

2021 Adjustments Appropriation Bill

Standing and Select Committees on Appropriations

Presented by: Nompumelelo Radebe

17 November 2021



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



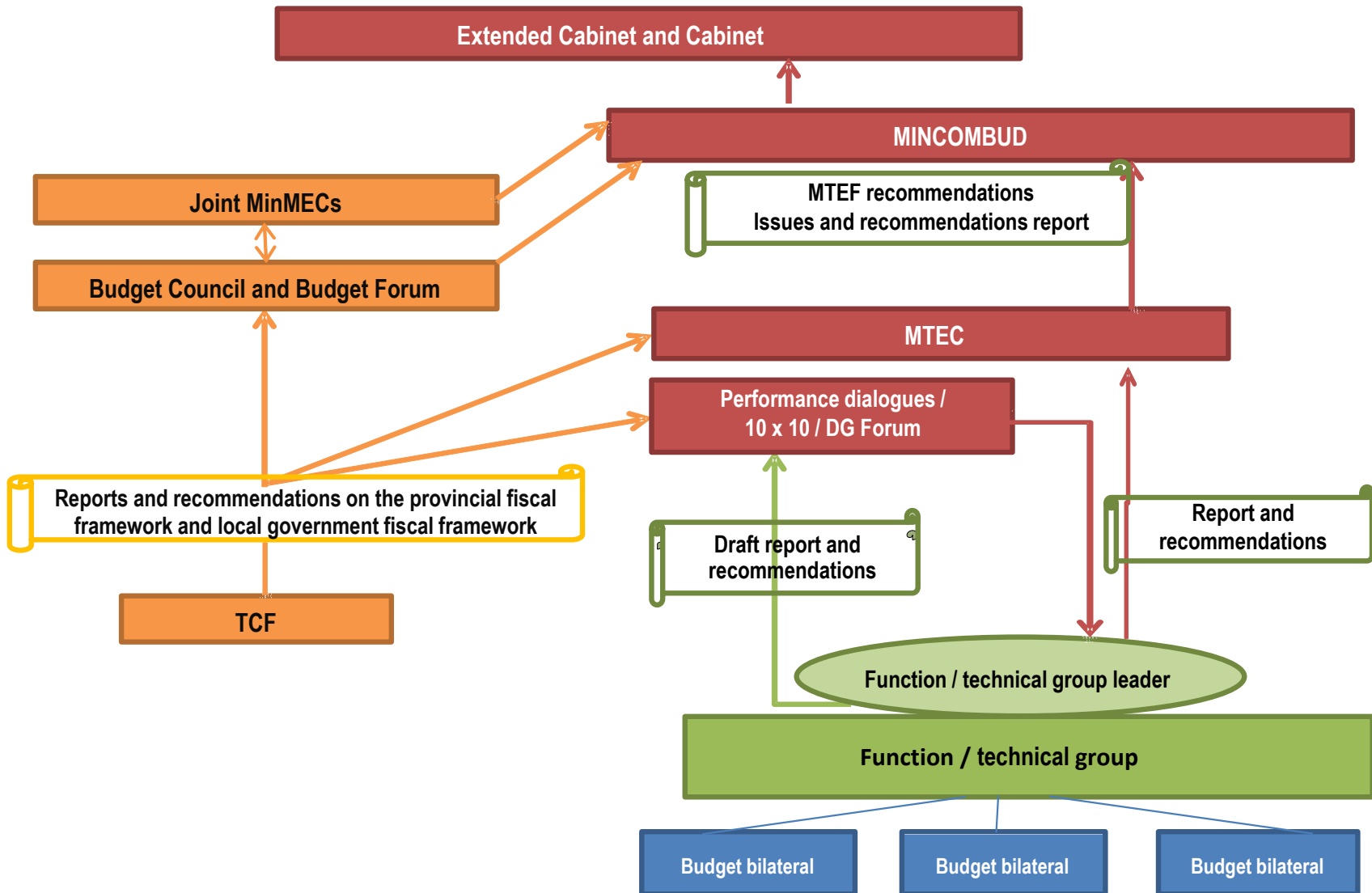
OUTLINE

1. Role players in the budget process
2. Parliamentary processes
3. Amendments to the appropriation bill
4. Components of an adjustments budget
5. 2021 adjustments appropriation bill
6. 2021/22 fiscal relief package, changes to non-interest spending and adj. expenditure estimates
7. Details of 2021/22 adjustments to spending
8. Consolidated government spending by function

ROLE-PLAYERS IN THE BUDGET PROCESS

- **Legislatures**
 - National Assembly and the National Council of Provinces
 - Appropriations Committees; Finance Committees; Portfolio Committees
 - Provincial Legislatures
- **Executive - Political**
 - Extended Cabinet
 - Cabinet
 - Minister's Committee on the Budget (MINCOMBUD)
- **Executive – Technical**
 - Medium Term Expenditure Committee (MTEC)
 - National Treasury
 - Departments and public entities
- **Required by the Constitution and Intergovernmental Fiscal Relations Act:**
 - Financial and Fiscal Commission (FFC)
 - Provincial governments - the Budget Council
 - Organised local government - the Budget Forum
 - Various intergovernmental forums exist at both the political and technical level to give effect to the constitutional imperative for cooperative governance

EXECUTIVE: TECHNICAL AND POLITICAL STRUCTURES



PARLIAMENTARY PROCESSES

The Money Bills Amendment Procedure and Related Matters Amendment Act, 2018 requires that after the tabling of a national adjustments budget:

- Section 12(2) – An Adjustments Appropriation Bill must be tabled with a national adjustments budget
- Section 12(15) – In the event of a revised fiscal framework, an Adjustment Appropriation Bill must be referred to the Committee on Appropriations of the National Assembly only after the Division of Revenue Amendment Bill is passed by Parliament
- Section 12(16) – The standing rules must provide for—
 - a) the Committee on Appropriations to report comments on and amendments to the Adjustments Appropriation Bill;
 - b) other committees to consult with the Committee on Appropriations on amendments to transfer payments, recurrent and capital expenditure of a vote or a main division within a vote, taking into consideration the reports referred to in section 5(2) or any other report adopted by the House; and

PARLIAMENTARY PROCESSES (2)

c) the Committee on Appropriations to mediate between committees proposing conflicting amendments to the Adjustment Appropriation Bill; and

d) the Committee on Appropriations to recommend to the House that proposed amendments by other committees are rejected where those amendments are inconsistent with the fiscal framework, the adopted Division of Revenue Bill or not motivated adequately in terms of this section.

- Section (17) – The Minister must be given at least 4 days to respond to any proposed amendments to the Adjustment Appropriation Bill by the Committee on Appropriations.
- Section (18) – The report of the Committees on Appropriations must—
 - a) comply with section 10(10); and
 - b) include comments of the Minister to any proposed amendments.
- Section (19) – The Committee on Appropriations must report to the relevant House within 30 days after the tabling of the national adjustments budget.

PARLIAMENTARY PROCESSES (3)

In short:

- Parliament votes first on the Fiscal Framework, then Division of Revenue Bill and then the Appropriation Bill
- Any amendment to the Appropriation Bill must be consistent with the adopted Fiscal Framework and Division of Revenue Bill as passed by Parliament

In practice:

- *The fiscal framework:* total resource envelope for government
- *The vertical division of revenue:* distribution of resources across the 3 spheres of government
- *The appropriation bill:* distribution of resources across 41 national votes
- Thus any amendments to allocations for votes in the appropriation bill implies additions to one vote must come from reductions to another vote

AMENDMENTS TO AN APPROPRIATION BILL

A report of the Committee on Appropriations to the House that proposes amendments to the main Appropriation Bill must, in respect of each amendment—

- Indicate the reason for such proposed amendment
- Demonstrate how the amendment takes into account the broad strategic priorities and allocations of the relevant budget
- Demonstrate the implications of each proposed amendment for an affected vote and the main divisions within that vote
- Demonstrate the impact of any proposed amendment on the balance between transfer payments, capital and recurrent spending in an affected vote
- Set out the impact of any proposed amendment on service delivery; and
- Set out the manner in which the amendment relates to:
 - prevailing departmental strategic plans
 - reports of the Auditor General
 - committee reports adopted by a House
 - reports in terms of section 32 of the PFMA
 - annual reports and
 - any other information submitted to a House or committee in terms of the standing rules or on request.

COMPONENTS OF AN ADJUSTMENTS BUDGET

- The Public Finance Management Act, Act 1 of 1999 (PFMA), section 30(2), states that the adjustments budget may provide for:
 - Significant and unforeseeable economic and financial events affecting the fiscal targets set by the annual budget
 - Unforeseeable and unavoidable expenditure recommended by a committee of Cabinet and through section 6 of the Appropriations Act
 - Any expenditure in terms of section 16, which governs the use of funds in emergency situations
 - Money to be appropriated for expenditure already announced by the Minister during the tabling of the annual budget
 - The shifting of funds between and within votes
 - Utilisation of unspent funds under a main division of a vote to defray excess expenditure in another main division, in terms of section 43 of the PFMA which governs the use of virements and section 5 of the Appropriation Act; and
 - The roll-over of unspent funds from the preceding financial year

2021 ADJUSTMENTS APPROPRIATION BILL



- The *Adjustments Appropriation Bill* provides for increases or decreases to allocations set out in the main Appropriation Act, including shifts in the anticipated economic classification of this spending
- Adjustments to allocations to provinces and municipalities are set out in the *Division of Revenue Amendment Bill*
- The *Adjusted Estimates of National Expenditure publication* explains national changes in detail, together with in-year performance and expenditure information
- Shifts of allocated expenditure and other adjustments are subject to the PFMA and its regulations as well as section 5 of the Appropriation Act, 2021
- The adjustments budget serves both to effect necessary changes and to contribute to in-year oversight and management

STRUCTURE OF THE 2021 ADJUSTMENTS APPROPRIATION BILL

- A vote purpose is set out for each vote
- The Bill is divided by vote and by main division (programme) within a vote
- Adjustments to allocations are stated in terms of:
 - Current payments
 - Transfers and subsidies
 - Payments for capital assets
 - Payments for financial assets
- Further details of allocations are listed for some programmes
- Headings group some of these listed items
- Allocations marked with an (*) refer to specifically and exclusively appropriated amounts
- Compensation of employees and conditional grants are specifically and exclusively appropriated

REVISIONS TO NON-INTEREST SPENDING FOR 2021/22

Table 1: Revisions to non-interest expenditure for 2021/22

	R million
Non-interest expenditure (2021 Budget Review)	1 564 511
Public violence and COVID-19 fiscal relief package allocations	32 850
Increases in other allocations since 2021 Budget	41 048
National and provincial departments allocations for wage bill adjustments	20 512
Denel	2 923
Further purchase of vaccines funded from contingency reserve	2 342
Presidential employment initiative phase 2 allocation	10 954
Other allocations in AENE ¹	4 317
Resources used to fund adjustments since 2021 Budget	(17 942)
Drawdowns, suspensions and projected underspending ²	(17 942)
Other adjustments³	3 402
Revised non-interest expenditure (2021 MTBPS)	1 623 869
Change in non-interest expenditure from 2021 Budget	59 358

1. 2021 Adjusted Estimates of National Expenditure

2. Including suspensions, projected underspending and drawdown on the contingency reserve and of provisional allocations announced in 2021 Budget

3. Including increases of R2.3 billion in NRF payments and R1.1 billion for skills development levy

Source: National Treasury

2021/22 TOTAL FISCAL RELIEF PACKAGE

Table 2: Fiscal relief package, 2021/22

R million	2021/22
Fiscal response measures	32 850
Social grants additions ¹	26 700
SASRIA	3 900
Business support ²	2 300
Reprioritisation from DTIC and DSBD	-1 000
South African National Defence Force	700
South African Police Service	250
Increase in spending ceiling	32 850
Revenue measures	5 000
Employment tax incentive	5 000
Total, financed through higher-than-expected revenue collection	37 850

1. Of which R500 million is for grants administration

2. Department of Trade, Industry and Competition (DTIC),

Department of Small Business Development (DSBD)

Source: National Treasury

2021/22 ADJUSTED EXPENDITURE ESTIMATES

Table 3: 2021/22 adjusted national budget

R thousand	Appropriation (ENE)	Second special appropriation	Adjustments appropriation (AENE)	Adjusted appropriation
Appropriation by vote	980 583 908		15 023 500	995 607 408
Significant and unforeseeable economic and financial events			5 833 495	
Unforeseeable and unavoidable expenditure			102 600	
Expenditure earmarked in the 2021 Budget speech for future allocation			7 115 335	
Roll-overs			2 847 096	
Self-financing expenditure			1 077 899	
Declared unspent funds			(1 952 925)	
Direct charges against the National Revenue Fund	830 023 039		26 936 284	856 959 323
<i>Of which:</i>				
Debt-service costs	269 741 139		(507 139)	269 234 000
Provincial equitable share:	523 686 351		21 148 560	544 834 911
<i>Public sector salary adjustment</i>	–		14 678 560	14 678 560
<i>Expenditure earmarked in the 2021 Budget speech for future allocation</i>	–		6 470 000	6 470 000
National Revenue Fund payments	59 594		2 281 959	2 341 553
PFMA section 70 payment: Denel	–		2 923 000	2 923 000
Skills levy, and sector education and training authorities	17 812 863		1 119 904	18 932 767
Magistrates' salaries	2 426 489		(30 000)	2 396 489
Subtotal	1 810 606 947		41 959 784	1 852 566 731
Provisional reduction to fund Land Bank allocation	(5 000 000)		5 000 000	–
Provisional allocations not assigned to votes	12 645 203		(1 645 203)	11 000 000
Infrastructure Fund not assigned to votes	4 000 000		(4 000 000)	–
Contingency reserve	12 000 000		(9 039 000)	2 961 000
National government projected underspending	–		(3 775 000)	(3 775 000)
Local government repayment to the National Revenue Fund	–		(2 500 000)	(2 500 000)
Total adjustments expenditure estimate	1 834 252 150		26 000 581	1 860 252 731
Second Special Appropriation Bill, 2021		32 850 000		32 850 000
Total estimate expenditure	1 834 252 150	32 850 000	26 000 581	1 893 102 731

1. SIGNIFICANT AND UNFORESEEABLE ECONOMIC AND FINANCIAL EVENTS

Table 4: Significant and unforeseeable economic and financial events

Vote and description of expenditure	R thousand
National government public sector salary adjustments	5 833 495
1 The Presidency	7 055
3 Cooperative Governance	5 861
4 Government Communication and Information System	6 946
5 Home Affairs	138 834
6 International Relations and Cooperation	32 500
7 National School of Government	2 897
9 Planning, Monitoring and Evaluation	5 263
11 Public Service and Administration	5 492
12 Public Service Commission	3 866
13 Public Works and Infrastructure	11 006
14 Statistics South Africa	44 090
15 Traditional Affairs	1 298
16 Basic Education	11 182
18 Health	30 810
19 Social Development	11 395
20 Women, Youth and Persons with Disabilities	1 969
21 Civilian Secretariat for the Police Service	2 082
22 Correctional Services	622 082
23 Defence	1313 123
24 Independent Police Investigative Directorate	5 429
25 Justice and Constitutional Development	332 217
26 Military Veterans	3 021
27 Office of the Chief Justice	29 944
28 Police	2 867 766
29 Agriculture, Land Reform and Rural Development	109 861
31 Employment and Labour	52 780
32 Forestry, Fisheries and the Environment	64 889
33 Human Settlements	7 729
35 Science and Innovation	5 323
36 Small Business Development	2 785
37 Sport, Arts and Culture	7 753
38 Tourism	7 711
39 Trade, Industry and Competition	17 932
40 Transport	11 172
41 Water and Sanitation	49 432
Provincial government public sector salary adjustments	14 678 560
8 National Treasury (provincial equitable share)	14 678 560
Total	20 512 055

2. UNFORESEEABLE AND UNAVOIDABLE (U&U) EXPENDITURE (SEC 6(1)(A) OF THE APPR ACT)

- U&U expenditure is expenditure that could not be anticipated at the time of the Budget
- Treasury Regulation 6.6.1 specifies that the following may not be regarded as U&U:
 - spending that was known when the budget was being finalised but could not be accommodated in the allocations at the time
 - spending increases due to tariff adjustments and price increases, and
 - spending to extend existing services or create new services that are not unforeseeable and unavoidable.

Table 5: Unforeseeable and Unavoidable expenditure

Vote and description of expenditure		R thousand
5	Home Affairs Electoral Commission of South Africa for the procurement of personal protective equipment	40 000
40	Transport South African National Roads Agency: R50.5 million for toll revenue loss and R12.1 million for damage to property	62 600
Total		102 600

3. EXPENDITURE EARMARKED IN THE 2021 BUDGET SPEECH

Table 6: Appropriation of expenditure earmarked in the 2021 Budget speech for future allocation

Vote and description of expenditure	R thousand
National government	7 115 335
3 Cooperative Governance Presidential youth employment intervention to the Municipal Infrastructure Support Agent for innovative solid waste	284 000
8 National Treasury Presidential youth employment intervention to the neighbourhood development partnership grant for the city public employment programme window	841 000
17 Higher Education and Training Presidential youth employment intervention: R90 million for graduate assistants and R100 million for the performance model for demand-led skills training	190 000
18 Health R2.342 billion for the purchase of vaccines and R15 million for the allocation to Port Health Services as part of the presidential youth employment intervention	2 357 000
19 Social Development Presidential youth employment intervention: R178 million for provinces through the early childhood development conditional grant, and R30 million for the National Development Agency's volunteer programme	208 000
20 Women, Youth and Persons with Disabilities Presidential youth employment intervention: R30 million for the Youth Enterprise Support Fund and R400 million for the national youth service	430 000
29 Agriculture, Land Reform and Rural Development Presidential youth employment intervention: Agriculture, Land Reform and Rural Development livelihoods programme	750 000
30 Communications and Digital Technologies Presidential youth employment intervention: Broadband Access Fund	200 000
31 Employment and Labour Presidential youth employment intervention: R238 million for the capitalisation of the national pathway management network, and R20 million for employment counselling and assessments	258 000

3. EXPENDITURE EARMARKED IN THE 2021 BUDGET SPEECH (CONTINUED...)

Table 6: Appropriation of expenditure earmarked in the 2021 Budget speech for future allocation

Vote and description of expenditure		R thousand
National government		7 115 335
32	Forestry, Fisheries and the Environment Presidential youth employment intervention: various programmes including R60 million for the People and Parks youth champions programme; R100 million for the EPWP; R23 million for biodiversity science, ecological infrastructure and human capital development; and R36 million to catalyse climate-smart rural career pathways through job-creation programmes	318 000
35	Science and Innovation Presidential youth employment intervention: R25 million for the Duzi Umngeni Conservation Trust (enviro-champs), R32 million for the Water Research Commission (water graduate employment programme), and R10 million for the Council for Scientific and Industrial Research (experiential training programme)	67 000
36	Small Business Development Small Enterprise Finance Agency for the Township and Rural Entrepreneurship Fund	95 990
37	Sport, Arts and Culture Presidential youth employment intervention: R4 million for the District Six Museum, R9 million for the South African Hip Hop Museum, and R2 million for the Phansi Museum Trust	15 000
38	Tourism Presidential youth employment intervention: R90 million for the infrastructure maintenance and beautification programme involving 40 provincial state-owned attractions, and R18 million for the tourism safety monitors programme	108 000
39	Trade, Industry and Competition Presidential youth employment intervention: Industrial Development Corporation (support social economic activities in communities)	800 000
41	Water and Sanitation Budget facility for infrastructure capital project allocation: R81.345 million for the George municipality water and sanitation project, and R112 million for the Umngeni Water Board (lower uMkhomazi bulk water supply scheme)	193 345
Provincial government		6 470 000
8	National Treasury Provincial equitable share R6 billion for the basic education employment initiative, R120 million for the appointment of social workers, and R350 million for staff and assistant nurses as part of the presidential youth employment intervention	6 470 000
Total		13 585 335

4. ROLL-OVERS

- Unspent funds from the previous fiscal year which have been contracted for but not yet spent may be requested to be rolled over into the current fiscal year
- Treasury Regulation 6.4 restricts roll-overs as follows:
 - compensation of employees funding may not be rolled over;
 - a maximum of 5 per cent of a department’s budget for goods and services may be rolled over;
 - funding for transfers and subsidies may not be rolled over for any purpose other than what the funds were originally allocated for; and
 - unspent funds on payments for capital assets may be rolled over only to finalise projects or the acquisition of assets already in progress

4.1 ROLL-OVERS

Table 7: Roll-overs

Vote and description of expenditure		R thousand
1	Presidency R2.96 million for the implementation of action plans to address gender-based violence, and R2.243 million for compensation of employees	5 203
3	Cooperative Governance Disaster assessment and evaluation services in KwaZulu-Natal	94 200
6	International Relations and Cooperation Network connectivity (bandwidth)	33 000
14	Statistics South Africa Census 2021 pilot project: R344.649 million to purchase tablet computers; R200 000 for leave gratuity payments; R54.68 million for external computer advisors, advertising, communications and minor assets; and R13.431 million to appoint contract staff	412 960
16	Basic Education School infrastructure backlogs grant	210 000
22	Correctional Services R63.857 million for goods and services such as the procurement of uniforms, 9mm ammunitions, pepper sprays, filters, armour, leg irons, handcuffs, key bag pouches, holsters, shoulder straps and handheld metal detectors; and R38.855 million for the payment of outstanding invoices to the Department of Public Works and Infrastructure, and procurement of pistols	102 712
25	Justice and Constitutional Development State capture commission	56 695
28	Police R12.25 million for the semi-automated DNA processing system, R342.965 million for the upgrading of wide area network ICT infrastructure, R3.49 million for the conversion of 10 forensic response vehicles, R75 million for the upgrading of storage and disaster recovery capabilities, and R566.831 million for a payment to Polmed medical scheme for injury on duty cases	1 000 536
29	Agriculture, Land Reform and Rural Development Subsistence producers selected in phase 1 of the presidential youth employment intervention	243 000
33	Human Settlements Transfer payment to UN Habitat to fund the Southern African Development Community strategy on informal settlements	14 100
34	Mineral Resources and Energy R32.7 million for the non-grid electrification programme and R28 million for the solar water heater programme	60 700
37	Sport, Arts and Culture R7.8 million for job creation projects funded through phase 1 of the presidential youth employment intervention and R23.99 million for the creation of jobs to monitor compliance with COVID-19 regulations at sport events	31 790
41	Water and Sanitation R582.2 million for operational payments for the Vaal River pollution remediation project	582 200
Total		2 847 096

5. SELF-FINANCING EXPENDITURE

- Spending financed from revenue derived from a vote's/department's specific activities. This revenue is paid into the National Revenue Fund. If self-financing expenditure is approved, these funds are allocated to the vote/department in the adjustments budget
- An example is the expenditure incurred by the Department of Home Affairs in issuing official documents, which is defrayed by revenue generated from issuing the documents

Table 8: Self-financing expenditure

Vote and description of expenditure		R thousand
4	Government Communication and Information System Expenditure to produce the Vuk'uzenzele newspaper, which is funded from revenue generated through advertising in the newspaper	800
5	Home Affairs Expenditure incurred issuing official documents, which is defrayed from revenue generated through issuing the documents	562 152
22	Correctional Services Expenditure for offender gratuities, which is funded from revenue generated through the hiring out of offender labour	329
23	Defence Expenditure for defence activities, which is defrayed from reimbursements from the United Nations for South Africa's contribution towards peace support operations, and the sale of equipment and spares procured through the special defence account	514 618
Total		1 077 899

6. DECLARED UNSPENT FUNDS

Table 9: Declared unspent funds and projected underspending

Vote and description of expenditure		R thousand
8	National Treasury Transfers and subsidies to the South African Secret Service	250 000
10	Public Enterprises Compensation of employees	17 000
17	Higher Education and Training Compensation of employees	85 000
18	Health R150 million on the health facility revitalisation component of the national health insurance indirect grant, and R10 million on the health facility revitalisation grant	160 000
26	Military Veterans Military veterans' benefits	50 000
30	Communications and Digital Technologies Compensation of employees	8 425
39	Trade, Industry and Competition Tirisano Construction Fund Trust	42 500
40	Transport Public transport network grant	1 340 000
Total declared unspent funds		1 952 925
National government projected underspending		3 775 000
Local government repayment to the National Revenue Fund		2 500 000
Total		8 227 925

7. VIREMENTS AND SHIFTS – SECTION 5 OF THE APPROPRIATION ACT, 2021

- 5(1): Despite section 3 of this Act and section 43(4) of the Public Finance Management Act, the Minister may approve that unspent funds in an amount in the Schedule intended for—
 - a) compensation of employees, be used within the same vote for transfers and subsidies for the payment of severance or exit packages;
 - b) goods and services, be used within the same vote for compensation of employees;
 - c) transfers and subsidies to other institutions, be used elsewhere within the same main division;
 - d) payments for capital assets, be used elsewhere in any main division within the same vote; or
 - e) payments for financial assets, be used elsewhere within the same main division.
- 5(2): The Minister may not approve the use of unspent funds in terms of subsection (1)(c), (d) or (e) for compensation of employees.
- 5(3): The sum of the unspent funds in a main division of a vote approved for use in another main division of that vote in terms of— (a) subsection (1); and (b) section 43(1) of the Public Finance Management Act, may not exceed eight per cent of the amount appropriated under that main division

7.1 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 8: National Treasury

Virements and shifts within the vote

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3: Public Finance and Budget Management			Programme 6: International Financial Relations		
Goods and services	Municipality finance improvement programme	(314 394)	Foreign governments and international organisations	Common Monetary Area	314 394
	Employment Creation Facility Fund	(25 782)	Foreign governments and international organisations	Common Monetary Area	25 782
	Travel and subsistence	(181)	Programme 3: Public Finance and Budget Management		
Provinces and municipalities	Neighbourhood development partnership grant ²	(90 000)	Households	Leave gratuities	181
			Goods and services	Neighbourhood development partnership grant ²	90 000
			Programme 6: International Financial Relations		
Departmental agencies and accounts	Employment Creation Facility Fund	(119 470)	Foreign governments and international organisations	Common Monetary Area	119 470
Shifts within the programme as a percentage of the programme budget		2.3%			
Virements to other programmes as a percentage of the programme budget		11.7% ²			

2. Only Parliament may approve this virement.

7.2 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 16: Basic Education

Virements and shifts within the vote

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4: Planning, Information and Assessment		(108 911)	Programme 2: Curriculum Policy, Support and Monitoring		97 000
Goods and services	School infrastructure backlogs grant operational budget ²	(97 000)	Goods and services	Workbooks	97 000
			Programme 4: Planning, Information and Assessment		11 911
	Travel and subsistence	(10 507)	Departmental agencies and accounts	Umalusi Council for Quality Assurance in General and Further Education and Training	10 507
	Travel and subsistence	(1 404)	Households	Leave gratuities and exit packages	1 404
Shifts within the programme as a percentage of the programme budget		0,10%			
Virements to other programmes as a percentage of the programme budget		0,70%			

2. Only the legislature may approve this virement in terms of the Public Finance Management Act (1999).

7.3 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 17: Higher Education and Training

Virements and shifts within the vote

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 4: Technical and Vocational Education and Training		(1 134 361)	Programme 4: Technical and Vocational Education and Training		513 970
Compensation of employees	Vacant posts	(11 000)	Households	Employee social benefits	11 000
	Funds for colleges to pay staff directly where post-provisioning norms have not been implemented	(502 970)	Non-profit institutions	Funds for colleges to pay staff directly where post-provisioning norms have not been implemented	502 970
	Vacant posts ²	(65 000)	Programme 3: University Education		115 000
			Departmental agencies and accounts	National Student Financial Aid Scheme (administration)	65 000
Goods and services	Stationery, printing, and office supplies; travel and subsistence; venues and facilities	(50 000)	Departmental agencies and accounts	National Student Financial Aid Scheme (bursaries)	50 000
	Catering, computer services	(4 838)	Programme 5: Skills Development		5 391
	Catering, computer services	(553)	Goods and services	Minor assets	4 838
			Goods and services	Minor assets	553
			Programme 3: University Education		500 000
Non-profit institutions	TVET infrastructure and efficiency grant	(500 000)	Departmental agencies and accounts	National Student Financial Aid Scheme (bursaries)	500 000
Shifts within the programme as a percentage of the programme budget		3,90%			
Virements to other programmes as a percentage of the programme budget		4,70%			

2. Only Parliament may approve this virement.

7.4 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 18: Health

Virements and shifts within the vote

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2: National Health Insurance			Programme 3: Communicable and Non-communicable Diseases		
			167 424		
Goods and services	National health insurance indirect grant (contractors) ¹ ←	(40 000)	Provinces and municipalities	HIV, TB, malaria and community outreach grant: Mental health services component ¹ ←	40 000
	National health insurance indirect grant (contractors) ¹ ←	(127 424)	Provinces and municipalities	HIV, TB, malaria and community outreach grant: Oncology services component ¹ ←	127 424
	National health insurance indirect grant (contractors)	(143 223)	Programme 6: Health System Governance and Human Resources		
	National health insurance indirect grant (business and advisory services) ¹ ←	(7 000)	143 223		
			Provinces and municipalities	Human resources and training grant	143 223
			Programme 2: National Health Insurance		
			7 000		
			Machinery and equipment	National health insurance indirect grant (other machinery and equipment) ¹ ←	7 000
Shifts within the programme as a percentage of the programme budget		0,50%			
Virements to other programmes as a percentage of the programme budget¹		23,20%			
Programme 5: Hospital Systems			Programme 5: Hospital Systems		
			53 000		
Goods and services	Business and advisory services ¹ ←	(20 000)	Buildings and other fixed structures	Buildings ¹ ←	20 000
Machinery and equipment	Assistive devices, and medical and allied equipment	(33 000)	Buildings and other fixed structures	Buildings	33 000
	National health insurance indirect grant (assistive devices, and medical and allied equipment) ¹ ←	(100 000)	Programme 6: Health System Governance and Human Resources		
			100 000		
			Provinces and municipalities	Human resources and training grant ¹ ←	100 000
Shifts within the programme as a percentage of the programme budget		0,20%			
Virements to other programmes as a percentage of the programme budget		0,50%			

1. Only Parliament may approve this virement.

7.5 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 20: Women, Youth and Persons with Disabilities

Virements and shifts within the vote

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2: Social Transformation and Economic Empowerment		(8 567)	Programme 1: Administration		3 768
Goods and services	Travel and subsistence	(3 768)	Goods and services	Computer services	3 768
	Consultants ¹	(2 363)	Programme 2: Social Transformation and Economic Empowerment		2 363
	Consultants, and travel and subsistence	(2 098)	Compensation of employees	Gender-based Violence Council ¹	2 363
Programme 1: Administration			Programme 1: Administration		2 436
Machinery and equipment	Capital assets	(338)	Goods and services	Computer services	2 098
			Machinery and equipment	ICT equipment	338
Shifts within the programme as a percentage of the programme budget		1,90%			
Virements to other programmes as a percentage of the programme budget		5%			

1. Only Parliament may approve this virement.

7.6 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 25: Justice and Constitutional Development

Virements and shifts within the vote

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 5: Auxiliary and Associated Services		(529 368)	Programme 2: Court Services		17 100
Goods and services	Computer services	(17 100)	Goods and services	Security services	17 100
	Reallocation of budget for ICT maintenance ²	(421 861)	Programme 1: Administration		512 268
	Computer services	(90 407)	Goods and services	Reallocation of budget for ICT maintenance ²	421 861
			Goods and services	State Capture Commission	90 407
Shifts within the programme as a percentage of the programme budget		0,00%			
Virements to other programmes as a percentage of the programme budget²		12.8%			

2. Only Parliament may approve this virement.

7.7 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 28: Police

Virements and shifts within the vote

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1: Administration		(256 310)	Programme 2: Visible Policing		256 310
Buildings and other fixed structures	Construction and upgrading of police stations ¹	(250 000)	Compensation of employees	Overtime payments ¹	250 000
Biological assets	Dogs	(6 310)	Biological assets	Dogs	6 310
Shifts within the programme as a percentage of the programme budget		0,00%			
Virements to other programmes as a percentage of the programme budget		1,30%			
Programme 2: Visible Policing		(1 000)	Programme 2: Visible Policing		1 000
Goods and services	Communication	(1 000)	Non-profit institutions	South African Police Service Education Trust ¹	1 000
Shifts within the programme as a percentage of the programme budget		0,00%			
Virements to other programmes as a percentage of the programme budget		0,00%			

1. Only Parliament may approve this virement.

7.8 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 30: Communication and Digital Technologies

Virements and shifts within the vote

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2: ICT International Relations and Affairs			Programme 4: ICT Enterprise and Public Entity Oversight		
Goods and services	Mostly travel and subsistence	(1 170)	Public corporations and private enterprises	South African Post Office for operations	1 170
Foreign governments and international organisations			Programme 6: ICT Information Society and Capacity Development		
	Payments to international organisations ²	(7 000)	Goods and services	State Information Technology Agency for national e-government project ²	7 000
Shifts within the programme as a percentage of the programme budget		0,00%			
Virements to other programmes as a percentage of the programme budget		12,60% ²			

2. Only Parliament may approve this virement.

7.9 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 32: Department of Environment, Forestry and Fisheries

Virements and shifts within the vote

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 6: Environmental Programmes			Programme 3: Oceans and Coasts		
Goods and services	Expanded public works programme	(9 537)	Goods and services	Presidential employment intervention	9 537
Departmental agencies and accounts	Expanded public works programme capital grant ²	(124 903)	Programme 4: Climate Change, Air Quality and Sustainable Development		
Goods and services	Expanded public works programme	(39 900)	Departmental agencies and accounts	South African Weather Service operations ²	124 903
Departmental agencies and accounts	Expanded public works programme capital grant ²	(120 716)	Programme 5: Biodiversity and Conservation		
Goods and services	Travel and subsistence	(41)	Departmental agencies and accounts	South African National Biodiversity Institute	39 900
	Expanded public works programme	(61 447)	Departmental agencies and accounts	South African National Parks operations ²	120 716
	Expanded public works programme	(54 169)	Programme 6: Environmental Programmes		
	Expanded public works programme	(15 000)	Provinces and municipalities	Vehicle licences	41
	Travel and subsistence	(1 312)	Departmental agencies and accounts	South African National Parks operations	61 447
			Departmental agencies and accounts	iSimangaliso Wetlands Park Authority	54 169
			Departmental agencies and accounts	South African Weather Service (infrastructure)	15 000
			Households	Leave gratuities	1 033
			Payments for financial assets	Thefts and losses	279
Shifts within the programme as a percentage of the programme budget		0,70%			
Virements to other programmes as a percentage of the programme budget		5,80%			

2. Only Parliament may approve this virement.

7.10 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 34: Mineral, Resources and Energy

Virements and shifts within the vote

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3: Mining, Minerals and Energy Policy Development		(30 634)	Programme 5: Mineral and Energy Resources Programmes and Projects		30 634
Departmental agencies and accounts	Alignment with classification circular 21 of 2018 ²	(30 634)	Goods and services	Business and advisory services ²	30 634
Shifts within the programme as a percentage of the programme budget		0,00%			
Virements to other programmes as a percentage of the programme budget		3,70%			
Programme 4: Mine Health and Safety Inspectorate		(2 151)	Programme 1: Administration		2 151
Departmental agencies and accounts	Centralisation of payments to sector education and training authorities ²	(2 151)	Departmental agencies and accounts	Mining Qualifications Authority ²	2 151
Shifts within the programme as a percentage of the programme budget		0,00%			
Virements to other programmes as a percentage of the programme budget		0,90%			
Programme 5: Mineral and Energy Resources Programmes and Projects		(143 129)	Programme 5: Mineral and Energy Resources Programmes and Projects		143 129

2. Only Parliament may approve this virement.

7.11 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 35: Science and Innovation

Virements and shifts within the vote

From:			To:		
Programme byeconomic	Motivation	R thousand	Programme byeconomic classification	Motivation	R thousand
Programme 2: Technology Innovation			Programme 2: Technology Innovation		
(142 453)			64 753		
Non-profit institutions	Medical Research Council ¹	(33 863)	Non-profit institutions	Network for Genomic Surveillance and mRNA technology transfer hub ¹	33 863
Departmental agencies and accounts	Various institutions: Innovation project research	(30 890)	Departmental agencies and accounts	South African National Space Agency (Space Weather Centre)	30 890
	Various institutions: Innovation project research ¹	(70 000)	Programme 4: Research, Development and Support		
			70 000		
Public corporations and private enterprises	Council for Scientific and Industrial Research	(2 000)	Departmental agencies and accounts	National Research Foundation (Square Kilometre Array) ¹	70 000
	Green nanochemistry (University of the Western Cape), nanomedicine platform (Tshwane University of Technology/Nelson Mandela University) ¹	(5 700)	Programme 2: Technology Innovation		
			2 000		
			Non-profit institutions	Technology utilisation initiative programme	2 000
			Programme 4: Research, Development and Support		
			5 700		
			Departmental agencies and accounts	National Research Foundation (Square Kilometre Array) ¹	5 700
Shifts within the programme as a percentage of the programme budget		3,70%			
Virements to other programmes as a percentage of the programme budget		4,30%			
Programme 4: Research, Development and Support			Programme 1: Administration		
(189 957)			4 000		
Good and services	Travel and subsistence	(1 500)	Goods and services	Audit costs	1 500
		(2 500)	Machinery and equipment	Computers, vehicles	2 500
Departmental agencies and accounts	National Research Foundation ¹	(105 067)	Programme 4: Research, Development and Support		
	Various institutions: Infrastructure projects for research and development	(20 000)	125 067		
	Various institutions: Infrastructure projects for research and development ¹	(25 890)	Departmental agencies and accounts	National Research Foundation (Square Kilometre Array) ¹	105 067
			Departmental agencies and accounts	Human resource development (centres of excellence)	20 000
Public corporations and private enterprises	Council for Scientific and Industrial Research ¹	(35 000)	Programme 5: Socioeconomic Innovation Partnerships		
			60 890		
			Departmental agencies and accounts	Innovation for inclusive development	25 890
			Departmental agencies and accounts	National Research Foundation (Square Kilometre Array) ¹	35 000
Shifts within the programme as a percentage of the programme budget		3,20%			
Virements to other programmes as a percentage of the programme budget		0,60%			

1. Only the legislature may approve this virement in terms of the Public Finance Management Act, (Act 1 of 1999).

7.12 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 36: Small Business Development

Virements and shifts within the vote

From:			To:		
Programme byeconomic classification	Motivation	R thousand	Programme byeconomic classification	Motivation	R thousand
Programme 1: Administration		(13 125)	Programme 1: Administration		110
Goods and services	Leave gratuities	(100)	Households	Leave gratuities	100
	Catering	(6)	Payments for financial assets	Theft and losses payment	6
	Interest charges	(4)	Interest and rent on land	Interest charges	4
	Catering, office accommodation	(13 000)	Programme 3: Development Finance		13 000
			Public corporations and private enterprises	Youth start-up fund	13 000
			Programme 1: Administration		15
Machinery and equipment	Other machinery and equipment	(15)	Software and other intangible assets	Software	15
Shifts within the programme as a percentage of the programme budget		0,10%			
Virements to other programmes as a percentage of the programme budget		11,20%			

2. Only the legislature may approve this virement in terms of the Public Finance Management Act, (Act 1 of 1999)

7.13 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 38: Tourism

Virements and shifts within the vote

From:			To:		
Programme byeconomic classification	Motivation	R thousand	Programme byeconomic classification	Motivation	R thousand
Programme 4: Tourism Sector Support Services		(52 000)	Programme 3: Destination Development		52 000
Public corporations and private enterprises	Tourism incentive programme ²	(52 000)	Goods and services	Expanded public works programme (Development Bank of Southern Africa) ²	52 000
Shifts within the programme as a percentage of the programme budget		0,00%			
Virements to other programmes as a percentage of the programme budget ¹		11,90%			

2. Only Parliament may approve this virement.

7.14 VIREMENTS: TO BE APPROVED BY THE LEGISLATURE

Vote 39: Trade, Industry and Competition

Virements and shifts within the vote

From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 3: Spatial Industrial Development and Economic Transformation			Programme 6: Industrial Financing		
Goods and services	Operating leases, operating payments, travel and subsistence, and venues and facilities ²	(15 000)	Public corporations and private enterprises	Manufacturing development incentives ²	15 000
Shifts within the programme as a percentage of the programme budget		0,00%			
Virements to other programmes as a percentage of the programme budget²		8,20%			
Programme 8: Inward Investment Attraction, Facilitation and Aftercare			Programme 1: Administration		
Goods and services	Travel and subsistence	(110)	Goods and services	Audit costs	110
	Contractors, and travel and subsistence	(6 000)	Programme 6: Industrial Financing		
Shifts within the programme as a percentage of the programme budget		0,00%	Public corporations and private enterprises	Manufacturing development incentives ²	6 000
Virements to other programmes as a percentage of the programme budget²		8,70%			
Programme 9: Competition Policy and Economic Planning			Programme 6: Industrial Financing		
Goods and services	Travel and subsistence	(9 000)	Public corporations and private enterprises	Manufacturing development incentives	9 000
Shifts within the programme as a percentage of the programme budget		0,00%			
Virements to other programmes as a percentage of the programme budget		1,00%			
Programme 10: Economic Research and Coordination			Programme 6: Industrial Financing		
Goods and services	Business and advisory services; catering; consultants; stationery, printing and office supplies ²	(10 495)	Public corporations and private enterprises	Manufacturing development incentives ²	10 000
		(10 000)	Programme 10: Economic Research and Coordination		
Software and other intangible assets	Software and other intangible assets	(495)	Machinery and equipment	Computer services	495
Shifts within the programme as a percentage of the programme budget		0,60%			
Virements to other programmes as a percentage of the programme²		12,70%			

2. Only the legislature may approve this virement in terms of the Public Finance Management Act, (Act 1 of 1999)

CONSOLIDATED GOVERNMENT EXPENDITURE BY FUNCTION

Table 10: Consolidated expenditure by function¹

	2020/21 Outcome	2021/22 Revised	2022/23 Medium-term estimates	2023/24 Medium-term estimates	2024/25 Medium-term estimates	Average annual growth 2021/22 – 2024/25
R billion						
Learning and culture	384,4	417,8	414,3	415,6	434,8	1,3%
Basic education	268,8	281,8	279,6	279,0	291,7	1,2%
Post-school education and training	106,6	124,7	123,4	125,3	131,5	1,8%
Arts, culture, sport and recreation	9,0	11,2	11,3	11,3	11,7	1,2%
Health	248,2	259,0	247,8	243,6	254,7	-0,6%
Peace and security	212,4	219,3	218,2	213,3	222,8	0,5%
Defence and state security	54,0	49,4	48,9	48,1	50,3	0,6%
Police services	103,4	109,4	109,2	106,2	111,0	0,5%
Law courts and prisons	46,9	49,2	50,4	49,6	51,9	1,8%
Home affairs	8,1	11,3	9,6	9,4	9,7	-5,1%
Community development	203,3	218,0	235,9	243,5	256,2	5,5%
Economic development	170,2	206,3	217,8	227,6	241,8	5,4%
Industrialisation and exports	31,9	39,5	37,6	37,9	39,7	0,2%
Agriculture and rural development	24,4	28,5	28,3	28,2	29,4	1,1%
Job creation and labour affairs	19,4	23,3	24,2	24,3	25,4	3,0%
Economic regulation and infrastructure	79,6	97,7	110,1	119,5	129,0	9,7%
Innovation, science and technology	15,0	17,4	17,7	17,7	18,2	1,6%
General public services	64,1	70,8	68,9	68,8	71,0	0,1%
Executive and legislative organs	15,2	15,3	15,3	15,4	16,1	1,7%
Public administration and fiscal affairs	41,6	46,8	45,3	45,1	46,0	-0,5%
External affairs	7,2	8,7	8,3	8,3	8,9	0,8%
Social development	365,7	399,6	321,5	320,4	333,2	-5,9%
Social protection	251,0	256,8	238,1	240,5	251,3	-0,7%
Social security funds	114,7	142,8	83,3	79,9	81,9	-16,9%
Payments for financial assets	90,9	68,4	27,5	25,1	25,2	-
Allocated by function	1 739,2	1 859,3	1 751,8	1 758,0	1 839,7	-0,4%
Debt-service costs	232,6	269,2	303,1	334,6	365,8	10,8%
Unallocated reserve	-	-	15,1	28,8	29,3	-
Contingency reserve ²	-	-	5,0	5,0	5,0	-
Consolidated expenditure	1 971,8	2 128,5	2 075,0	2 126,3	2 239,8	1,7%

1. Consisting of national and provincial departments, social security funds and public entities

2. Allocated to 2021/22 spending

Source: National Treasury

END

Thank You