

NATIONAL ASSEMBLY QUESTION: 1702.

Mr S J F Marais (DA) to ask the Minister of Energy:

- (1) What is the detailed expenditure breakdown for the Ministry sub-programme under Programme 1: Administration in the (a) 2007-08, (b) 2008-09, (c) 2009-10 and (d) 2010-11 financial years;
- (2) (a) what was the actual budget increase each year, expressed as a percentage, for funds allocated to this sub-programme and (b) how is the increase for each specified financial year justified? NW1916E

REPLY

(1)

Financial year	Ministry	Deputy Ministry	TOTAL
2007/08**	-	-	-
2008/09**	-	-	-
2009/10	11 724	-	11 724
2010/11	20945	-	20945
2011/12	14 281	7 188	21 469

** Ministry established May 2009 shared services with DMR, Deputy Ministry established November 2010 with shared Ministry until 31 March 2011.

- (2) (a)&(b) Following the announcement of the split by the President, various options to effect the pronouncement by the President were explored in view of the scarcity of the financial resources. With the establishment of the two Ministries, a decision was taken to split the old Department of Minerals and Energy into two separate departments, namely, the Department of Mineral Resources and the Department of Energy. This was done following both departments' line function responsibilities being delineated in terms of the new portfolios with Support Services providing an uninterrupted shared service to both departments until the end of the 2009/10 financial year.

The Department was established in May 2009 as a result of the decision by the President to separate the former Department of Minerals and Energy into two independent departments. The vote was however only officially separated from the

Department of Minerals and Energy and a separate funding appropriated in the appropriation act with effect from 1 April 2010. The Deputy Ministry of Energy was only established from November 2010 onwards and a separate sub-programme implemented from 1 April 2011.

During the 2010/11 financial year, a total amount of R10.7 million was allocated for the Ministry of Energy which included the following:

2010/11 Main Appropriation - Expenditure Item	R'000
Compensation of Employees	5 303
Goods and Services	5 400
TOTAL MAIN APPROPRIATION	10 703

With the establishment of a Deputy Ministry after the outcome of the 2010/11 Adjusted Appropriation (revised budget) during November 2011, the department was required to reprioritise funding within existing baseline allocations and redirect funding to cater for expenditure associated with the establishment of the Deputy Ministry. This consequently resulted in the establishment of basic services for the ministries and increase in budget and expenditure as follows:

2010/11 Main Appropriation - Expenditure Item	R'000
Compensation of Employees	10 147
Goods and Services	10 753
Payments for capital assets	45
TOTAL MAIN APPROPRIATION	20 945

The full establishment of both the Ministry and Deputy Ministry with effect from 1 April 2011 is reflected in the medium expenditure framework (MTEF) budget allocations for the 2011/12 to 2013/14 financial years with baseline allocations increasing from R21.47 million in 2011/12 to an estimated R22.31 million in 2013/14. Amounts allocated are as follows:

2011/12 Main Appropriation - Expenditure Item	R'000
Ministry	14 281
Deputy Ministry	7 188

TOTAL MAIN APPROPRIATION	21 469
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The increase in baseline allocation during 2010/11 from R10.56 million in 2010/11 to R21.46 in 2011/12 by 50% there for reflects the establishment of the Deputy Ministry under the sub-programme: Ministry. Baseline allocations remain relatively constant over the MTEF period and are based on MTEF guidelines provided by National Treasury.