



environmental affairs
Department:
Environmental Affairs
REPUBLIC OF SOUTH AFRICA

**Review of Expenditure Trends
&
MTEF ALLOCATIONS
2009/10 -2010/11-2011/12**

ISSUES FOR DISCUSSION

- YY Comparative Expenditure patterns review
- Challenges and risks identified
- Baseline and MTEF Allocations review
- Ratio of Goods and Services
- Review of Foreign Assistance and Projects
- Split review (DAFF and DEA)
- Transfers to Public Entities
- Efficiency Models and Resourcing the Department



Comparative Expenditure Patterns per Items

	2007/08 Budget R'000	2007/08 Audited R'000	2008/09 Budget R'000	2008/09 Audited R'000
Compensation of Employees	342 185	342 185	264 156	262 506
Goods and Services ***				
Other Financial Equivalents	209	209	203	
Transfers: DEAT Agencies	1 373 201	1 373 201	1 042 178	1 042 176
Transfers: Non-Profit Institutions	790 789	790 589	463 804	463 827
	18 267	19 378		
Departmental Totals	2 294 651	2 288 762	2 081 835	2 058 664
Y/Y % Spend		99%		99%



**Comparative Expenditure Patterns per Items
continued**

	2008/09 Budget R'000	2008/09 Audited R'000	2009/10 Budget R'000	2009/10 Projected R'000
Compensation of Employees	413 206	413 206	458 218	458 218
Goods and Services **				
Other Financial Equivalents	276.3	276.3		
Transfers: DEAT Agencies	1 565 800	1 565 800	1 628 800	1 628 800
Transfers: Other than Profit Inst.	855 800	855 800	857 800	857 800
	14 000	14 000		
Departmental Totals	2 480 806	2 480 806	3 910 641	3 910 641
Y/Y spend		99%		99%



Ratio in Goods and Services

	2009/10	2010/11	2011/12	2012/13
	R'000	R'000	R'000	R'000
Compensation of Employees	260 293	324 869	351 536	368 862
Goods and Services	388 117	361 441	421 135	450 030
Current Ratio	1 : 1,49	1 : 1,34	1 : 1,19	1 : 1,22
Desired Ratio including inflation adjustment	1: 1.8	1:1.9	1:2.0	1:2.2

Goods and Services exclude the following earmarked funds:
 -Smit Amanahle: SA Agulhas
 -Smit Amanahle: Vessel Operating Cost
 -Office Accommodation



FOREIGN ASSISTANCE RECEIVED AND PROJECTS FINALISED

	2006/7	2007/8	2008/9
	'000	'000	'000
EU	676	0	0
UNEP	0	0	1 170
UNESCO	0	1 092	0
NETHERLANDS	0	1 350	200
DENMARK	14 527	17 087	16 267
NORWAY	13 672	25 425	30 802
FLANDERS	2 283	0	626
TOTAL	31 158	44 954	49 065



Foreign Aid Assistance MTEF

Country	Project	2010/2011	2011/2012	2012/2013
		R'000	R'000	R'000
Denmark	Programmes and Institutional Support for Africa Institute	1 000	1 000	1 000
Tanzania	Programmers and Institutional Support for Africa Institute	146	146	146
Kenya	Programmers and Institutional Support for Africa Institute	568	568	568
Denmark	Urban Environmental Development Programme	3 385	4 326	5 338
World Bank	African Stockpile Programme	1 576	2 754	-
TOTAL		6 675	8 794	7 052



Review of split :

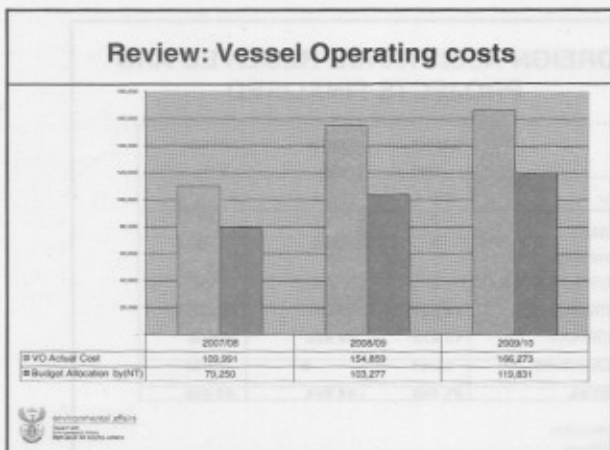
• Oceans and Coastal Management Branch

- 20% Personnel retained for Environment

	2010/11	2011/12	2012/13
Coastal and Oceans Assessment	152.9	199.2	197.3
Compensation of Employees	81.4	84.8	88.1

- 4 X Vessels retained for Environmental Management functions
- Revenue account transferred to DAFF
 - Vessel operations costs retained by DEA
 - therefore additional budget required for the below operations:-
 - For annual vessel operations costs shortfall
 - Possible additional accommodation
 - Systems, occupancy, and travel





Transfers to Public Entities MTEF

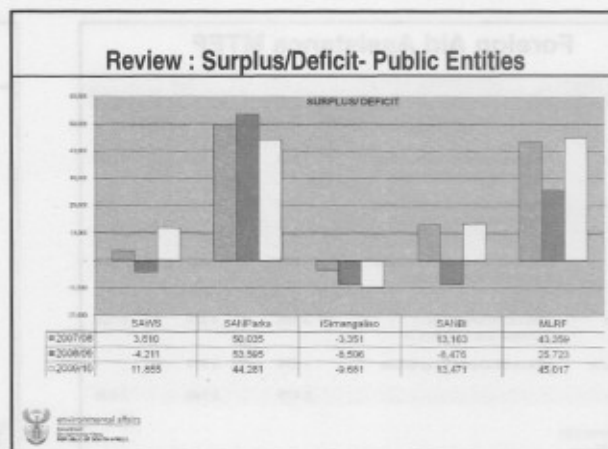
Public Entity	2010/2011	2011/2012	2012/2013
	R'000	R'000	R'000
South African Weather Services	135 915	142 469	149 671
Isimangaliso Wetland Park Authority	21 365	22 347	23 213
South African National Parks	174 718	167 698	183 163
South African National Biodiversity Institute	141 231	147 867	153 347
Total	473 229	480 381	509 395

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Infrastructure Investment MTEF

Sub Programmes	2010/2011	2010/2012	2012/2013
	R'000	R'000	R'000
South African Weather services			
Infrastructure Investment	92 500	0	0
Modernisation Programme	7 654	10 202	0
Isimangaliso Wetland Park Authority			
Infrastructure Investment	23 000	37 000	36 850
Duku Duku	0	8000	5250
South African National Biodiversity Institute			
Infrastructure Investment	10 000	10 000	10 000
Expansion Botanical Gardens	3000	5000	5200
South African National Parks			
Infrastructure Development	0	40 000	43 000
TOTAL	136 154	219 702	122 950

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Comparative Surplus/Deficit Public Entities

- Public Entities' trend suggest that most entities are realizing deficits due to non cash items. (Depreciation & Amortization)
- Cash & cash equivalents suggest that in most instances there is sufficient cash flow to cover operations for a short period of time.
- Efficiency and additional resources are considered by entities to reduce deficits.
- National Treasury will be approached for advice regarding the accounting principles for deficits and potential technical insolvencies.



Efficiency Models and Resourcing the Department

- Alternative funding & other ventures like co-funding are being explored by the department and its public entities for continued delivery of services.
- Establishment and occupancy costs are being tightly monitored for their high cost nature, or exponential increase above MTEF and inflation.
- Timing of infrastructure and capital projects are annually monitored for inflations increases
- Non-priority programmes have been removed from the MTEF
- Strict budget and expenditure monitoring is being maintained for clean audits.



Process for MTEF linkage to Strategic Plan, Deliverables and Performance



THANK YOU

