved with development programmes. The nearly 2000 NGOs currently funded by Welfare will be utilised.
- De-institutionalisation** The Department of Welfare has embarked on a process of de-institutionalising its welfare services where it is deemed appropriate. The rationale underlying this policy shift is that communities themselves are often able to provide more appropriate social services than institutions. In these instances community care is also usually a more cost efficient alternative to institutionalisation.

### Flagship Programme for Unemployed Women with Children Under Five Years

During 1996 the Department of Welfare launched the *Flagship Programme: Developmental Programmes for Unemployed Women with Children under Five Years*. This programme is one of the first to encompass the developmental social welfare approach advocated in the White Paper for Social Welfare. This approach hopes to assist those currently needing assistance to become economically and socially independent and so escape the poverty trap.

There are between one and three projects in each province. Each project receives R400 000 in the first year, R300 000 in the second and R200 000 in the third. The table below shows the number of women and young children involved in each province, as well as the type of activity undertaken as at beginning January 1998. In addition to the listed activity, each project provides some sort of care for the young children of the women involved.

Province	Sites	Programmes	Numbers
Eastern Cape	Bizana	Vegetable garden, chickens, pigs	70 women*
	Eliotdale	Bakery	60 women*
Free State	Tsheseng Qwaqwa Vrede (planned)	Bakery, poultry	70 women
		Brickmaking	210 children
Gauteng	Bekkersdal	House of meals, food garden	85 women
	Bronkhorstspuit	Leatherwork, weaving, community kitchen	150 children
KwaZulu-Natal	Bhambanana	Poultry, spaza post office, gardening, sewing	200 women*
	Azalea, Pmb	Poultry, gardening	160 women*
Mpumalanga	Driefontein	Sewing, amazi, bread, poultry	333 women
	Nkomazi	Bricks, food, poultry	305 children
	Zaaiplaas	Poultry, food, bread	
Northern Cape	Fraserburg	Offal cleaning and marketing	40 women 50 children
Northern	Bochum district	Communal vegetable garden	92 women 117 children
North West	Mathateng	Candles, food garden, chicken rearing and marketing, sewing	130 women 327 children
Western Cape	Khayelitsha	Printing on material & paper	36 women
	Beaufort West	Community vegetable garden	32 children

\*being recruited

Projects such as the Philani Printing Project in Khayelitsha and the House of Meals in Bekkersdal have been remarkably successful as the women earn two to three times more than what they would have received from the old state maintenance grant. As important is the self-confidence and self-esteem which they are gaining.

The project has attracted collaboration in the form of overseas and local donor funding, cooperation with local NGOs, and assistance from a range of other government departments as well as local authorities.

