



National Treasury

Adjusted Estimates of National Expenditure 2009

Presentation to Parliament
28 October 2009

1



2009/10 adjusted national budget

R thousand	Main appropriation (ENE)	Additional appropriation (AENE)	Adjusted appropriation
Appropriation by vote	429 643 150	10 737 952	440 381 102
Main appropriation	429 643 150		429 643 150
Total adjustments		10 737 952	10 737 952
Roll-overs		1 493 248	1 493 248
Unforeseeable and unavoidable expenditure		4 411 134	4 411 134
Salary adjustment (national)		2 983 087	2 983 087
Unallocated amounts announced in the main budget		1 114 500	1 114 500
Function shift		4 778	4 778
Self-financing		731 205	731 205
Direct charges against the National Revenue Fund	302 919 616	13 722 176	316 641 792
Subtotal	732 562 766	24 460 128	757 022 894
Contingency reserve	6 000 000	(6 000 000)	-
Projected underspending		(3 000 000)	(3 000 000)
Declared savings		(1 500 000)	(1 500 000)
Total Estimated Expenditure Level	738 562 766	13 960 128	752 522 894

2



Unforeseeable and Unavoidable Expenditure

Requests for unforeseeable and unavoidable expenditure amounted to R28.3 billion, the Treasury Committee approved R16.4 billion

Unforeseeable and unavoidable expenditure amounting to more than R150 million has been recommended in respect of the following departments

Vote and description of expenditure	R million
General and occupation specific dispensation salary adjustments	11 983
Public Works	
Office and residential accommodation for new ministers and deputy ministers	150
Devolution of property rate funds grant to provinces	353
Basic Education	
Workbooks for grades 1 to 6 in quintile 1 to 3 schools	524
Health	
N1H1 Influenza Pandemic	160
Increased uptake of HIV and Aids care management and treatment plan	900

3



Unforeseeable and Unavoidable Expenditure

Vote and description of expenditure	R million
Communications	
Liquidity requirements of the South African Broadcasting Corporation	200
Rural Development and Land Reform	
New Rural Development programme	250
Cooperative Governance and Traditional Affairs	
To municipalities for increased cost of providing free basic electricity to poor households	509
Public Enterprises	
Denel Saab Aerostructures Indemnity Claim	192

4



Supplementary amounts - announced in 2009 Budget – s30(2)(d)

Vote	R millions
Community Works Programme	115
Recapitalisation of the Land Bank	1 000

5



Roll-overs – s30(2)(g)

Requests for roll-over of funds amounted to R2.6 billion, the Minister of Finance approved R1.5 billion. Roll-overs amounting to more than R150 million have been recommended for the following departments

Vote and description of expenditure	R million
International Relations and Cooperation	167
<i>Of which:</i> Foreign capital projects	86
Construction of the Pan African Parliament building	65
Home Affairs	150
Advanced Passenger Processing project	40
Who Am I Online project	110
Health	231
<i>Of which:</i> Forensic Pathology Services Grant and Hospital Revitalisation Grant	194
Cooperative Governance and Traditional Affairs	288
Municipal Infrastructure Grant	288
Water Affairs	232
<i>Of which:</i> Construction of the De Hoop Dam (Phase 2A).	227

6



Self-Financing Expenditure

Expenditure financed from revenue take paid into the National Revenue Fund

Vote and description of expenditure	R million
Government Communication and Information System	0.2
Funds received from the South African Broadcasting Corporation	0.2
Correctional Services	0.8
Monies collected for the hiring of offender labour	0.8
Defence and Military Veterans	239
Sale of equipment and spares procured through the General Defence Account	239
Transport	206
<i>Of which:</i> Transaction fees collected	199
Trade and Industry	16
Public Private Partnership unitary fees	16
Agriculture, Forestry and Fisheries	270
Revenue from the operations of plantations	49
Revenue from repayments of subsidies and production loans used to augment the Micro Agricultural Financial Institutions of South Africa Scheme	221
	7



Conclusion

- Declared savings for 2009/10 amount to R1.5 billion
- Projected underspending is R3.0 billion
- Declared saving and projected underspending total R4.5 billion
- In-year adjustments result in the expenditure level increasing from R738.6 billion to R752.5 billion



Adjustments Appropriation Bill, 2009

- Clause 6 of the Bill addresses allocations to and expenditure by some of the new Departments, which are still in the process of finalising their organisational structures, establishing necessary processes and systems, and completing the transfer of functions, in terms of the National Macro Organisation of State Project
- Those Departments' allocations are included within the budget votes of the "old" or "parent" departments listed in column 2 of Schedule 1
- Clause 6(2) provides for mechanisms to ensure that there is appropriate transparency and accountability in respect of expenditure for the budget votes listed in column 2 of Schedule 1, where allocations for more than one department are included within the same budget vote