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**national treasury**

Department:  
National Treasury  
**REPUBLIC OF SOUTH AFRICA**

## **Medium Term Budget Policy Statement**

**2010**

Speech

**Pravin Gordhan**

**Minister of Finance**

27 October 2010

I am pleased to be able to table a comprehensive *Adjusted Estimates of National Expenditure* to accompany the *Adjustments Appropriation Bill* and – for the first time – a *Division of Revenue Amendment Bill*, for the consideration of the House. I cannot deal with all the adjustments in detail, but let me highlight the main points.

In total, the adjusted expenditure level is R2.5 billion lower than the February budget estimate, which included an unallocated contingency reserve of R6 billion. Contributing to this decrease is a lower provision for state debt costs due to the current strength of the rand and the decrease in interest rates, and savings declared by departments amounting to almost R2 billion.

The main additional allocations in the Adjustments Appropriation are as follows:

1. R1.8 billion in roll-overs arising from commitments related to unspent balances in 2009/10;
2. R6.2 billion to cover higher remuneration costs;
3. R396 million for various self-funding department-specific activities;
4. R2.2 billion in unforeseeable and unavoidable expenditure adjustments recommended by the Treasury Committee this year, including
  - a) R769 million to cover property rates due to municipalities on behalf of provinces, funded through the *devolution of property rate funds grant*,
  - b) R320 million for occupation-specific dispensation salary adjustments in the Department of Justice and Constitutional Development, the National Prosecuting Authority and Legal Aid South Africa,