

# 2020/21 QUARTER 3 SPENDING OUTCOMES

Standing Committee on  
Appropriations

PRESENTED BY:

DR MAMPHO  
MODISE

Title: DDG  
*Public Finance*

Date: March 2022



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



**STAY  
SAFE**

VACCINATE TO SAVE SOUTH AFRICA

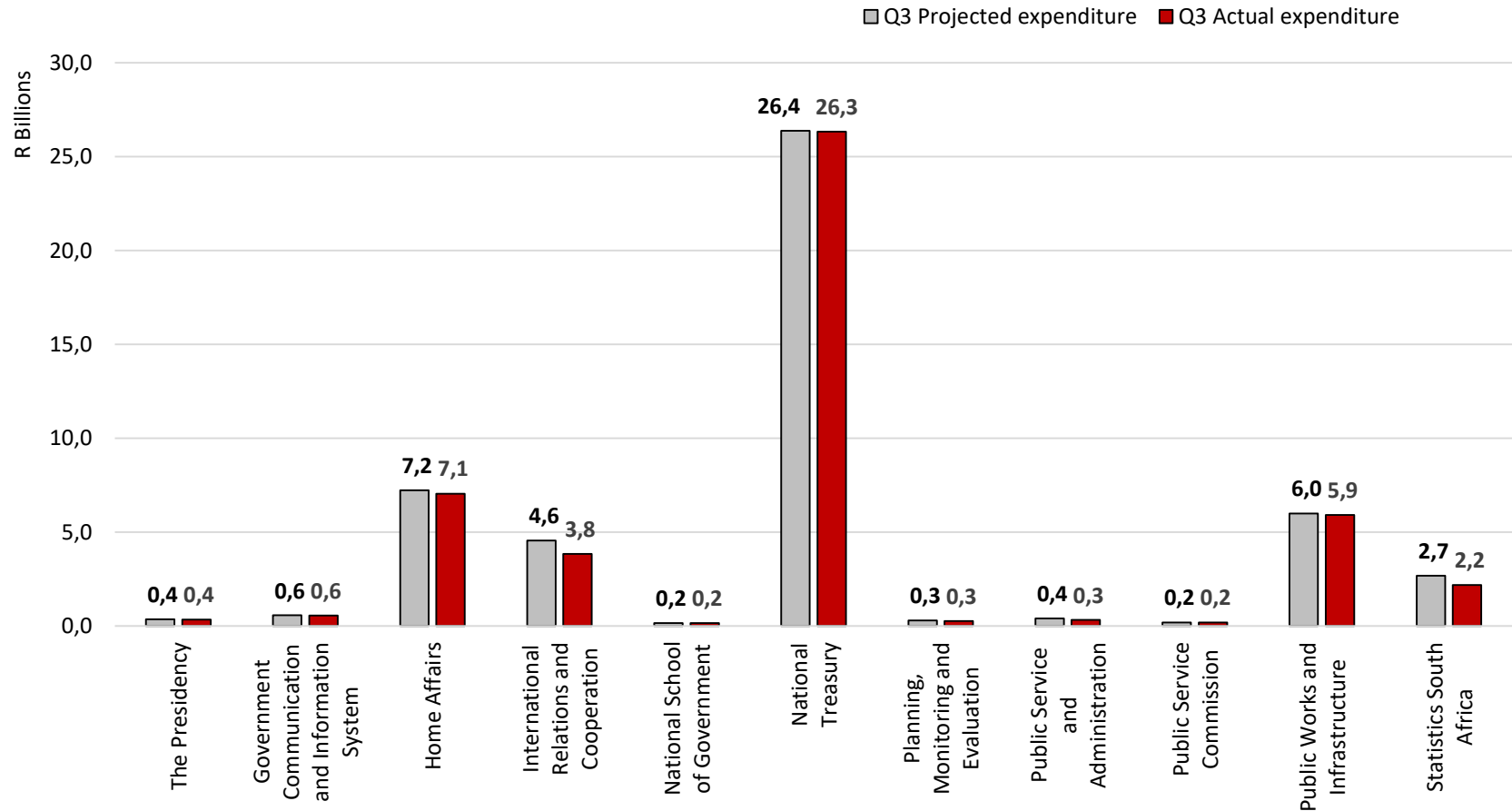
# CONTENTS

1. Summary of spending
2. Spending outcome by Chief Directorate grouping:
  - Administrative Services
  - Education and Related departments
  - Health and Social Development
  - Protection Services
  - Economic Services
  - Urban Development and Infrastructure

# ADMINISTRATIVE SERVICES

- Vote 1: Presidency
- Vote 4: Government Communication and Information System
- Vote 5: Home Affairs
- Vote 6: International Relations and Cooperation
- Vote 7: National School of Government
- Vote 8: National Treasury
- Vote 9: Planning, Monitoring and Evaluation
- Vote 11: Public Service and Administration
- Vote 12: Public Service Commission
- Vote 13: Public Works and Infrastructure
- Vote 14: Statistics South Africa

# ADMINISTRATIVE SERVICES



# ADMINISTRATIVE SERVICES

R million	Main Appropriation	Adjusted Appropriation	Available Budget	Q3 Actual expenditure	Expenditure as % of Available Budget	Q3 Projected expenditure	Variance from projected expenditure	% Variance from projected expenditure	COVID-19 Spending
<b>Departments</b>									
1 The Presidency	592.3	604.6	604.6	352.2	58.3%	367.2	15.0	4.1%	0.1
4 Government Communication and Information System	749.7	757.4	757.4	562.7	74.3%	573.5	10.8	1.9%	41.7
5 Home Affairs	8 690.5	9 431.4	9 431.4	7 056.6	74.8%	7 242.5	185.9	2.6%	5.3
6 International Relations and Cooperation	6 452.4	6 517.9	6 517.9	3 847.8	59.0%	4 552.8	705.0	15.5%	0.6
7 National School of Government	210.2	214.3	214.3	155.0	72.3%	154.7	-0.3	-0.2%	0.0
8 National Treasury	41 055.7	45 546.7	45 546.7	26 331.4	57.8%	26 376.9	45.5	0.2%	0.6
9 Planning, Monitoring and Evaluation	454.0	459.2	459.2	268.4	58.4%	304.7	36.4	11.9%	0.2
11 Public Service and Administration	526.2	531.7	531.7	327.8	61.7%	404.7	76.9	19.0%	0.5
12 Public Service Commission	282.4	286.3	286.3	192.9	67.4%	197.9	4.9	2.5%	0.3
13 Public Works and Infrastructure	8 343.2	8 354.2	8 354.2	5 924.6	70.9%	6 000.1	75.5	1.3%	0.2
14 Statistics South Africa	4 474.6	4 931.6	4 931.6	2 191.4	44.4%	2 685.7	494.2	18.4%	1.9
<b>Total</b>	<b>71 831.1</b>	<b>77 635.3</b>	<b>77 635.3</b>	<b>47 210.8</b>	<b>60.8%</b>	<b>48 860.7</b>	<b>1 649.9</b>	<b>3.4%</b>	<b>51.3</b>

# ADMINISTRATIVE SERVICES HIGHLIGHTS

## Vote 1: Presidency

- Overall expenditure as at the end of the third quarter of 2021/22 financial year amounts to R356.5 million or 58.2 per cent of the department's available budget of R612.1 million. The department's expenditure is R15.4 million or 4.1 per cent lower than the projected expenditure of R371.9 million.

Lower than planned spending occurred on all programmes. At economic classification level, notable lower than planned spending occurred on compensation of employees at R6.7 million or 2.6 per cent and goods and services at R8.9 million or 8.7 per cent. This is mainly due to the delays in filling of vacant posts, and less travelling domestically and internationally because of Covid-19 pandemic. Some of the national activities that required public gatherings were held virtually to comply with Disaster Management Act and most of the meetings/gatherings were held virtually, which reduced the expenditure.

Actual expenditure under payments for capital assets is slightly higher compared to the projected expenditure. This is mainly due to the carry through costs relating to finance lease for telecommunications equipment and cellphones provided to officials to enable remote working.

# ADMINISTRATIVE SERVICES HIGHLIGHTS

## Vote 4: Government Communication and Information System

- The Government Communication and Information System (GCIS) spent 562.7 million or 74.3 per cent of its 2021/22 available budget allocation of R757.4 million. The spending was R10.8 million or 1.9 per cent lower than the department's projected spending of R573.5 million, mainly attributed to transfers and subsidies, which reported a lower than anticipated spending of R8.1 million or 4.2 per cent. The department also incurred lowered than projected spending on of R3.5 million or 2.1 per cent goods and services, mainly due to restricted travel as a result of the COVID-19 pandemic, as well as delayed payment for courier and distribution of Vuk'uzenzele newspaper.
- The GCIS also incurred a higher than projected spending of R1.4 million or 0.7 per cent on compensation of employees due the payment of non-pensionable cash allowance with effect from 1 April 2021 for employees under salary levels 1-12

# ADMINISTRATIVE SERVICES HIGHLIGHTS

## Vote 5: Home Affairs

The department's spending in the third quarter is lower by R185.9 million or 2.6 per cent compared to projections to spend, having spent R7.1 billion or 74.8 per cent of the adjusted budget of R9.4 billion against projections to spend R7.2 billion. This lower than expected expenditure is mainly attributed to programme 1, 3 and 4 under goods and services. However, expenditure on compensation of employees is higher than expected by R32 million as well as payments for capital assets by R7.1 million.



# ADMINISTRATIVE SERVICES HIGHLIGHTS

## Vote 6: International Relations and Cooperation

The Department of International Relations and Cooperation spent R3.848 billion or 59 per cent of its 2021/22 adjusted budget allocation of R6.518 billion as at the end of December 2021. The R3.848 billion in actual spending is R705 million lower than the projected expenditure of R4.553 billion for this period. The lower than projected expenditure is mainly attributed to: **(a)** low spending on the budgets for compensation of employees and goods and services due to the non-availability of the Information and Communication Technology systems (in programmes 2 and 3) to interface with the Basic Accounting System and report on spending by all missions, delays in the processing of invoices for Bandwidth services resulting from an expired contract with the service provider, delays in the implementation of the property management strategy, and reduced travel or official trips (because of the COVID-19 pandemic), and **(b)** low expenditure on the budget for payments for capital assets owing to delays in the delivery of laptops and desktops for the head office, and the non-processing of the public-private partnership infrastructure project payment, which could not be processed by the Basic Accounting System due to an incorrect value date entered into the system.

# ADMINISTRATIVE SERVICES HIGHLIGHTS

## **Vote 7: National School of Government**

The National School of Government spent R155 million or 72.3 per cent of its 2021/22 adjusted budget allocation of R214.3 million as at the end of December 2021. The R155 million in actual spending is R300 000 higher than the projected expenditure of R154.7 million for this period. The higher than projected expenditure is mainly on goods and services specifically on operating leases due to invoices that were planned for payment in the second quarter paid in the third quarter.

# ADMINISTRATIVE SERVICES HIGHLIGHTS

## Vote 8: National Treasury

- The department projected to spend R26.4 billion. The actual expenditure amounted to R26.3 billion, which is R100 million or 0.2 per cent lower than the projected spending. A lower than anticipated expenditure was reported in various programmes including Administration, Programme 3: Public Finance and Budget Management and Programme 5: Financial Accounting and Supply Chain Management Systems.
- The following reasons were among those attributed to the slow spending; outstanding invoices for office accommodation, delays in initiating a tender process in relation to the Municipal Revenue Management Improvement Programme (MRMIP); withheld grants to certain municipalities following their failure to spend at least 80 per cent of funds transferred in July 2021; and delays in the procurement of system implementation services for the pilot and lead sites in relation to the Integrated Financial Management System (IFMS).

# ADMINISTRATIVE SERVICES HIGHLIGHTS

## Vote 9: Planning, Monitoring and Evaluation

- The Department of Planning, Monitoring and Evaluation (DPME) spent R268.4 million or 58.4 per cent of its 2021/22 available budget allocation of R459.2 million. The R268.4 million in actual spending was R36.4 million or 11.9 per cent lower than the projected expenditure for the third quarter. mainly reported under goods and services due to delayed finalisation of consultancy projects, delays in finalising agreements for the Presidential Hotline, as well as travel due to COVID-19 related travel restriction.
- A lower than projected spending of R7.3 million or 3.3 per cent was reported under compensation of employees due to funded vacant posts. In addition, the department incurred a lower than projected expenditure of R1.6 million or 56.9 per cent on payments for capital assets, due to the delayed procurement of equipment and tenant installation for the new office building.

# ADMINISTRATIVE SERVICES HIGHLIGHTS

## **Vote 11: Public Service and Administration**

Lower than projected spending by R76.9 million is mainly evident in goods and services (computer services and consultants: business and advisory services) due to outstanding invoices from the State Information Technology Agency (SITA) and other service providers, and the delay in the commencement of the Personnel Expenditure Review project due to capacity constraints and changes in scope requested by the Minister for Public Service and Administration. Lower than expected expenditure is also under travel and subsistence owing to the imposition of COVID-19 pandemic management related travel restrictions which led to the rescheduling of some of the meetings and others being held virtually.

# ADMINISTRATIVE SERVICES HIGHLIGHTS

## **Vote 12: Public Service Commission**

The Public Service Commission spent R192.9 million or 67.4 per cent of its 2021/22 adjusted budget allocation of R286.3 million as at the end of December 2021. The 192.9 million in actual spending is R4.9 million lower than the projected expenditure of R197.9 million for this period. The low spending on goods and services (mainly for internal audit, internet charges, data lines, transversal system and travel and subsistence) is due to delays in the department's receipt of invoices and reduced traveling or trips attending the Covid-19 pandemic management restrictions.

# ADMINISTRATIVE SERVICES HIGHLIGHTS

## **Vote 13: Public Works and Infrastructure**

Lower than projected spending by R75.5 million is mainly evident in compensation of employees and goods and services. Spending on compensation of employees has been slow due to the deceleration of activities resulting from the Covid-19 pandemic management restrictions. Lower than expected expenditure under goods and services is due to delays in the receipt of invoices from service providers mainly relating to computer services, property payments, and consultants: business and advisory services.

Higher than expected expenditure under programme 4 relates to the creation of a transfer payment of R93.0 million to the Independent Development Trust which was approved by the National Treasury and included in the Adjusted Estimates of National Expenditure (AENE).

# ADMINISTRATIVE SERVICES HIGHLIGHTS

## Vote 14: Statistics South Africa

- The department reported a total expenditure of R2.2 billion or 44.4 per cent of its 2021/22 total available budget of R4.9 billion. The spending was R494.2 million or 18.4 per cent lower than the projected spending of R2.7 billion, mainly attributed to goods and services which reported a lower than projected spending of R311 million or 32.7 per cent, mainly due to suspension of travel as a result of the COVID-19 pandemic, as well as lower spending on the census project.
- Expenditure on the census is expected to increase significantly in the fourth quarter, as the department will be conducting the census in February 2022. The department also incurred a lower than projected spending of R146.3 million or 26.5 per cent on payments for capital assets mainly due to the actual amount paid for unitary fees being slightly lower than the projected amount



# VOTE 1: PRESIDENCY

- **Programme 1: Administration** expenditure at the end of the third quarter amounts to R305.3 million or 58.2 per cent of the available budget of R524.6 million. The programme expenditure is R11.6 million or 3.6 percent lower than the projected expenditure of R316.9 million.

Lower than projected expenditure under compensation of employees and good and services can be attributed to the delays in filling of vacant posts, and also less travelling domestically and internationally due to Covid-19 pandemic. Some of the national activities which required public gatherings were virtually held to comply with Disaster Management Act, and most of the meetings/gatherings were done virtually which reduced the expenditure.

Slightly higher than projected expenditure under payments for capital assets is mainly due to the carry through costs relating to finance lease for telecommunications equipment and cellphones provided to officials to enable remote working.

- **Programme 2: Executive Support** expenditure at the end of the third quarter was R33.9 million or 64.0 per cent of the available budget of R53.0 million. The programme expenditure is R1.3 million or 3.6 per cent lower than the projected expenditure of R35.1 million mainly under compensation of employees. This is due to the delays in filling of vacant posts.
- spent R34 000 in the third quarter of 2021/22 for procurement of Covid-19 related personal protective equipment

# VOTE 1: PRESIDENCY

- **Programme 3: Policy and Research Services** expenditure at the end of the third quarter was R13.1 million or 48.3 per cent of the available budget of R27.1 million. The programme expenditure is R2.2 million or 14.2 per cent lower than the projected expenditure of R15.2 million.

Lower than projected expenditure under compensation of employees and good and services is mainly due to the delays in filling of vacant posts and less travelling domestically and internationally due to Covid-19 pandemic. Some of the national activities which required public gatherings were virtually held to comply with Disaster Management Act, and most of the meetings/gatherings were done virtually which reduced the expenditure.

Actual expenditure under payments for capital assets is slightly higher compared to projected expenditure. This is mainly due to the carry through costs relating to finance lease for telecommunications equipment and cellphones provided to officials to enable remote working.

- **Covid-19 spending**

The Presidency spent R34 000 in the third quarter of 2021/22 for procurement of Covid-19 related personal protective equipment.

# VOTE 4: GOVERNMENT COMMUNICATION AND INFORMATION SYSTEM

- **Administration** –reported an expenditure of R137.9 million or 75.2 per cent of the programme’s 2021/22 available budget of R183.4 million. The reported expenditure was R1.9 million or 1.4 per cent higher than the programme’s projected expenditure, mainly reported under compensation of employees due payment of non-pensionable cash allowance with effect from 1 April 2021 for employees under salary levels 1-12.
- **Programme 2: Content Processing and Dissemination** –reported an actual expenditure of R332.2 million or 74 per cent of its 2021/22 available budget allocation of R449 million. The reported expenditure was R12.2 million or 3.5 per cent lower than the programme’s projected expenditure, mainly due to restricted travel as a result of the COVID-19 pandemic delays, as well as payments for courier and delivery of Vukúzenzele newspaper.
- **Programme 3: Intergovernmental Coordination and Stakeholder Management** – spent R92.5 million or 74 per cent of its 2021/22 available budget allocation of R125 million. The expenditure was R500 000 or 0.6 per cent lower than the programme’s projected expenditure, mainly reported under payments for capital assets, due to outstanding invoices for laptops and servers. Payment will be made when delivery is made and invoices are received.

## VOTE 5: HOME AFFAIRS

- **Programme 1: Administration:** Expenditure is lower than projected by R66 million or 3.4 per cent, mainly under goods and services due to limitations posed by the department on travel as a result of the number of meeting that are held through virtual platforms, contracts that have expired and are in the process of being renewed, delays in receiving invoices from SITA for November and December 2021, IT equipment and delays in receiving invoices from some suppliers that prefer to bill the department on a quarterly basis. In addition, there are delays in the implementation of the modernization projects such as technology refresh servers, eVISA and ePermit and rollout for Biometric Movement Control System. However, an expenditure on payments for capital assets is higher than projected by R7.1 million mainly due to the refurbishment of offices undertaken by the DPW.
- **Programme 3: Immigration Affairs:** Expenditure is lower than projected by R59.9 million or 6 per cent, mainly as a result of the delayed payment of Advance Passenger Protection (APP) SITA and Lindela holding facility nutrition for November that will only be paid in January 2022; and delays in the granting of contract extension of the SITA APP contract for the Passenger Name Recognition System.
- **Programme 4: Institutional Support and Transfers:** Expenditure is lower than projected by R55.7 million or 2 per cent. This lower than expenditure is mainly due to delays in the implementation and the roll out of the Border Management Authority and the filling of vacant BMA strategic positions.

# VOTE 6: INTERNATIONAL RELATIONS AND COOPERATION

- **Programme 1: Administration** spent R904 million or 16 per cent lower than the projected spending of R1.077 billion. The lower than projected spending is mainly on the budgets for goods and services and payments for capital assets. Lower than projected spending on the budget for goods and services is attributed to the Bandwidth (computer services) ICT invoices which could not be processed for payment as a result of the department's challenges in the processing of invoices arising from the expiration of the contract with the service provider, as well delays in the implementation of the property management strategy. The low spending on the budget for payments for capital assets is as a result of delays in the delivery of laptops and desktops for Head Office staff, and the non-processing of the public-private partnership infrastructure project payment, which could not be processed by the Basic Accounting System due to an incorrect value date entered into the system. The value date has since been corrected and payment was made in January 2022.

# VOTE 6: INTERNATIONAL RELATIONS AND COOPERATION

- **Programme 2: International Relations spent** R1.971 billion or 19.2 per cent lower than the projected spending of R2.439 billion. The R1.971 billion in actual expenditure is R469 million lower than the projected expenditure, mainly as a result of low spending on the budget for compensation of employees and goods and services due to expenditure for all missions which was not timeously entered into the department's Basic Accounting System, as the contract with the service provider (of the currency convertor system) of the Information Communication Technology system, which is designed to relay information on spending by all missions to the Basic Accounting System, expired at the end of October 2021. The department has submitted a request to and is waiting for approval from the National Treasury (Office of the Chief Procurement Officer) to renew the Department of International Relations and Cooperation's contract with its service provider. The department has requested approval from the National Treasury for the Department of International Relations and Cooperation to deviate from prescribed supply chain management requirements in its procurement of the services of the sole service provider, as this service provider is the only one in the country who can provide such a service.

# VOTE 6: INTERNATIONAL RELATIONS AND COOPERATION

**Programme 3:** International Cooperation spent R300 million or 12.9 per cent lower than the projected spending of R345 million. The R300 million in actual expenditure is R44 million lower than the projected expenditure, mainly on the budget for goods and services. The low spending on goods and services is attributed to the non-availability of the Information and Communication Technology system to timeously interface with the Basic Accounting System and report on spending by all missions, as the contract with the service provider (of the currency convertor system) of the Information Communication Technology system expired at the end of October 2021.

**Programme 4:** Public Diplomacy and Protocol Services spent R188 million or 5.1 per cent lower than the projected spending of R198 million. The R188 million in actual expenditure is R10.1 million lower than the projected spending, mainly on the budget for goods and services, specifically on travel and subsistence, as a result of reduced travel attending the requirements of the COVID-19 pandemic management regulations.

**Programme 5:** International Transfers spent R495.3 million or 0.3 per cent higher than the projected spending of R494 million. The R495.3 million is R1.7 million higher than projected spending mainly due to the higher than planned expenditure on transfers and subsidies (Foreign governments and international organisations). The higher than projected spending is mainly attributed to higher than planned spending as a result of the transfer payment to the African Union, which had been projected to be made in April, but which only took place in June, September, October and November.

# VOTE 7: NATIONAL SCHOOL OF GOVERNMENT

- **Programme 1: Administration** spent R79.8 million or 0.4 per cent higher than the projected spending of R79.5 million. The R79.8 million in actual expenditure is R300 000 higher than the projected expenditure. The higher than projected expenditure is mainly on goods and services specifically on operating lease due to invoices which were planned for payment in quarter two paid in the third quarter.
- **Programme 2: Public Sector Organisational and Staff Development** transferred R75.3 million or 100 per cent of its projected spending of R75.3 million to the National School of Government's Training Trading Account for the second quarter.



# VOTE 8: NATIONAL TREASURY

- **Programme 1: Administration:** Expenditure was lower than projected by R53.4 million or 14.9 per cent. mainly under payments for capital assets: machinery and equipment, as the tender for the procurement of firewall devices with maintenance and support was not advertised as planned. The slow spending was also reported under operating leases, due to the outstanding rental invoices for the department.
- **Programme 2: Economic Policy, Tax, Financial Regulation and Research:** Expenditure was lower than projected by R9.2 million or 9.8 per cent, mainly on consultancy services due to outstanding invoices relating to the Emolument Attachment Orders (EAOs) project, and the finalisation of the Southern Africa –Towards Inclusive Economic Development (SA-TIED) phase II research project.
- **Programme 4: Asset and Liability Management:** Expenditure was lower than projected by R8.4 million or 10.1 per cent, mainly under computer services due to outstanding invoices for the Asset and Liability Management (ALM) Back Office system and the Government Employees Housing Scheme (GEHS) system development.

## VOTE 8: NATIONAL TREASURY (2)

- **Programme 5: Financial Accounting and Supply Chain Management Systems:** Expenditure was lower than projected by R36.9 million or 5.8 per cent, mainly under consultancy services. The slow spending was due to delays in the commencement of various projects within the Office of the Chief Procurement Officer, which have been deferred to the 2022/23. In addition, slow spending was also reported under to computer services due to delays in the procurement of system implementation services for the pilot and lead sites, and in finalising the procurement schedule by SITA relating to the Integrated Financial Management System.
- **Programme 9: Financial Intelligence and State Security:** Expenditure under this programme was higher than projected by R97.9 million or 2.6 per cent mainly on Secret Services due to payment of outstanding transfer payments from previous months.

# VOTE 9: PLANNING, MONITORING AND EVALUATION

- **Administration** –reported an expenditure of R118.8 million or 62.3 per cent of its 2021/22 available budget of R190.8 million. The reported expenditure was R8.3 million or 6.5 per cent lower than the programme’s projected expenditure, mainly reported under compensation of employees due to funded vacancies, and travel and subsistence due to COVID-19 imposed restrictions. Slow spending was also reported under payments for capital assets, mainly due to the delayed procurement of office equipment and tenant installation for the new office building.
- **Programme 2: National Planning Coordination** – programme reported an actual expenditure of R39.8 million or 49.7 per cent of its 2021/22 available budget allocation of R80.1 million. The reported expenditure was R12.2 million or 23.5 per cent lower than the programme’s projected expenditure, mainly reported under goods and services due to postponement of some of the department’s projects, as well as the delays in the appointment of National Planning Commissioners.

# VOTE 9: PLANNING, MONITORING AND EVALUATION

- **Programme 3: Sector Monitoring Services** – This programme spent R42.3 million or 63.5 per cent of its 2021/22 available budget allocation of R66.5 million. The expenditure was R3.6 million or 7.8 per cent lower than the programme's projected expenditure, mainly under goods and services: travel and subsistence as a result of COVID-19 imposed restrictions. The programme also incurred delays in finalising new SITA agreements for the Presidential Hotline.
- **Programme 4: Public Sector Monitoring and Capacity Development** – This programme spent R45.3 million or 56.2 per cent of its 2021/22 total available budget of R80.5 million. The spending translated to a R7.9 million or 14.9 per cent lower than projected expenditure for the period under review, mainly on travel and subsistence as a result of COVID-19 imposed restrictions.
- **Programme 5: Evaluation, Evidence and Knowledge Systems** – This programme reported a total expenditure of R22.2 million or 53.8 per cent against an available budget of R41.3 million. The expenditure was R4.3 million or 16.3 per cent lower than the projected expenditure for the period under review, mainly reported under goods and services due to delays in the procurement of consultancy services for evaluation projects.

# VOTE 11: PUBLIC SERVICE AND ADMINISTRATION

**Programme 1: Administration** spent R31.0 million or 16.4 per cent lower than the projected spending of R189.2 million. Lower than expected expenditure is evident under goods and services (communication) owing to outstanding invoices for the Public Service Month and the Ministerial community outreach project. The department is currently following up with the Government Communication and Information System on the outstanding invoices. Lower than expected expenditure is also evident under goods and services (computer services) as a result of delays in the procurement of digital signature solutions, SharePoint upgrades and the disaster recovery tool. Furthermore, there are outstanding invoices from the SITA for the Private Branch Exchange (PBX) and Microsoft licenses.

**Programme 2: Human Resource Management and Development** spent R4.4 million or 12.1 per cent lower than the projected expenditure of R36.2 million. Lower than expected expenditure is mainly evident under goods and services and relates to delays in the appointment of a service provider for the layout, editing and printing of the 2020/21 Annual Compliance Report. Furthermore, there have been delays in the procurement process for the appointment of service providers to conduct competency assessments of senior management in the public service under human resource development. The terms of reference were approved on 14 December 2021, and the bid for the service providers has been advertised. Lower than expected expenditure is also evident under travel and subsistence and arises from fewer than planned activities attending the Covid-19 pandemic management restrictions.

# VOTE 11: PUBLIC SERVICE AND ADMINISTRATION (2)

- **Programme 3: Negotiations, Labour Relations and Remuneration Management** spent R24.1 million or 33.6 per cent lower than the projected expenditure of R71.8 million. Lower than expected expenditure is mainly evident under goods and services (consultants: business and advisory services) and is caused by the delay in the commencement of the Personnel Expenditure Review project arising from capacity constraints. The bids received for an executing service provider have been evaluated and recommendations have been sent to the Director General.
- **Programme 4: e-Government Services and Information Management** spent R11.6 million or 46.1 per cent lower than the projected expenditure of R25.2 million. Lower than expected expenditure is evident under goods and services (consultants: business and advisory services, computer services and travel and subsistence) and is caused by delays in the procurement of IT advisory services through SITA. The submission is with the Director-General for approval. Further underspending under computer services arises from delays on the procurement of a compliance management system. The department has, on an ongoing basis, been following up on progress of the procurement of the system through SITA. Lower than expected expenditure under travel and subsistence is caused by fewer than anticipated activities taking place in light of the Covid-19 pandemic management restrictions.

# VOTE 11: PUBLIC SERVICE AND ADMINISTRATION (3)

- **Programme 5: Government Service Access and Improvement** spent R5.7 million or 7.0 per cent lower than the projected expenditure of R82.2 million. Lower than expected expenditure is mainly evident under goods and services and is as a result of the delays experienced in the consultations on the Frontline Service Centres programme. The consultations are expected to happen in the fourth quarter. Lower than expected expenditure is also evident under travel and subsistence owing to the imposition of COVID-19 pandemic management related travel restrictions which led to the rescheduling of some of the meetings and others being held virtually.

# VOTE 12: PUBLIC SERVICE COMMISSION

- **Programme 1: Administration** spent R85.9 million or 4.8 per cent lower than the projected spending of R90.2 million. The R85.9 million in actual expenditure is R4.3 million lower than the projected expenditure of R90.2 million. The lower than planned expenditure is mainly evident in the budget for goods and services. The low spending on goods and services (mainly for internal audit, internet charges, data lines, transversal system and travel and subsistence) is as a result of delays in the department's receipt of invoices and reduced traveling attending Covid-19 pandemic management restrictions.
- **Programme 2: Leadership and Management Practices** spent R37.1 million or 0.5 per cent lower than the projected spending of R37.1 million. The R37.1 million in actual spending is R200 000 lower than the projected expenditure of R37.3 million. The lower than projected expenditure is evident in the budget for compensation of employees and is attributed to vacant posts.
- **Programme 3: Monitoring and Evaluation** spent R30.8 million or 0.2 per cent higher than the projected spending of R30.7 million. The R30.8 million in actual spending is R100 000 higher than the projected expenditure of R30.7 million. Higher than projected expenditure is evident in the budget for compensation of employees because of the leave gratuity payout for one employee who has since retired.
- **Programme 4: Integrity and Anti-Corruption** spent R39.1 million or 1.3 per cent lower than the projected spending of R39.6 million. The R39.1 million in actual spending is R500 000 lower than the projected spending of R500 000. The lower than projected spending is evident in the budget for compensation of employees owing to funded vacant posts



# VOTE 13: PUBLIC WORKS AND INFRASTRUCTURE

**Programme 1: Administration** spent R32.0 million or 9.4 per cent lower than the projected expenditure of R340.4 million. Lower than expected expenditure is evident in the budget for compensation of employees because of funded vacant posts. Vacant posts are in the process of being filled.

Lower than expected expenditure is also evident under goods and services (computer services, minor assets, consumables, and outsource services). Lower than expected expenditure under:

- computer services is due to delays in finalising the procurement of new software licences;
- minor assets and consumables is as a result of officials working from home due to the COVID-19 pandemic; and
- outsourced services arises from delays in the appointment of service providers for ICT support services.

# VOTE 13: PUBLIC WORKS AND INFRASTRUCTURE (2)

**Programme 2: Intergovernmental Coordination** spent R4.1 million or 10.8 per cent lower than the projected expenditure of R38.2 million. Lower than expected expenditure is evident under compensation of employees owing to funded vacant posts. Vacant posts are in the process of being filled.

Lower than expected expenditure is also evident under goods and services (catering, venues and facilities, and travel and subsistence) as a consequence of fewer than expected activities resulting from COVID-19 pandemic management related restrictions.

**Programme 3: Expanded Public Works Programme** spent R62.4 million or 3.1 per cent lower than the projected expenditure of R2.042 billion. Lower than expected expenditure is mainly evident under transfers and subsidies for the EPWP Integrated Grant for Municipalities and Provinces which were not effected due to implementers' non-compliance with the requirements of the Division of Revenue Act.

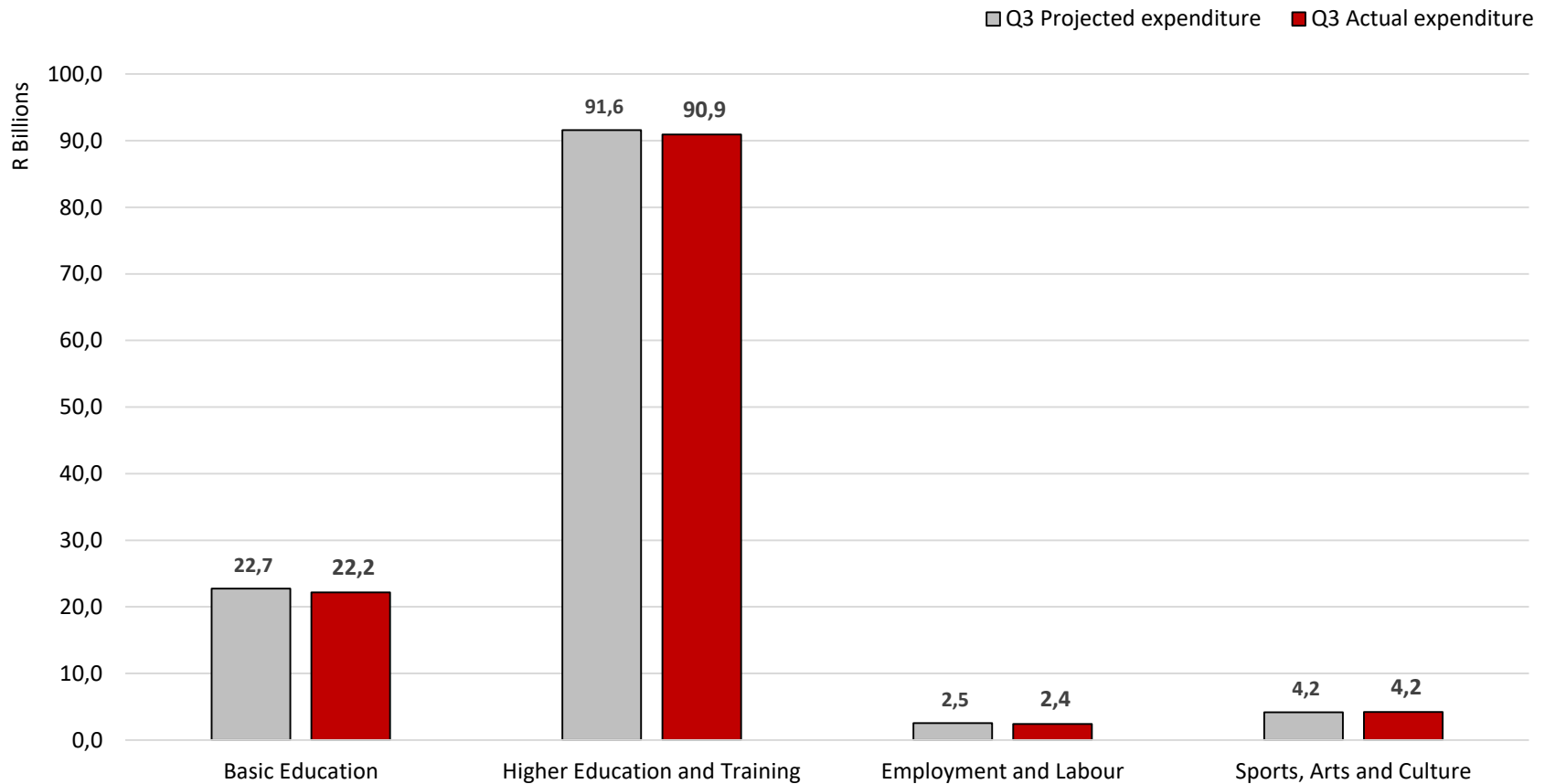
# VOTE 13: PUBLIC WORKS AND INFRASTRUCTURE (3)

- **Programme 4: Property and Construction Industry Policy and Research** spent R34.5 million or 1.0 per cent higher than the projected expenditure of R3.527 billion. Higher than expected expenditure under programme 4 relates to the creation of a transfer payment of R93.0 million to the Independent Development Trust which was approved by the National Treasury and included in the AENE. The revised drawings submitted to the National Treasury after the AENE, incorporates this adjustment and are in line with the approved adjusted budget.
- **Programme 5: Prestige Policy** spent R11.5 million or 22.4 per cent lower than the projected expenditure of R51.4 million. Lower than expected expenditure is evident mainly under goods and services (contractors, operating leases, travel and subsistence and consumables) as a result of Covid-19 pandemic restrictions which have decelerated normal business operations.

## VOTE 14: STATISTICS SOUTH AFRICA

- **Programme 1: Administration:** spent R16.4 million or 3.2 per cent lower than the projected expenditure of R517.6 million. The lower than projected expenditure was mainly due to restricted travelling as a result of the COVID-19 pandemic, and the actual amount paid for unitary fees being lower than the projected amount.
- **Programme 5: Statistical Support and Informatics** spent R21.8 million or 11.5 per cent lower than the programme's projected expenditure of R189.9 million. The lower than projected expenditure was mainly reported on goods and services due to delayed SITA invoices for computer services.
- **Programme 6: Statistical Operations and Provincial Coordination** spent R449.5 million or 28.5 per cent lower than the projected expenditure of R1.6 billion. The lower than projected expenditure was mainly reported on goods and services due to slow spending on the census project. Expenditure in this area is expected to increase significantly in the fourth quarter, as the department will be conducting the Census in February 2022

# EDUCATION AND RELATED DEPARTMENTS



# EDUCATION AND RELATED DEPARTMENTS

R million	Main Appropriation	Adjusted Appropriation	Available Budget	Q3 Actual expenditure	Expenditure as % of Available Budget	Q3 Projected expenditure	Variance from projected expenditure	% Variance from projected expenditure	COVID-19 Spending
16 Basic Education	27 018.1	27 239.3	27 239.3	22 177.7	81.4%	22 732.6	554.8	2.4%	1.2
17 Higher Education and Training	97 784.0	97 889.0	97 889.0	90 948.4	92.9%	91 592.7	644.3	0.7%	0.3
31 Employment and Labour	3 505.7	3 816.5	3 816.5	2 410.2	63.2%	2 529.6	119.4	4.7%	1.3
37 Sports, Arts and Culture	5 693.9	5 747.3	5 747.3	4 216.3	73.4%	4 156.8	-59.5	-1.4%	39.1
<b>Total</b>	<b>134 001.7</b>	<b>134 692.0</b>	<b>134 692.0</b>	<b>119 752.6</b>	<b>88.9%</b>	<b>121 011.6</b>	<b>1 259.0</b>	<b>1.0%</b>	<b>42.0</b>

# VOTE 16: BASIC EDUCATION

The department spent R22.2 billion or 81.4 per cent of the available budget which equates to R554.8 million or 2.4 per cent lower than projected spending of R22.7 billion.

- **Programme 2: Curriculum Policy, Support and Monitoring:** Spending is lower than projected by R303.8 million or 18.9 per cent, mainly under goods and services. This is attributed to the late submission of invoices for the printing and delivery of the volume 2 workbooks that schools will use in the second half of 2022.
- **Programme 3: Teachers, Education Human Resources and Institutional Development:** Expenditure was lower than projected by R6.3 million or 0.5 per cent mainly under travel and subsistence due to Covid-19 restrictions.
- **Programme 4: Planning, Information and Assessment:** Expenditure is lower than projected by R234.5 million or 1.9 per cent, mainly under payments for capital assets in the *school infrastructure backlogs grant*. The low spending is mainly due to delays in receiving invoices from implementing agents for work completed.
- **Programme 5: Educational Enrichment Services:** Expenditure was lower than projected by R9.4 million or 0.1 per cent, mainly under travel and subsistence to Covid-19 restrictions

# VOTE 17: HIGHER EDUCATION & TRAINING

The Department spent R90.9 billion which is 92.9 per cent of the available budget and is R644.3 million or 0.7 per cent lower than projected.

- **Programme 2: Planning, Policy and Strategy** – Spending is lower than projected by R10.9 million or 6.3 per cent, mainly under compensation of employees due to delays in filling vacant posts.
- **Programme 3: University Education** – Spending is R264.4 million or 0.3 per cent lower than projected, mainly due to delays in the transfer payments of earmarked grants to Higher Education Institutions. These grants could not be processed as initially projected as the required progress reports were not timeously received. Payments will be processed in the fourth quarter.
- **Programme 4: Technical and Vocational Education and Training** – Spending is R306.8 million or 3.6 per cent lower than projected, mainly under compensation of employees as a result of unfilled vacant posts and because claims from examiners and moderators for October/November 2021 examinations were not received as projected.
- **Programme 5: Skills Development** – Spending is lower than projected by R22.7 million or 9.3 per cent, mainly under goods and services due to delays in receiving invoices from suppliers.



# VOTE 17: HIGHER EDUCATION & TRAINING (2)

## Personnel

- The lower than projected spending of R405 million or 5.7 per cent on compensation of employees is mainly due to vacant posts that were not filled as projected, and outstanding claims from moderators and examiners at TVET and CET colleges that were not processed as projected.
- The 217 variance in headcount numbers for the quarter is due to delays in the filling of vacant posts. Processing the high number of applications received (particularly for the many job advertisements for TVET and CET college staff) and in securing suitably qualified candidates for critical posts, has proven to be difficult

# VOTE 31: EMPLOYMENT AND LABOUR

The department spent R2.4 billion or 63.2 per cent of the available budget at the end of the third quarter. This equates to R119.4 million or 4.7 per cent lower than projected spending of R2.5 billion.

- **Programme 1: Administration:** lower spending by this programme amounts to R59.9 million or 8.8 per cent mainly under Compensation of employees due to vacant finance, supply chain, and management posts at provincial offices and labour centres and IT posts at head office. The low spending on Goods and services is mainly as a result of delayed invoicing by the DPW&I and SITA, as well as lower than projected spending on travel and subsistence as a result of COVID-19 restrictions. The low spending on Payments for capital assets is due to delays in the delivery of laptops as a result of world-wide microchip shortages.
- **Programme 2: Inspection and Enforcement Services:** Spending by the programme was lower than projected by R51.6 million or 11.5 per cent. The largest item of slow spending by this programme is on Compensation of employees due to vacant funded posts, as Occupational Health and Safety inspectors leaving the department. The slow spending on Goods and services is as a result of COVID-19 restrictions which reduced spending on travel and accommodation, fleet services and venues and facilities. Payments for capital assets also experienced slow spending due to delays in the delivery of laptops as a result of world-wide microchip shortages.

# VOTE 31: EMPLOYMENT AND LABOUR (2)

## Personnel:

- Spending on compensation of employees for the quarter was R962.4 million or 66.8 per cent of the available budget of R1.4 billion, with total lower spending of R50.6 million or 5 per cent. The headcount target for 2021/22 as per the 2021 Estimates of National Expenditure is 3 414 of which only 2 939 posts was filled by the end of the third quarter. The slow spending and lower headcount is mainly due to delays in the filling of vacant posts, mainly in programmes 1 and 2.

## VOTE 37: SPORT, ARTS AND CULTURE

The department's spending amounted to R4.2 billion or 73.4 per cent of its available budget of R5.7 billion. In the third quarter, the department reported overspending of R59.5 million or 1.4 per cent against projections of R4.16 billion.

- **Programme 1: Administration:** expenditure by this programme is higher than projected by R5.7 million or 1.6 per cent mainly on Goods and services due to higher spending by the Office Accommodation subprogramme on Operating leases. The Department of Public Works and Infrastructure invoiced the department earlier than anticipated.
- **Programme 2: Recreation Development and Sport Promotion:** expenditure by this programme is higher than projected by R26.3 million or 2.9 per cent. The higher spending by the Winning Nation subprogramme was due to a transfer made to loveLife which was planned for the 2nd quarter but was only paid in the 3rd quarter due to the institution's delay in submitting the required documentation to the department. Higher spending by the Infrastructure Support subprogramme was due to additional transfers made to various entities for capital works projects, with the bulk of the funds being transferred to the Kwazulu-Natal Museum for the security and upgrading of the old St. Anne's hospital.

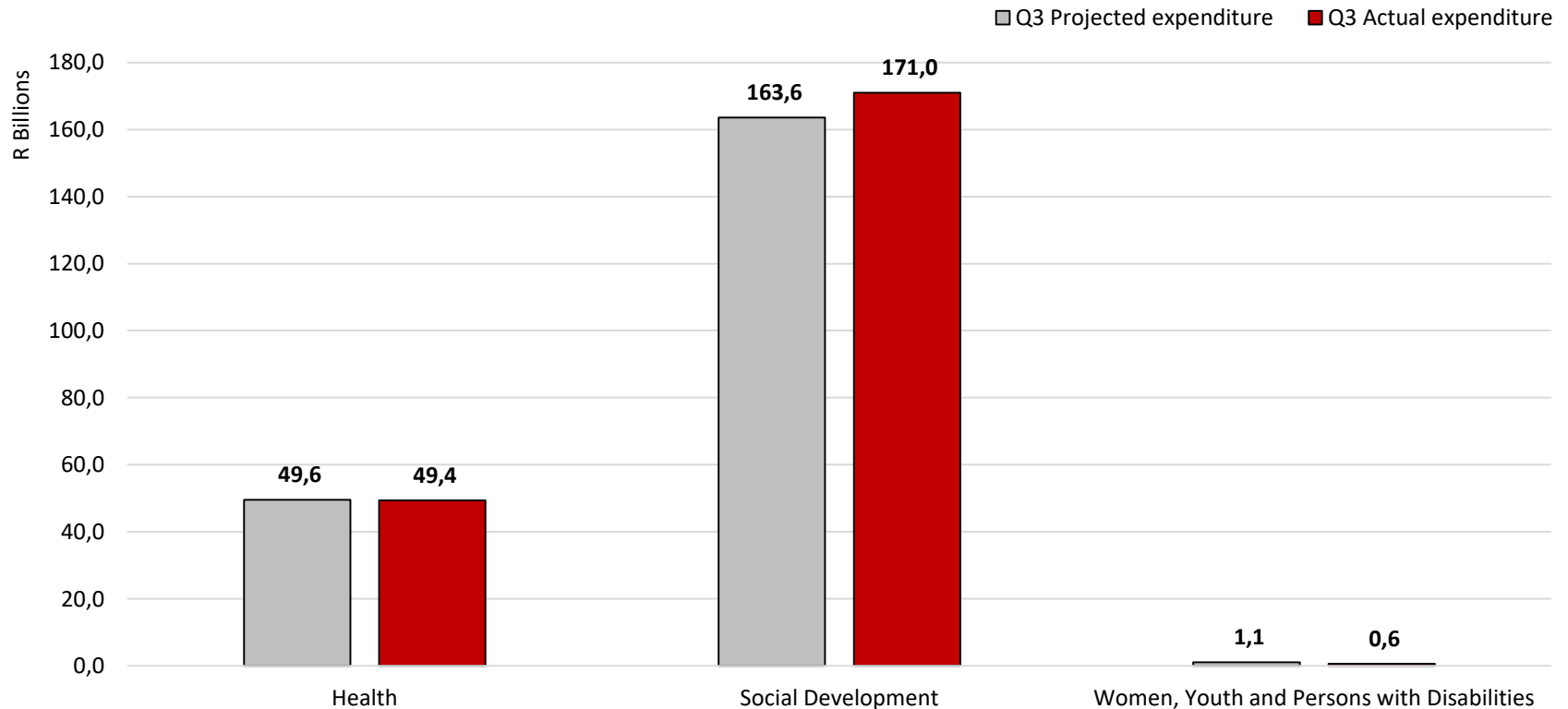
# VOTE 37: SPORT, ARTS AND CULTURE

- **Programme 3: Arts and Culture Promotion and Development:** expenditure is higher than projected by R23.9 million or 2.7 per cent due to earlier payments than planned for the participation at the Dubai Expo, and for the Social Cohesion Advocates, Reconciliation Day, and Vaccination Campaign programmes; the earlier transfers made to beneficiaries of the MGE: Community Arts Development and Local Market Development & Promotion programmes; an advance transfer payment to the South African State Theatre for productions staged earlier in December 2021 and to the newly declared Mandela Bay Theatre Complex for programming and operational costs.
- **Programme 4: Heritage Promotion and Preservation:** expenditure is higher than projected by R3.6 million or 0.2 per cent mainly on Transfers and subsidies due to late finalisation of Memorandum of Agreements with universities for heritage bursaries and transfers to beneficiaries of the Presidential Employment Stimulus programme Phase 2.

## Covid spending

- Covid-19 related spending amounted to R39.1 million on Goods and services and Transfers and subsidies: for the DSAC COVID-19 steering committee that adjudicates and allocates Covid-19 relief funding to the sport, arts and culture sectors and on transfers to the National Arts Council for the shortfall on the third phase Covid-19 relief fund.

# HEALTH AND SOCIAL DEVELOPMENT



# HEALTH AND SOCIAL DEVELOPMENT

R million		Main Appropriation	Adjusted Appropriation	Available Budget	Q3 Actual expenditure	Expenditure as % of Available Budget	Q3 Projected expenditure	Variance from projected expenditure	% Variance from projected expenditure	COVID-19 Spending
18	Health	62 543.3	64 771.1	64 771.1	49 361.2	76.2%	49 590.6	229.3	0.5%	8 006.2
19	Social Development	205 226.9	232 146.3	232 146.3	170 954.5	73.6%	163 605.6	-7 348.8	-4.5%	20 902.0
20	Women, Youth and Persons with Disabilities	763.5	1 195.5	1 195.5	628.2	52.5%	1 072.7	444.5	41.4%	0.0
<b>Total</b>		<b>268 533.7</b>	<b>298 112.9</b>	<b>298 112.9</b>	<b>220 943.9</b>	<b>74.1%</b>	<b>214 268.9</b>	<b>-6 675.0</b>	<b>-3.1%</b>	<b>28 908.2</b>

# VOTE 18: HEALTH

**Summary:** The department spent R49.4 billion or 78.9 per cent of the R64.8 billion adjusted budget. This is lower than projected spending of R45.6 billion indicating a variance of R229.3 million.

- Payments for capital assets were R185.7 million below projection, mainly due to slower than projected spending and progress with Limpopo Academic Hospital and other infrastructure projects funded by the health facility revitalisation component of the NHI Indirect Grant
- Transfers and subsidies were R78 million below projection. This includes:
  - The Covid-19 component of the HIV/Aids conditional grant (in Programme 3), wherein there was a variance of R23.1 million because NDOH withheld funds for Northern Cape, Eastern Cape and North West due to non-compliance with reporting requirements. The funds were however subsequently paid in January 2022.
  - The statutory human resources, training and development grant (Programme 6) spent R60.8 million below projections, largely due to the additional funds (R243 million) that were added during the adjustments budget but not yet fully transferred.
- There was higher than projected spending in goods and services where R7.8 billion was spent against a projection of R7.7 billion, indicating a variance of R64.1 million.
- There was higher than projected spending in goods and services: medicines in programme 3, where R6.76 billion was spent against a projection of R6.63 billion indicating a variance of R128.9 million, due to payments (including pre-payments) for Covid-19 vaccines.



## VOTE 19: SOCIAL DEVELOPMENT

The department of Social Development spent R171.0 billion by the end of quarter 3. This is R7.3 billion higher than projected, mainly due to spending on the special COVID-19 social relief of distress grant. This overspending will clear by the end of the year, when the additional allocation for extension of this grant is appropriated.

# VOTE 20: WOMEN, YOUTH AND PERSON WITH DISABILITIES

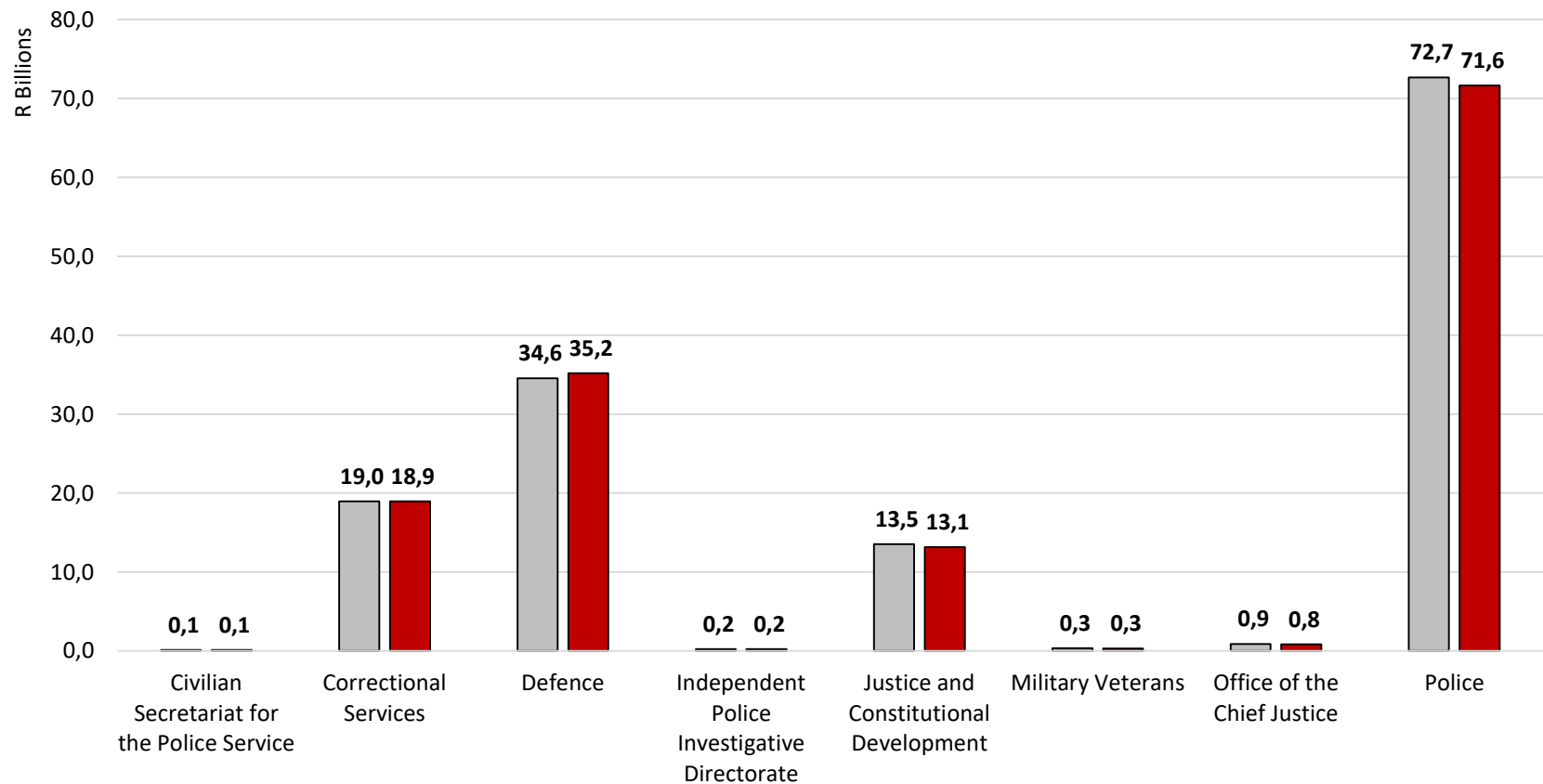
The department spent R628.2 million or 53 per cent of its R1.2 billion available budget. The spending was R444.5 million lower than the projected spending of R1.1 billion. Implementation of PYEI's national youth service project is expected to start in quarter 4.

# JUSTICE AND PROTECTION SERVICES

- Vote 22: Correctional Services
- Vote 23: Defence
- Vote 24: Independent Police Investigative Directorate
- Vote 25: Justice and Constitutional Development
- Vote 26: Military Veterans
- Vote 27: Office of the Chief Justice
- Vote 28: Police

# JUSTICE AND PROTECTION SERVICES

□ Q3 Projected expenditure    ■ Q3 Actual expenditure



# JUSTICE AND PROTECTION SERVICES

R million	Main Appropriation	Adjusted Appropriation	Available Budget	Q3 Actual expenditure	Expenditure as % of Available Budget	Q3 Projected expenditure	Variance from projected expenditure	% Variance from projected expenditure	COVID-19 Spending
21 Civilian Secretariat for the Police Service	149.0	151.0	151.0	99.5	65.9%	101.3	1.8	1.8%	0.2
22 Correctional Services	25 218.1	25 943.3	25 943.3	18 945.0	73.0%	18 965.2	20.2	0.1%	27.5
23 Defence	46 268.7	48 796.4	48 796.4	35 180.7	72.1%	34 551.5	-629.1	-1.8%	369.6
24 Independent Police Investigative Directorate	348.3	353.8	353.8	230.2	65.1%	244.2	14.0	5.7%	0.2
25 Justice and Constitutional Development	19 119.8	19 508.7	19 508.7	13 139.0	67.3%	13 511.7	372.7	2.8%	10.4
26 Military Veterans	654.4	607.4	607.4	289.1	47.6%	343.6	54.5	15.8%	1.6
27 Office of the Chief Justice	1 211.8	1 241.8	1 241.8	839.6	67.6%	865.4	25.8	3.0%	0.9
28 Police	96 355.5	100 473.8	100 473.8	71 641.1	71.3%	72 685.2	1 044.1	1.4%	59.0
<b>Total</b>	<b>189 325.6</b>	<b>197 076.2</b>	<b>197 076.2</b>	<b>140 364.2</b>	<b>71.2%</b>	<b>141 268.2</b>	<b>903.9</b>	<b>0.6%</b>	<b>469.6</b>

# JUSTICE AND PROTECTION SERVICES

- **Vote 22: Correctional Services**

The Department spent R18.9 billion or 73 per cent of R25.9 billion available budget thus resulting in lower than planned spending of R20.2 million. Contributing to lower than projected spending is mainly compensation of employees, which accrued lower than planned spending of R150.7 million after spending R13.2 billion or 73.6 per cent of R17.9 billion available budget, mainly due to an additional R622 million to compensation of employees for salary adjustment, which was allocated during Adjusted Estimates of National Expenditure.

- **Vote 23: Defence**

Higher than projected spending of R629.1 million was mainly on compensation of employees. The higher than projected spending on compensation of employees was mainly due to the compensation of employees ceiling which does not support the current personnel numbers of the department.

- **Vote 24: Independent Police Investigative Directorate**

Lower than projected spending of R14 million mainly on *compensation of employees*, and *goods and services* as well as *payments for capital assets*. *Compensation of employees* was lower than the projection due to vacant funded posts, while on *goods and services* the slower than projected spending was mainly due to delayed submission of invoices for ICT services by SITA as well as savings on travelling due to use of virtual platforms. Lastly, the slow spending on *payments for capital assets* was due to delays in the delivery of vehicles and laptops ordered by the Directorate due to shortage of certain vehicle parts and stock locally.

# JUSTICE AND PROTECTION SERVICES

- **Vote 25: Justice and Constitutional Development**

Spending is lower by R372.7 billion mainly due to lower than planned spending on goods and services. This can be attributed to: delays in processing of municipal services and private lease invoices as a result of ongoing discussions between the department and DPWI regarding a function shift; delays in the procurement of ICT licenses (Citrix and Trend) and services (central support, service desk and security support services); and underperformance by departments participating in the Integrated Justice System programme

- **Vote 26: Military Veterans**

Lower than projected spending of R54.5 million was mainly on transfers and subsidies, goods and services, compensation of employees as well as payments for capital assets. The lower than projected spending for transfers and subsidies was mainly due to delay in the receipt of invoices regarding payments for education support, health and housing benefits. The lower than projected spending for goods and services was mainly due to challenges experienced by the department in implementing the LOGIS system at the beginning of the 2021/22 financial year. The department has had to create manual orders for cost driver services such as IT and printer services. The lower than projected spending for compensation of employees was mainly due to the vacant senior posts within the department. The lower than projected spending for payments for capital assets is mainly due to delays in the procurement of laptops and desktops.

# JUSTICE AND PROTECTION SERVICES

- **Vote 27: Office of the Chief Justice and Judicial Administration**

The Office of the Chief Justice's overall actual expenditure for the third quarter was R1.6 billion or 69.1 per cent of the R2.4 billion available budget, thus illustrating lower than planned spending of R56.8 million. Contributing to slow spending was goods and services mainly due to reduction in catering, travelling and the hiring of venues for case flow management meetings. The payments for capital assets also contributed to slow spending mainly due to delay in the purchase of laptops and server equipment, as well as lesser than projected expenditure on judges hired vehicles since some vehicle contracts are running on a month-to-month basis and are therefore paid under goods and services as operating leases. Judges' salaries were also behind spending due to fewer than anticipated appointments of acting judges as well as less than projected gratuities paid to retired judges.



# JUSTICE AND PROTECTION SERVICES

- **Vote 28: Police**

Lower than planned spending of R1 billion mainly on *compensation of employees* was due to the deferral of payments for pay progression to the last quarter of the financial year and the delayed payment of overtime accumulated during the 2021 Local Government Elections. While on *goods and services* the slow spending was due to the delayed processing of invoices from the State Information Technology Agency (SITA) and the Department of Public Works and Infrastructure (DPW-I) for ICT services and municipal services, respectively. Furthermore, due to the increased use of virtual platforms by staff in non-frontline services, there was reduced travel and use of official vehicles by staff. Within *payments for capital assets*, slower than planned spending was mainly due to the delayed delivery of ICT software, motor vehicles and forensic equipment as a result of a shortage of stock for various parts locally as well as delays in the procurement process caused by the impact of the Covid-19 pandemic, specifically the unavailability of construction material due to a shortage of stock.

## VOTE 22: CORRECTIONAL SERVICES

- **Administration:** spent R3.9 billion or 85.7 per cent of the R4.6 billion available budget, resulting in higher than planned spending of R212.4 million. The higher than planned spending was recorded mainly under goods and services, and transfers and subsidies. This was because of higher number of trips to regions as well the payment of leave gratuities for services terminations that were higher than expected, respectively.
- **Incarceration:** Spent R11.2 billion of R15.4 billion available budget, resulting in lower than planned spending of R88.3 million. Contributing to lower than planned spending was goods and services' item: agency and support/outsourced services due to the delayed implementation of the salary adjustment for the officials in the Mangaung Correctional Centre pending agreement between the relevant parties. Delays in the procurement of security equipment and poor performance of capital works projects under payments for capital assets contributed to lower than projected spending.
- **Rehabilitation:** Spent R1.5 billion or 65.6 per cent of R2.2 billion available budget resulting in lower than planned spending of R53 million. The lower than planned spending was attributed to goods and services' items: consumable supplies and inventory farming supplies due to the delays in procuring materials supplies for hardware, washing and cleaning detergents.

## VOTE 22: CORRECTIONAL SERVICES

- **Care:** Spent R1.6 billion or 66.7 per cent of R2.5 billion of the available budget, resulting in lower than planned spending of R72.4 million. The lower than planned spending was mainly due to goods and services' item: consumable supplies, because of slow spending on funds allocated for COVID-19. This was because of the delay in the procurement of medical supplies.
- **Social Reintegration:** Spent R745.2 million or 57.8 per cent of R1.3 billion available budget, resulting in lower than planned spending of R19 million. This was on goods and services' item: fleet services because of fewer vehicles taken for maintenance and repairs than anticipated. Further to this, a virement was implemented to fund item: machinery and equipment under the same programme for procurement of motor vehicles, IT equipment and laptops for the regions.

## VOTE 23: DEFENCE

- **Administration:** spent R3.927 billion against projected expenditure of R3.883 billion which resulted in higher than planned spending of R44.3 million, mainly due to the higher than anticipated payment for municipal services as a result of arrears which were not settled by the Department of Public Works and Infrastructure prior to devolution of functions to the DoD.
- **Force Employment:** spent R2.7 billion against the projected expenditure of R2.6 billion which resulted in higher than planned spending of R81.8 million, mainly due to the high costs of rations and fuel procured for the South African National Defence Force members deployed in the Cabo Delgado province, Mozambique, through Operation Vikela.
- **Landward Defence:** spent R12.5 billion against projected expenditure of R11.9 billion which resulted in higher than planned expenditure of R646.8 million, mainly due to the compensation of employees ceiling which does not support the current personnel numbers of the department.
- **Air Defence:** spent R3.9 billion against projected expenditure of R4 billion which resulted in lower than planned expenditure of R108.7 million, mainly due to the prolonged procurement processes concerning the upkeep of the aircraft systems.

## VOTE 23: DEFENCE

- ***Maritime Defence:*** spent R2.9 billion against projected expenditure of R2.8 billion which resulted in higher than planned expenditure of R24 million, mainly due to higher than budgeted cost for rations and ship fuel.
- ***Military Health Support:*** spent R4.140 billion against projected expenditure of R4.114 billion which resulted in higher than planned expenditure of R26.5 million, mainly due to the compensation of employees ceiling which does not support the current personnel numbers of the department.
- ***Defence Intelligence:*** spent R550.1 million against projected expenditure of R557.5 million which resulted in lower than planned expenditure of R7.3 million, mainly due to delays in the receipt of invoices regarding the payments for temporary accommodation tents used in military camps/bases from the supplier as well as delays in the renovation of the South African Defence Intelligence College as a result of delays in obtaining site and structural plans from the municipality.
- ***General Support:*** spent R4.6 billion against projected expenditure of R4.7 billion resulting in lower than planned expenditure of R78.2 million, mainly due to the prolonged procurement processes for personal protective equipment which affected payments to suppliers.

## VOTE 24: INDEPENDENT POLICE INVESTIGATIVE DIRECTORATE

- **Administration:** Spent R66.2 million against a projection of R72.9 million, thus leaving a deviation of R6.7 million between planned and actual spending. Slow spending was mainly recorded on *compensation of employees* (R2.3 million) due to vacant funded posts, and *goods and services* (R2.7 million) as well as *payments for capital assets* (R1.8 million). The slow spending on *goods and services* was due to the delayed submission and processing of invoices for ICT services and office accommodation mainly in December 2021 given shorter business operating days. While on *payments for capital assets* the slow spending was due to delays in the delivery of laptops ordered by Directorate for its staff as a result of a shortage of stock locally.
- **Investigation and Information Management:** Spent R151.5 million against a projection of R158.1 million, thus resulting in a deviation of R6.6 million between planned and actual spending. Slow spending was mainly recorded on *compensation of employees* (R4.2 million) due to vacant funded posts, and *goods and services* (R1 million) as well as *payments for capital assets* (R1.4 million). The slow spending on *goods and services* was due to the delayed processing of invoices from SITA for ICT services and delays in the delivery of procured vehicle parts due to a shortage of stock locally. While the slow spending on *payments for capital assets* was due to delays in the delivery of vehicles ordered by the Directorate as automotive manufactures are experiencing a shortage of certain vehicle parts locally. This challenge has been confronting several departments since the beginning of the 2021/22 financial year.

# VOTE 25: JUSTICE AND CONSTITUTIONAL DEVELOPMENT

- **Programme 1: Administration** – Expenditure under this programme is lower by R160.3 million, mainly on goods and services, due to discussions between the department and the Department of Public Works and Infrastructure regarding a function shift delaying the processing of municipal service and private lease invoices. Payment of outstanding invoices commenced in October 2021, and expenditure is expected to improve in the fourth quarter of 2021/22.
- **Programme 2: Court Services** - Expenditure under this programme is lower by R64.7 million, mainly on goods and services (agency and support/outsourced services) and payments for capital assets (buildings and other fixed structures). Lower spending on goods and services was due to disputed psychiatric observation invoice amounts (suspected double billing). The department is working with the Department of Health to resolve this discrepancy. Spending on infrastructure projects shows positive improvements following a gradual recovery from procurement and payment system challenges (BAS and Justice Yellow Pages system outages) experienced during the first six months of 2021/22.

# VOTE 25: JUSTICE AND CONSTITUTIONAL DEVELOPMENT (2)

- **Programme 3: State Legal Services** - Expenditure on this programme is lower by R37.3 million, mainly on compensation of employees, due to unfilled vacant posts (natural attrition) in the Information Regulator, State Attorney and Master's offices. Noting the slow progress in the filling of vacant posts in these offices, the department embarked on a recruitment drive to fast track the filling of vacancies.
- **Programme 4: National Prosecuting Authority** - Expenditure under this programme is higher by R2.1 million, mainly on transfers and subsidies (households), due to payment of leave gratuities to staff as a result of resignations.
- **Programme 5: Auxiliary and Associated Services** - Expenditure under this programme is lower by R112.5 million, mainly on goods and services (computer services), due to underperformance by departments participating in the Integrated Justice System (IJS) programme. In line with projections to spend the remaining balance, the programme anticipates improved expenditure following commitments from stakeholder departments.



## VOTE 26: MILITARY VETERANS

- **Administration:** spent R81.7 million against projected expenditure of R88.7 million which resulted in lower than planned expenditure of R7 million, mainly due to the manual creation of IT and printer services invoices. Manual creation of orders is required as the department is still facing challenges in terms of the implementation of the LOGIS System.
- **Socioeconomic Support:** spent R134.1 million against projected expenditure of R166.5 million which resulted in lower than planned expenditure of R32.4 million, mainly due to delays in the payment of invoices for education, housing and health benefits. In terms of the education benefit invoices, the department is struggling with obtaining the invoices to facilitate payment. In terms of the housing benefit invoices, the department has started going to the provinces where houses are being built to collect invoices to fast track payment of invoices. Lastly, in terms of the health benefit invoices, the department conducts an intense verification of invoices which subsequently delay the payment of invoices.
- **Empowerment and Stakeholder Management:** spent R73.4 million against projected expenditure of R88.4 million which resulted in lower than planned expenditure of R15 million, mainly due to delays in finalising several projects aimed at training and upskilling the military veterans. The department is currently engaging Sector Education and Training Authority (SETA) and will transfer funds once training plans are finalised with SETA.

## VOTE 27: OFFICE OF CHIEF JUSTICE

- **Administration:** Spent R152.4 million or 61.9 per cent of R246.2 million available budget, resulting in lower than planned spending of R12 million. The lower than planned spending was mainly due to goods and services because of reduction in catering, travelling and the hiring of venues due to Covid-19 restrictions. Also contributing to lower than planned spending was lower procurement of library services materials.
- **Superior Court Services:** Spent R656.3 million or 70 per cent of R937 million available budget, resulting in lower than planned spending of R7.6 million. Contributing to lower than planned spending was goods and services because of lockdown restrictions on catering, travelling, and hiring of venue for case flow management meetings. Also adding to goods and services' less than projected spending was stationery and traveling for judges, fleet services because of low usage, because some of the staff and judges are still working remotely due to lockdown restrictions.
- **Judicial Education and Support:** Spent R31 million or 52.9 per cent of R58.6 million available budget resulting in lower than planned spending of R6.2 million. The lower than planned spending is attributed to the slow spending on goods and services on item venues and facilities due to virtual training of judicial officers as opposed to training at hired venues.

## VOTE 27: OFFICE OF CHIEF JUSTICE (2)

- ***Judges' salaries:*** The budget allocated against the National Revenue Fund (NRF) for judges' salaries was R1.1 billion, and the expenditure incurred for the 3<sup>rd</sup> quarter was R792.4 million, which resulted in lower than planned spending of R31 million. The lower than planned spending for judges' salaries relates to fewer than anticipated appointments of acting judges as well as the fewer than projected gratuities paid to retired judges.

## VOTE 28: POLICE

- **Administration:** Spent R13.5 billion against the projected expenditure of R14.1 billion, thus resulting in a deviation of R596 million between planned and actual spending. Slow spending was mainly recorded on *goods and services* (R314.5 million), and *payments for capital assets* (R354 million). The slow spending on *goods and services* was due to the delayed processing of invoices from SITA for ICT services and reduced travel by non-frontline service staff as a result of the increased usage of virtual platforms for meetings. While on *payments for capital assets* the slow spending was due to certain projects related to the *construction and upgrading of police stations* that will not be completed in the current financial year as a result of delays in the procurement process, that is, the unavailability of construction material as orders take longer than expected due to a shortage of stock.
- **Visible Policing:** Spent R38.3 billion against projected expenditure of R38.299 billion, thus resulting in a spending deviation of R39.5 million between planned and actual spending. Slow spending was mainly recorded on *payments for capital assets* (R76.7 million). This was due to orders placed for some motor vehicles that could not be delivered during the third quarter as a result of shortage of stock for selected parts locally.

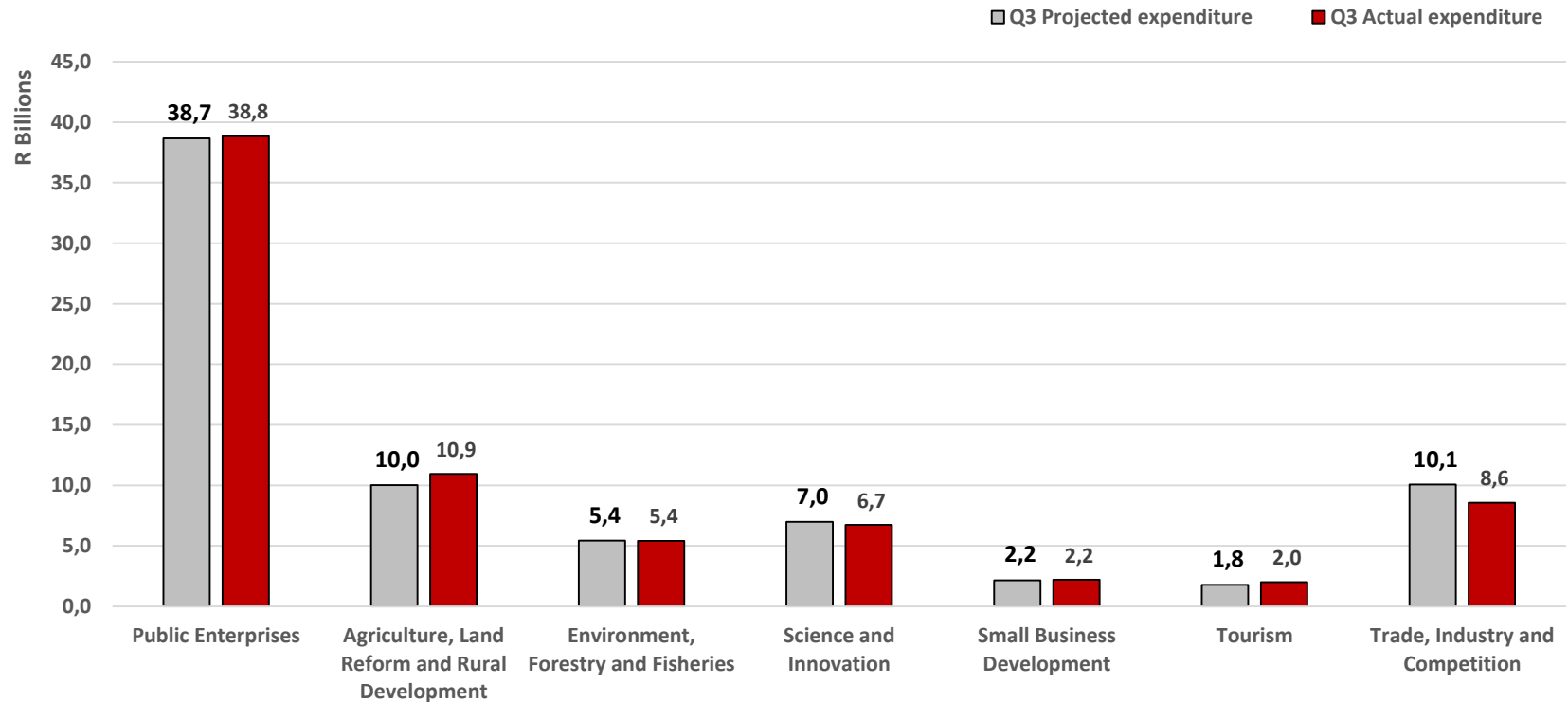
## VOTE 28: POLICE (2)

- **Detective Services:** Spent R14.2 billion against projected spending of R14.6 billion, thus resulting in a deviation of R375.7 million between planned and actual spending. This slow spending was mainly recorded on *compensation of employees* (R75.1 million) due to the deferral of payments for pay progression to the department's staff to the fourth quarter, and *goods and services* (R131.1 million) as well as on *payments for capital assets* (R172.5 million). Within *goods and services*, slower than planned spending is mainly due to less use of official vehicles during the third quarter of 2021/22. The slower than projected spending on *payments for capital assets* was mainly due to orders placed for ICT software, motor vehicles and forensic equipment that could not be delivered during the third quarter due to a shortage of stock locally.
- **Crime Intelligence:** Spent R3.157 billion against projected spending of R3.169 billion, thus resulting in a deviation of R12.2 million between planned and actual spending. Slow spending was mainly recorded on *goods and services* (R14.8 million) due to reduced travel and usage of official vehicles by staff during the third quarter of 2021/22.

## VOTE 28: POLICE (3)

- ***Protection and Security Services:*** Spent R2.516 billion against projected spending of R2.536 billion, thus resulting in a deviation of R20.7 million between planned and actual spending. The low spending was mainly recorded on *goods and services* (R11.1 million) and *payments for capital assets* (R25 million) . The slower than planned spending on *goods and services* was due to fewer travel trips requested by VIPs which resulted in the reduced usage of official vehicles and claims for *travel and subsistence*, while the low spending on *payments for capital assets* was due to orders placed for motor vehicles that could not be delivered during the third quarter owing to a shortage of stock.

# ECONOMIC SERVICES



# ECONOMIC SERVICES

R million	Main Appropriation	Adjusted Appropriation	Available Budget	Q3 Actual expenditure	Expenditure as % of Available Budget	Q3 Projected expenditure	Underspending	% Underspending	COVID-19 Spending
10 Public Enterprises	36 291.8	36 274.8	36 274.8	38 837.1	107.1%	38 661.6	-175.5	-0.5%	0.1
29 Agriculture, Land Reform and Rural Development	16 920.4	18 023.3	18 023.3	10 930.5	60.6%	10 009.3	-921.2	-9.2%	3.7
32 Environment, Forestry and Fisheries	8 716.8	9 099.7	9 099.7	5 418.8	59.5%	5 430.0	11.2	0.2%	24.4
35 Science and Innovation	8 933.3	9 005.6	9 005.6	6 727.4	74.7%	6 992.2	264.8	3.8%	41.1
36 Small Business Development	2 538.3	2 637.1	2 637.1	2 189.8	83.0%	2 156.6	-33.2	-1.5%	0.2
38 Tourism	2 429.6	2 545.3	2 545.3	2 003.6	78.7%	1 763.7	-239.9	-13.6%	0.4
39 Trade, Industry and Competition	9 736.6	11 812.0	11 812.0	8 557.0	72.4%	10 058.0	1 500.9	14.9%	0.0
<b>Total</b>	<b>85 566.9</b>	<b>89 397.9</b>	<b>89 397.9</b>	<b>74 664.2</b>	<b>83.5%</b>	<b>75 071.3</b>	<b>407.1</b>	<b>0.5%</b>	<b>69.9</b>



# SPENDING HIGHLIGHTS

- **Vote 10: Public Enterprises:** At the end of quarter under review, actual spending was R38.8 billion compared to projected spending of R38.7 billion. Therefore, spending was higher than projected by R175. 5 million or 0.5 per cent. This is mainly due to higher than planned spending on Programme 3: Business Enhancement, Transformation and Industrialisation due to expenditure authorised to settle guaranteed debt and interest payments on behalf of Denel SOC Limited under the Domestic Medium Term Note programme. The entity is in financial distress and is not able to settle its debt and interest hence it has requested government to settle the guaranteed debt and interest.
- **Vote 29: Agriculture, Land Reform and Rural Development:** Actual cumulative spending by the end of third quarter of 2021/22 amounted to R10.9 billion or 109.2 per cent, compared to the projected spending of R10 billion. The overall variance was R921 million or 9.2 per cent faster, mainly due to the higher expenditure on goods and services, transfers and subsidies, and payment for capital expenditure. The faster than projected expenditure, was mainly driven by the disbursement of vouchers for support to smallholder farmers through the Presidential Employment Stimulus Initiative (the process for verification of eligible farmers took longer than expected, hence a bulk payment was made in the third quarter); transfers of provincial conditional grants that were expected to be disbursed in the first and second quarter which were only paid in the third quarter; and payments for accommodation charges after invoices were delayed in the previous months and capital contribution payments to the construction of the new head office premises.

# SPENDING HIGHLIGHTS

- **Vote 32: Forestry, Fisheries and the Environment:** Actual spending was R5.4 billion or 59.5 per cent of the available budget. This was R11.2 million or 99.8 per cent below projected spending of R5.4 billion. This was mainly as a result of delays in the transfer payment to the South African National Parks for operational allocations as well as delays in receiving and processing of invoices for payments for operating leases and property on office accommodation.
- **Vote 35: Science and Innovation:** At the end of the third quarter, the department spent R6.7 billion or 74.7 per cent of the available budget of R9 billion. This translates to R264.8 million or 3.8 per cent faster against the projected expenditure of R7 billion for the quarter. The lower than anticipated expenditure is mainly attributable to lower spending on transfers and subsidies within the Administration and Technology Innovation programmes due to delayed transfers towards projects.

# SPENDING HIGHLIGHTS

- **Vote 36: Small Business Development:** Spending by the end December 2021 amounted to R2.19 billion or 101.5 per cent, compared to projected spending of R2.16 billion. The overall variance compared to projected spending was R33.2 million or 1.5 per cent faster. The faster spending was mainly under Development Finance due to the faster implementation of the Youth Challenge Fund through transfers to the Small Enterprise Finance Agency
- **Vote 38: Tourism:** Actual spending was R2 billion or 78.7 per cent of the available budget of R2.4 billion. This translates to R239.9 million or 13.6 per cent higher than anticipated expenditure against the projected expenditure of R1.8 billion for the quarter. The faster spending is also attributed to faster spending on goods and services under Programme 3: Destination Development due to the finalisation of contractual agreements and payments towards Expanded Public Works Programme projects. As well faster spending on transfers and subsidies under Programme 4: Tourism Sector Support Services due to the processing of funds towards the Tourism Equity Fund.

# SPENDING HIGHLIGHTS

- **Vote 39: Trade, Industry and Competition:** During the third quarter ending 31 December 2021, total spending was R8.6 billion against projected spending of R10.1 billion resulting in slower than planned spending of R1.5 billion or 14.9 per cent. This was mainly on Programme 6: Industrial Financing, which houses most of the incentive programmes. At economic classification, slow spending occurred on transfers and subsidies. This was attributed to low disbursement of funds for incentive programmes due to few claims received than anticipated, and restrictions on travelling abroad. On the other hand, spending was higher than planned on Programme 2: Trade Policy, Negotiations and Cooperation mainly driven by spending on legal fees under goods and services and transfers to the World Trade Organisation.

# VOTE 10: PUBLIC ENTERPRISES

- The Special Appropriation Act (11 of 2021) appropriating R2.7 billion for the subsidiaries of the South African Airways was gazetted on 28 June 2021. However, in terms of this Act, expenditure is regarded as having taken place in 2020/21. To date, the funds have been spent as follows:
- The department is in the process of disbursing the final amount once they have verified how the previous transferred amounts had been utilised.

Subsidiary	Allocated Amount R'000	Expenditure/disbursement to date R'000	Balance	Purpose of disbursement
South African Airways Technical SOC Ltd	1 663 000	1 663 000	-	Restructuring, salaries and spares
Mango Airlines SOC Ltd	819 000	420 000	399 000	Salaries and restructuring
Air Chefs SOC Ltd	218 000	218 000	-	Salaries and restructuring
Total	2 700 000	2 301 000	399 000	

- **Programme 1: Administration:** Expenditure on the programme was 9.7 per cent or R9.2 million lower than projections. This mainly occurred on subprogrammes: Human Resources, Management, Communications, Management, Chief Financial Officer, and Office accommodation. At economic classification, under expenditure occurred on compensation of employees and goods and services due to vacant posts and invoices not yet received in for operating leases and municipal services as well as reduced travelling and decreased stakeholder engagement events.

## VOTE 10: PUBLIC ENTERPRISES (2)

- **Programme 2: State-owned Companies Governance Assurance and Performance:** Expenditure on the programme was 12.2 per cent or R4.1 million lower than the projected budget. This mainly occurred on subprogrammes: Governance and Financial Assessment and Investment Support. However, there is notable over expenditure under the Legal Subprogramme which has been ongoing throughout the financial year. At economic classification, expenditure was lower than budget mainly on compensation of employees due to vacant posts and goods and services due to delays in the drafting of the Shareholder Management Bill.
- **Programme 3: Business Enhancement, Transformation and Industrialisation:** Expenditure on the programme was 0.5 per cent or R188.8 million higher than the projected budget and was mainly driven by subprogramme: Transport and Defence, to settle guaranteed debt and interest payments on behalf of Denel SOC Limited under the Domestic Medium Term Note programme.
- **Covid-19 spending:** For the period under review, the department spent R99 thousand on purchase of personal protective equipment for staff (Sanitisers, fumigation and masks).

# VOTE 29: AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

- **Programme 1: Administration**, actual spending amounted to R2.2 billion, which was R317.1 million or 16.4 per cent faster than projected spending of R1.9 billion, mainly due to capital contribution payments towards the construction of the new head office premises and previous months' invoices for the currently occupied office accommodation that were paid late. However, due to delays in the submission of office accommodation charges and invoices from service providers, the invoices for the previous months were mostly processed in December 2021 (third quarter).
- **Programme 2: Agricultural Production, Biosecurity, and Natural Resources Management**, actual spending amounted to R1.969 billion or 100.8 per cent, which was R16.5 million or 0.8 per cent faster than projected spending of R1.952 billion due to vacancies.
- **Programme 3: Food Security, Land Reform and Restitution**, actual spending was R5.5 billion or 115.7 per cent, which was R753 million or 15.7 per cent faster than the projected spending of R4.8 billion, mainly due to accelerated disbursement of R388 million under the Presidential Employment Stimulus Initiative for vouchers to smallholder farmers. (Applicants had to be verified before the process of issuing vouchers commences. The verification process took longer than expected, hence a bulk of payment was made in the 3rd quarter).

# VOTE 29: AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

- **Programme 4: Rural Development**, actual spending was R389.4 million or 82.1 per cent, which was R85.1 million or 17.9 per cent slower than the projected spending of R474.4 million. The slow movement of expenditure was mainly due to delays in implementation and completion of rural infrastructure projects as a result of some contractors abandoning sites, and poor performance in some projects which led to termination of services.
- **Programme 5: Economic Development, Trade and Marketing**, actual spending was R336.5 million or 86.7 per cent, which was R51.5 million or 13.3 per cent slower than the projected spending of R387.9 million, mainly due to the delays in the implementation of rural industrial and development projects. There were challenges encountered in securing quotations and advertising of tenders following the expiry of term contracts of service providers. The department has now secured the services of commodity organisations to expedite the implementation of these projects.
- **Programme 6: Land Administration**, actual spending was R451.8 million or 94.8 per cent, which was R24.9 million or 5.2 per cent slower than the projected spending of R476.6 million, mainly due to the spatial planning and land use management projects that were not approved and evaluated on time as planned, due to Covid-19 restrictions. During 3<sup>rd</sup> quarter, 39 spatial planning and land use management projects were approved, and implementation was still in progress by the end of the quarter, hence payment was not processed.



# VOTE 32: FORESTRY, FISHERIES AND THE ENVIRONMENT

- **Programme 1: Administration:** Actual expenditure for the third quarter amounted to R721.8 million or 70.6 per cent of the programme's available budget of R1 billion for the financial year, representing a variance of R57.8 million or 7.4 per cent underspending of the projected spending for the third quarter. The underspending is primarily due to delays in receiving and processing of invoices for payments for operating leases and property on office accommodation.
- **Programme 2: Regulatory Compliance and Sector Monitoring:** Actual expenditure for the third quarter amounted to R163.1 million or 75.6 per cent of the programme's available budget of R215.7 million for the financial year, representing a variance of R1 million or 0.6 per cent underspending of the projected spending for the third quarter. The underspending is due to reduced travelling as impacted by COVID-19 restrictions.

# VOTE 32: FORESTRY, FISHERIES AND THE ENVIRONMENT (2)

- **Programme 3: Oceans and Coasts:** Actual expenditure for the third quarter amounted to R320 million or 64.0 per cent of the programme's total available budget of R500 million for the financial year, representing a variance of R2 million or 0.6 per cent overspending of the projected spending for the third quarter. The overspending is primarily due to the late processing of invoices for helicopter services rendered for the Voyage to Marion Island in previous months.
- **Programme 4: Climate Change, Air Quality and Sustainable Development:** Actual expenditure for the third quarter amounted to R436.2 million or 71.2 per cent of the programme's total available budget of R612.8 million for the financial year, representing a variance of R0.2 million or 0.1 per cent underspending of the projected spending for the third quarter. The underspending is driven mainly by lower spending in the budget for international travel as a result of COVID-19 restrictions.
- **Programme 5: Biodiversity and Conservation:** Actual expenditure for the third quarter amounted to R720.2 million or 63.1 per cent of the programme's total available budget of R1.1 billion for the financial year, representing a variance of R111.5 million or 13.4 per cent underspending of the projected spending for the third quarter. The underspending is due to delays in the processing of transfers payments to the South African National Parks for operations and reduced spending on travelling and subsistence allowances following COVID-19 restrictions.

# VOTE 32: FORESTRY, FISHERIES AND THE ENVIRONMENT (3)

- **Programme 6: Environmental Programmes:** Actual expenditure for the third quarter amounted to R1.9 billion or 51.8 per cent of the programme's total available budget of R3.6 billion for the financial year, representing a variance of R200.4 million or 11.9 per cent overspending of the projected spending for the third quarter. The overspending is mainly due to higher than projected payments to the South African National Biodiversity Institute for the detection, eradication and status report on invasive alien species and Expanded Public Works Programme transfer payments to public entities within the Natural Resource Management and Environmental Protection and Infrastructure Programme subprogrammes.
- **Programme 7: Chemicals and Waste Management:** Actual expenditure for the third quarter amounted to R347.5 million or 58 per cent of the programme's total available budget of R599.6 million for the financial year, representing a variance of R19.4 million or 5.3 per cent underspending of the projected spending for the third quarter. The underspending is mainly due to waste tyre project invoice received later than projected for tyre transporters and waste pickers.

# VOTE 32: FORESTRY, FISHERIES AND THE ENVIRONMENT (4)

- **Programme 8: Forestry Management:** Actual expenditure for the third quarter amounted to R355 million or 49.6 per cent of the programme's total available budget of R716.1 million for the financial year, representing a variance of R23.5 million or 6.2 per cent underspending of the projected spending for the third quarter. The underspending is mainly due to delays in procurement of trees, plantation seedlings, rental of vehicles and the security tender.
- **Programme 9: Fisheries Management:** Actual expenditure for the third quarter amounted to R467.5 million or 72 per cent of the programme's total available budget of R649.6 million for the financial year, representing a variance of R0.2 million or 0 per cent underspending of the projected spending for the third quarter. The underspending is mainly due to reduced domestic travelling following the COVID-19 restrictions.
- **Covid-19 spending:** COVID-19 spending in quarter 3 was R24.4 million for the procurement of personal protective equipment (PPE) and periodic disinfection of the head office building.

# VOTE 35: SCIENCE AND INNOVATION

- **Programme 1: Administration:** Actual expenditure for the third quarter amounted to R203.9 million or 60.9 per cent of the programme's available budget of R334.7 million for the financial year, representing a variance of R22.6 million or 10 per cent lower than anticipated spending of the projected expenditure of R226.5 million for the third quarter. The lower than anticipated expenditure is attributable to slow spending due to the COVID-19 pandemic limiting employees to work from home.
- **Programme 2: Technology Innovation:** Actual expenditure for the third quarter amounted to R1.2 billion or 70.6 per cent of the programme's available budget of R1.7 billion for the financial year, representing a variance of R359.1 million or 23 per cent lower than anticipated spending of the projected expenditure of R1.6 billion for the third quarter. The variance was mainly on transfers and subsidies due to the delays in the payment of invoices for services relating to the replacement of the billboard screen at the department's offices and for the relocation of officials from Belgium back to South Africa.

## VOTE 35: SCIENCE AND INNOVATION (2)

- **Programme 3: International Cooperation and Resources:** Actual expenditure for the third quarter amounted to R72.9 million or 50.5 per cent of the programme's available budget of R144.4 million for the financial year, representing a variance of R11.5 million or 13.7 per cent lower than anticipated spending of the projected expenditure of R84.5 million for the third quarter. The variance was mainly on transfers and subsidies under the Global Science Project: Africa Multilateral Agreements: due to slow spending on the flagship project, as some contract agreements were still at the drafting stage and therefore transfers could not be made on time.
- **Programme 4: Research, Development and Support:** Actual expenditure for the third quarter amounted to R3.8 billion or 76.4 per cent of the programme's available budget of R5 billion for the financial year, representing a variance of R10.5 million or 0.3 per cent higher than anticipated spending of the projected expenditure of R3.8 billion for the third quarter. The variance was mainly on transfers and subsidies due to payments made later than projected for the Southern Ocean Carbon and Climate Observatory project, as the implementing agency's deliverables did not meet the 90 per cent threshold on spending as required by the department in order to disburse funds for continuation of the project.

## VOTE 35: SCIENCE AND INNOVATION (3)

- **Programme 5: Socio-Economic Innovation Partnership:** Actual expenditure for the third quarter amounted to R1.4 billion or 78.2 per cent of the programme's available budget of R1.8 billion for the financial year, representing a variance of R118 million or 9 per cent higher than anticipated spending of the projected expenditure of R1.3 billion for the third quarter. The variance was mainly on transfers and subsidies due to the Local Manufacturing Capacity, Resource Based Industries and Science and Technology Indicators projects' payments that were paid later over the projected months in quarter 2 due to contracting processes that were not finalized on time and also delayed because of financial reports that did not reflect a 90 per cent threshold on spending as required by the department in order to disburse funds for continuation of the project.
- **COVID-19 spending:** During the third quarter, the department spent R41.1 million on COVID-19 related initiatives. expenditure was mainly under consumable supplies, for example: sanitisers, sanitiser dispensers, masks, etc.

## VOTE 36: SMALL BUSINESS DEVELOPMENT

- **Programme 1:** Administration: actual spending amounted to R68.4 million or 98.3 per cent, which was R1.2 million or 1.7 per cent slower than projected spending of R69.5 million. The slow spending was noticeable under goods and services - operating leases due to outstanding invoice from the Department of Public Works.
- **Programme 2:** Sector and Market Development: actual spending amounted to R38.3 million or 58 per cent, which was R27.6 million or 42.0 per cent slower than projected spending of R66 million. The slow spending was noticeable under Compensation of Employees (CoE) due to vacancies and transfers and subsidies thus resulting in delays in the commencement of the Product Markets Project.
- **Programme 3:** Development Finance: actual spending amounted to R1.28 billion or 104.9 per cent, which was R60 million or 4.9 per cent faster than projected spending of R1.22 billion. The faster spending was mainly due to funds transferred to the Small Enterprise Finance Agency: Blended Finance for the accelerated implementation of the Youth Challenge Fund.
- **Programme 4:** Enterprise Development: actual spending amounted to R803.8 million or 100.03 per cent, which was R2.2 million or 0.3 faster than the projected spending of R801.6 million. The faster spending was noticeable under goods and services mainly due to audit costs related to forensic audit by the AGSA and communications costs related to airtime and data as most employees are still working from home.



# VOTE 38: TOURISM

- **Programme 1: Administration:** Actual expenditure for quarter three amounted to R203.5 million or 65.7 per cent of the programme's available budget of R309.8 million for the financial year. This represented a variance of R7.1 million or 3.4 per cent lower than anticipated expenditure against the projected spending of R210.6 million for quarter three. The slower than anticipated spending is due to the effects of the COVID-19 pandemic on the tourism industry.
- **Programme 2: Tourism Research, Policy and International Relations:** Actual expenditure for quarter three amounted to R1.3 billion or 90.9 per cent of the programme's available budget of R1.4 billion for the financial year. This represented a variance of R3.1 million or 0.2 per cent lower than anticipated expenditure against the projected spending of R1.3 billion for quarter three.
- **Programme 3: Destination Development:** Actual expenditure for quarter three amounted to R290.9 million or 62.4 per cent of the programme's total available budget of R466.3 million for the financial year, representing a variance of R69.2 million or 31.2 per cent higher than anticipated expenditure against the projected spending of R221.7 million for quarter three. The faster spending is due to the processing of payments towards Expanded Public Works Programme, skills and training and hospitality, tourism monitors projects, following the conclusion of contractual agreements during the quarter.

## VOTE 38: TOURISM (2)

- **Programme 4: Tourism Sector Support Services:** Actual expenditure for quarter three amounted to R252.7 million or 65.4 per cent of the programme's total available budget of R386.6 million for the financial year, representing a variance of R180.8 million or 251.7 per cent higher than anticipated expenditure against the projected spending of R71.9 million for quarter three. The faster spending is attributable to the processing of R180 million to the Tourism Equity Fund (TEF), for funds that could not previously be disbursed as originally projected due to the court interdict.
- **Covid-19 spending:** COVID-19 spending in quarter 3 was R400 000 on personal protective equipment and periodic disinfection of the head office building.

# VOTE 39: TRADE, INDUSTRY AND COMPETITION

- **Programme 1: Administration:** Spending was R26.9 million or 4.9 per cent lower than projections. This was mainly on goods and services due to delays on procurement processes, staff working remotely due to COVID-19 regulations which also slowed down business activities.
- **Programme 2: Trade Policy, Negotiations and Cooperation:** Spending was R13.1 million or 7.5 per cent higher than projections. This was mainly on goods and services due to an overspending on legal fees as well as transfers and subsidies due to payments to World Trade Organisation.
- **Programme 3: Spatial Industrial Development and Economic Transformation:** Spending was R21.8 million or 18.1 per cent lower than projections. This was mainly on goods and services due to COVID-19 Regulations, which slowed down business activities.
- **Programme 4: Industrial Competitiveness and Growth:** Spending was slower than planned by R600 thousand. This was mainly on compensation of employees and goods & services due to vacant posts and staff working remotely.
- **Programme 5: Consumer and Corporate Regulation:** Spending was R7.9 million or 2.6 per cent lower than projections. This was mainly driven by underspending on goods and service as staff is working remotely.

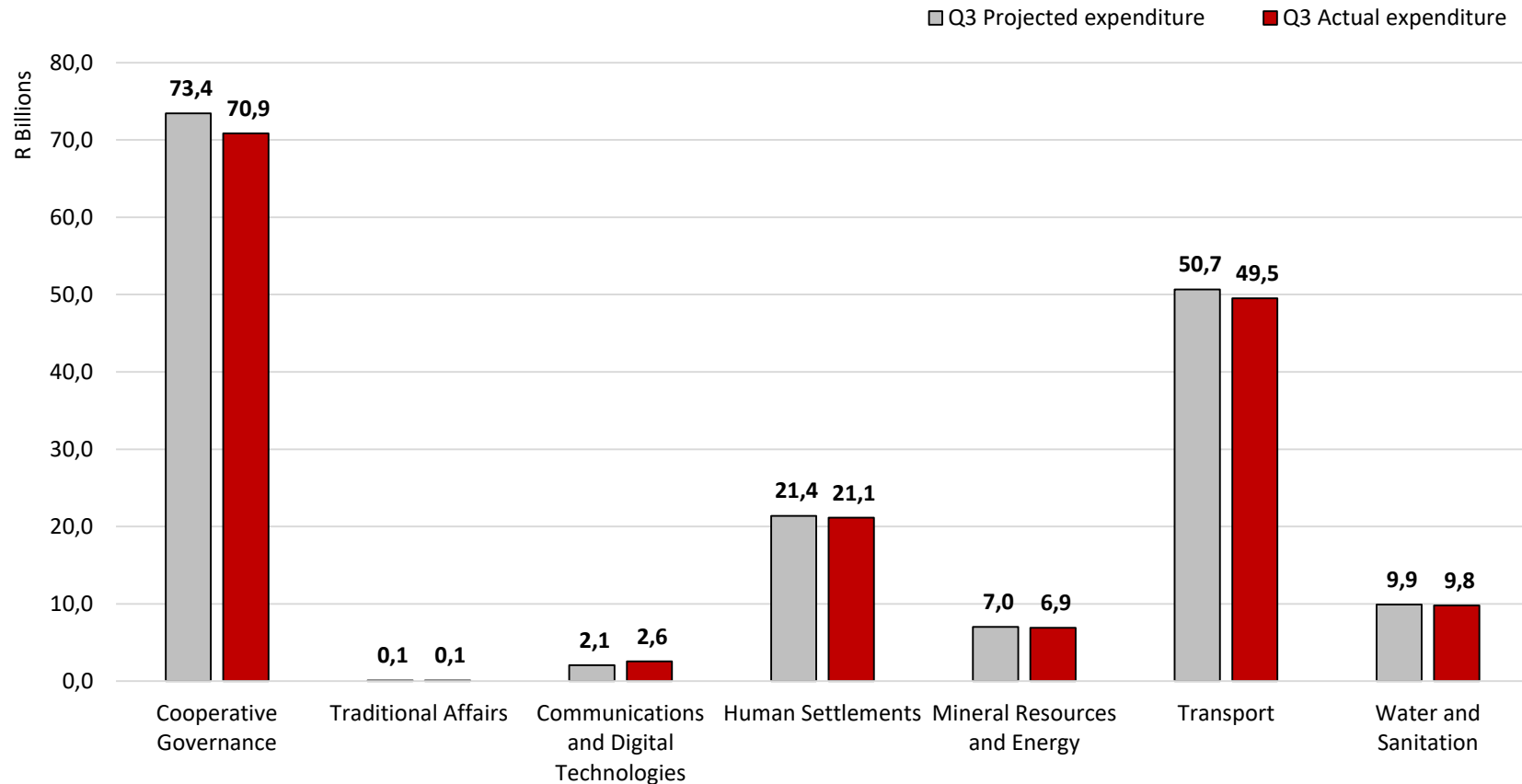
# VOTE 39: TRADE, INDUSTRY AND COMPETITION (2)

- **Programme 6: Industrial Financing:** Spending was R1.4 billion or 23 per cent slower than projected for the programme. This was mainly on all incentive programmes, manufacturing development incentives, infrastructure development incentives and services sector incentives. The slow spending is attributed to few claims received due to delays in appointing service providers to conduct due diligence on projects, and incomplete information.
- **Programme 7: Export Development, Promotion and Outward Investment:** Spending was R600 thousand or 0.2 per cent lower than projections. This was due to underspending mainly on compensation of employees due to delays in appointment of foreign economic representatives. Furthermore, spending below projection on goods and services is attributed to delays in receiving payments vouchers from foreign offices.
- **Programme 8: Inward Investment, Facilitation and Aftercare:** Spending was R5.2 million or 12.5 per cent lower than projections. This was due to underspending on goods and services driven by slow spending on travel and subsistence due to COVID-19 Regulations that restricts travelling activities.

# VOTE 39: TRADE, INDUSTRY AND COMPETITION (3)

- **Programme 9: Competition and Economic Planning:** Spending was R32.2 million or 3.8 per cent lower than projections. This was on goods and services which is due to COVID-19 Regulations which slowed down business activities. Slow spending is also as a result of delays in disbursements to Industrial Development Corporation: Social Employment Fund and the Industrial Development Corporation: Tirisano Construction Trust Fund.
- **Programme 10: Economic Research and Coordination:** Spending was R500 thousand or 1.7 per cent lower than projections. This was mainly on goods and services due to limited traveling activities as a result of COVID-19 restrictions.
- **Covid-19 spending:** The department spent R11 thousand on the purchase of personal protective equipment.

# URBAN DEVELOPMENT AND INFRASTRUCTURE



# URBAN DEVELOPMENT AND INFRASTRUCTURE

R million		Main Appropriation	Adjusted Appropriation	Available Budget	Q3 Actual expenditure	Expenditure as % of Available Budget	Q3 Projected expenditure	Variance from projected expenditure	% Variance from projected expenditure	COVID-19 Spending
3	Cooperative Governance	100 875.9	101 259.9	101 259.9	70 863.3	70.0%	73 441.7	2 578.4	3.5%	46.4
15	Traditional Affairs	171.4	172.7	172.7	105.5	61.1%	107.7	2.3	2.1%	0.0
30	Communications and Digital Technologies	3 692.9	3 884.5	3 884.5	2 554.1	65.8%	2 071.4	-482.7	-23.3%	1.5
33	Human Settlements	31 658.0	31 679.8	31 679.8	21 145.4	66.7%	21 391.8	246.3	1.2%	0.8
34	Mineral Resources and Energy	9 180.8	9 241.5	9 241.5	6 919.4	74.9%	7 019.5	100.1	1.4%	1.9
40	Transport	66 691.8	65 425.5	65 425.5	49 541.9	75.7%	50 662.5	1 120.5	2.2%	0.4
41	Water and Sanitation	16 910.1	17 735.1	17 735.1	9 796.6	55.2%	9 912.2	115.6	1.2%	31.6
<b>Total</b>		<b>229 180.7</b>	<b>229 398.9</b>	<b>229 398.9</b>	<b>160 926.3</b>	<b>70.2%</b>	<b>164 606.6</b>	<b>3 680.3</b>	<b>2.2%</b>	<b>82.5</b>

## VOTE 3: CO-OPERATIVE GOVERNANCE

At the end of the third quarter, the department spent R70.9 billion or 70 per cent of the available budget.

- **Programme 2: Local Government Support and Intervention Management** spent R475 million or 3.9 per cent lower than projected. This is mainly due withheld Municipal Infrastructure Grant allocations to municipalities as a result of material underspending. The Division of Revenue Act allows national transferring officers to withhold transfers under these circumstances.
- **Programme 3: Institutional Development** spent R2.1 billion or 3.6 per cent lower than projected in the third quarter. The lower than projected spending is mainly due to withholding the local government equitable share, for municipalities whose rollovers have not been approved, and funds not repaid into the National Revenue Fund, as required by the Division of Revenue Act.



# VOTE 15: TRADITIONAL AFFAIRS

At the end of the third quarter, the department spent R105.5 million or 61.1 per cent of the available budget.

- Spending R2.3 million or 2.1 per cent lower than projected due to vacancies across all programmes.

# VOTE 30: COMMUNICATIONS AND DIGITAL TECHNOLOGIES

At the end of the third quarter, the Department spent R2.6 billion or 65.8 per cent of the total adjusted budget.

- **Programme 5: ICT Infrastructure Development and Support** spent R486 million or 84.4 per cent higher than projected due to the transfer made to the USAF for subsidies related to broadcasting digital migration made in December 2021, rather than January 2022 as projected.

## VOTE 33: HUMAN SETTLEMENTS

As at the end of the third quarter, the department spent R21.1 billion or 66.7 per cent of the available budget of R31.7 billion.

- **Programme 2: Integrated Human Settlements Planning and Development** spent R432.7 million or 3.1 per cent more than projected mainly due to higher than projected transfers for the *human settlements development grant* and the *urban settlements development grant* as a result of aligning monthly transfers for each respective conditional grant to the latest approved payment schedule.
- **Programme 3: Informal Settlements** spent R501.2 million or 9 per cent lower than projected mainly due to the lower than projected transfers of the *emergency housing grant* and the *informal settlements upgrading partnership grant*. Transfers of the *emergency housing grant* are lower than projections since disbursements are dependent on approved applications.

# VOTE 34: MINERAL RESOURCES AND ENERGY

- At the end of the third quarter, the Department spent R6.9 billion or 74.9 per cent of the total budget.
- **Programme 3: Mining, Minerals and Energy Policy Development** spent R11.2 million or 1.8 per cent lower than mainly due to vacancies that are not yet filled and lower spending venues and facilities due to no workshops conducted as result of Covid-19 restrictions, and travel and subsistence due to less official trips taken than projected.
- **Programme 4: Mine Health and Safety Inspectorate** spent R4.2 million or 2.7 per cent lower than projected mainly due to vacancies not yet filled lower than anticipated rescue services at abandoned mines and enquiries into mine accidents/disasters.
- **Programme 5: Mineral and Energy Resources Programmes and Projects** spent R52.3 million or 1.2 per cent lower than projected, mainly due to the rehabilitation of derelict and ownerless mines project and delayed payments for the implementation of the Solar Water Heater Programme.

# VOTE 40: TRANSPORT

As at the end of third quarter, the department spent R49.5 billion against a third quarter projection of R50.7 billion.

- **Programme 1: Administration** spent R127 million or 33.1 per cent lower than projected largely due to withholding of payments for office accommodation for an unresolved contractual dispute with the Department of Public Works and Infrastructure
- **Programme 7: Public Transport** spent R1.0 billion or 11.1 per cent lower than projected mainly due to non-payment of the transfers for the Public Transport Network Grant to several municipalities as they have yet to comply with their milestones as per the conditional grant framework.

# VOTE 41: WATER AND SANITATION

At the end of the third quarter, the department spent R9.8 billion or 55.2 per cent of the available budget.

- **Programme 2: Water Resources Management** spent R3.2 billion against a projection of R3.1 billion in the third quarter mainly due to higher than projected transfer to the Water Trading Entity.
- **Programme 3: Water Services Management** spent R178 million or 3.1 per cent lower than projected mainly due to delays in filling vacant posts and unprocessed invoices in relation to work done through the Regional Bulk Infrastructure and Water Services Infrastructure Grants projects, as well as withheld transfers to municipalities contravening the requirements of the Division of Revenue Act.