



22 April 2022

## THE 2022/23 BUDGET ANALYSIS FOR VOTE 5: THE DEPARTMENT OF HOME AFFAIRS

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## 1. INTRODUCTION

Every year in the immediate aftermath of the State of Nation Address (SONA) by the President, the Minister of Finance tables budget allocation for all government departments in line with the Medium Term Expenditure Framework (MTEF). In this budget allocation, the Department of Home Affairs (hereinafter the DHA or the Department) is located on Vote 5 of the Estimates of the National Expenditure (ENE). The Minister of Finance delivered the 2022/23 financial year budget outlining government budget priorities on 23 February 2022.

The budget vote and the DHA's Annual Performance Plans (APP) assist Parliament in effectively performing its oversight function over the department for the financial year ahead and forecasting the probability of success in relation to its strategic objectives in the MTEF. The APP analysis will be presented in a separate paper; therefore, this brief is only limited to the DHA budget analysis and focuses on the following:

- The DHA performance during the 2021/22 financial year.



- Policy priorities of DHA for 2022/3 and its alignment with national, regional, continental and global developmental agendas.
- Review of the 2022/23 budget allocation for the DHA compared to the previous year and concludes with key oversight issues for consideration by Parliament.

## 2. OVERVIEW OF THE 2021/22 FINANCIAL YEAR PERFORMANCE

Section two of the paper provides an overview of the DHA financial performance in the previous financial year of 2021/22. However, the paper will utilise the third quarter financial performance for the analysis because quarter-four financial performance has not been presented to Parliament yet.

### 2.1. Overall Performance for 2021/22

For the 2021/22 financial year, the DHA received a total voted allocation of R8.69 billion, but this allocation was adjusted upward to R9.43 billion during the Budget Adjustment in September 2021. A trend for the DHA allocation to invariably be adjusted upward in the adjusted allocation during September of each year should be noted. This is because the revenue generated by the Department (mainly through administrative fees for certificates, identity documents (IDs), permits, etc.) is appropriated to it during the adjustment process.

By the end of the Third Quarter of 2021/22, the DHA had spent R7.05 billion (74.8%) of the adjusted budget of R9.43 billion. As a result, spending was R185.9 million (3%) lower than the projected amount of R7.24 billion.<sup>1</sup> Compared to the end of the Third Quarter in the previous financial year 2020/21, the overall expenditure performance increased decreased. This is because the DHA had spent R6.05 billion (68.9 %) of its allocated budget for the financial year. This implies that the Department did not succeed in spending the other R256.5 million (4%) of the budget allocated to it for the quarter.<sup>2</sup> It should be noted that the COVID-19 had a major influence in spending patterns across government due to lockdown restrictions.<sup>3</sup>

According to its financial performance targets for the Third Quarter of 2021/22, all DHA programmes spent less than projections on their budget allocations. However, the financial performance is commendable as it managed to achieve an overall success rate of 97%. For instance, programme 2 achieved 99.8%, programme 1 and 4 achieved 96.6% and 97.4% respectively. The least performing programme, the Immigration branch, achieved a 94% success rate, See figure 1 on the next page.

The department's overall spending in the Third Quarter of 2021/22 was lower by R185.9 million (2.6%). This means that the overall expenditure was R7.1 (74.8%) billion, against a projected

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<sup>1</sup> National Treasury, (2022).

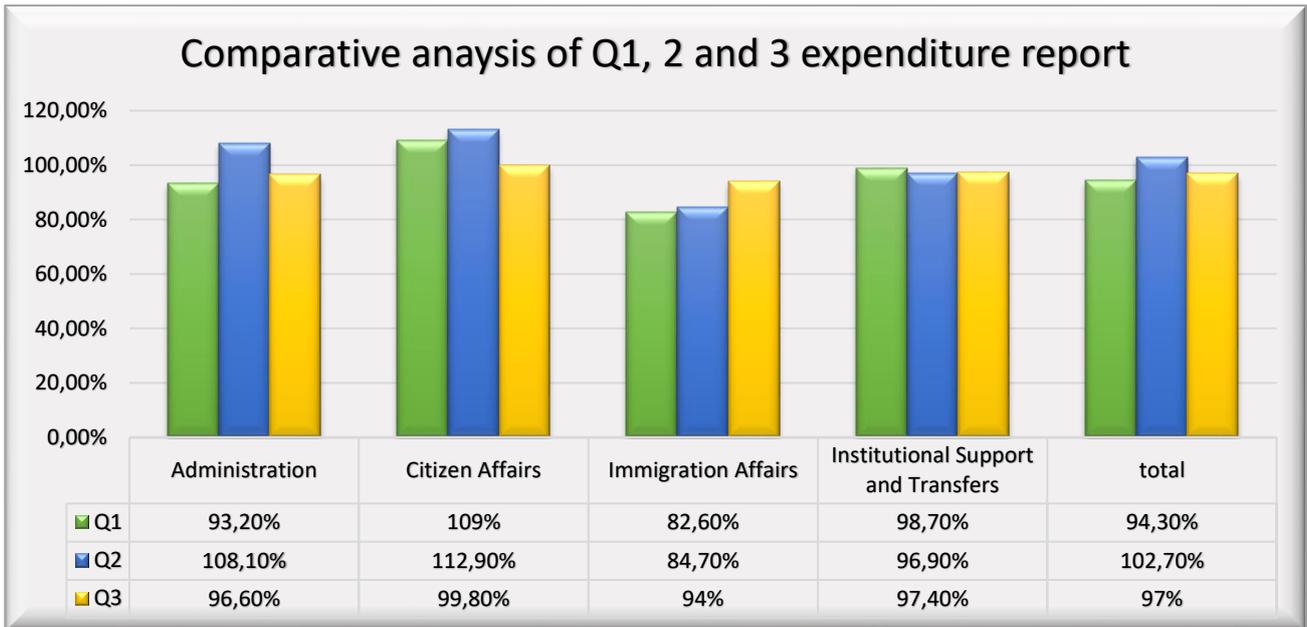
<sup>2</sup> National Treasury, (2021).

<sup>3</sup> *Ibid*



expenditure of R7.2 billion. The lower than expected expenditure was mainly attributed to Programmes 1, 3 and 4 under goods and service.<sup>4</sup>

Figure 1: Comparative analysis of Quarter 1, 2 and 3 expenditure report (%)



Source, National Treasury (2021). Adapted by the Researcher (Parliamentary Research Unit)

## 2.2. Third Quarter Analysis 2021/22 per Programme

This section provide an analysi of of the DHA expendytre for 2021/22 Third Quarter per programme

Table 1: 2021/22 Third quarter expenditure of DHA

| Programme    | Main appropriation (R million) | Adjusted Budget | Available Budget (R million) | Third Quarter Actual Expenditure (R million) | Third Quarter Projected Expenditure (R million) | Expenditure (As % of Available Budget) | % Variance from Projected Expenditure |
|--------------|--------------------------------|-----------------|------------------------------|--|---|--|---------------------------------------|
| Programme 1  | 2 266.6                        | 2.371.5         | 2 560.7                      | 1 879.2                                      | 1 945.2   | 66.1                                   | 3.4%                                  |
| Programme 2  | 2 552.4                        | 3 100.8         | 2 889.2                      | 2 171.5                                      | 2 175.7   | 4.2                                    | 0.2%                                  |
| Programme 3  | 1 454.3                        | 1 502.0         | 1 409.1                      | 936.6  | 996.6   | 59.9                                   | 6.0%                                  |
| Programme 4  | 2 417.1                        | 2 457.1         | 2 562.4                      | 2 069.3                                      | 2 125.5   | 55.9                                   | 2.6%                                  |
| <b>Total</b> | <b>8 690.5</b>                 | <b>9 431.4</b>  | <b>9 431.4</b>               | <b>7 056.6</b>                               | <b>7 242.5</b>                                  | <b>185.9</b>                           | <b>3.0%</b>                           |

Source: National Treasury (2021a), adapted.

\* Percentage variance: Negative figures show actual expenditure exceeds what was projected for the period.

<sup>4</sup> *Ibid.*



The mandate of the Department is carried out in the following budgeted programmes:

***Programme 1: Administration:***

The purpose is to provide strategic leadership, management and support services to the Department.

At the end of the third quarter (2021/22), actual expenditure amounted to R1.87 billion (73.4 %) of the programme's total available budget of R 2.26 billion. The programme's expenditure was R 66.1 million (3.4 %) lower than its projected expenditure for the third quarter. The low expenditure was due to savings on travel expenses as most meetings were held virtually. In addition, some of the expired contracts were still in the process of being renewed, and there were delays in receiving invoices from State Information Technology Agency (SITA).<sup>5</sup>

***Programme 2: Citizen Affairs:***

This programme aims to provide secure, efficient and accessible services and documents to citizens and lawful residents.

Actual expenditure at the end of the third quarter (2021/22) amounted to R 2.17 billion (99.8%) of the programme's total available budget of R 3.1 billion. Expenditure was R 4.2 million lower than the projected expenditure of R 2.175 billion. The reasons for lower expenditure are Covid-19 lockdown regulations where some civic services such as identity documents, passports, and birth certificates were not offered. Consequently, there was a lesser expenditure on the courier services as IDs and Passports were not delivered.<sup>6</sup>

***Programme 3: Immigration Affairs:***

This programme aims to facilitate and regulate the secure movement of people through ports of entry into and out of the Republic of South Africa. It also determines the status of asylum seekers and regulate refugee affairs<sup>7</sup>.

The actual expenditure of Programme 3 amounted to R 936.6 million of the available budget of R 1.5 billion. This was R 59.9 million (6%) lower than the projected expenditure of R 996.6 million, mainly due to less expenditure resulting from delays in receiving invoices for the Lindela holding facility nutrition and delays in the payment of Advanced Passenger Protection (APP) by SITA.<sup>8</sup>

Programme 4: Institutional Support and Transfers: The purpose of this programme is to transfer funds to the Electoral Commission and the Border Management Authority (BMA), which ensures South Africa's borders are effectively defended, protected, secure and well-managed.

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<sup>5</sup> Hlungwani, Third quarter Financial Expenditure Report (2021)

<sup>6</sup> *Ibid*

<sup>7</sup> Home Affairs (2019a)

<sup>8</sup> Hlungwani, Third Quarter Financial Expenditure Report (2021)



At the end of the third quarter, the actual expenditure was R2.06 billion against the projected expenditure of R2.12 billion. The spending was R59.9 million (2%) lower than the projected expenditure. The reasons for lower expenditure were due to the delays in the implementation of the BMA and delays in the appointment of key managers such as the BMA Commissioner and Deputy Commissioners.

### **3. DHA POLICY PRIORITIES FOR 2021/22 AND ALIGNMENT WITH NATIONAL, REGIONAL, CONTINENTAL AND GLOBAL AGENDAS (NDP, NINE POINT PLAN, SADC-FMP, AGENDA 2063 & SDGs**

The mandate of the Department of Home Affairs (DHA) is divided into two broad categories, namely civic services and immigration services. The mandate of the DHA is broken down into:

- Mandate 1: Management of citizenship and civil registration.
- Mandate 2: Management of international migration.
- Mandate 3: Management of refugee protection<sup>9</sup>.

This is to be achieved while giving effect to the provisions of the Constitution of the Republic of South Africa. In its Annual Performance Plan (APP), the Department reports that it will continue to contribute to cross-cutting priorities such as the fight against gender-based violence and femicide and the implementation of procurement regulations in support of women-owned businesses.<sup>10</sup>

In line with the MTSF and its Constitutional mandates, the Department identified eight ministerial priorities at the start of the 2014 cycle, namely:

- Establish an effective BMA;
- Complete the ICT modernisation programme;
- Comprehensive review of the immigration policy;
- Upgrade the six (6) key land ports of entry as one-stop-border-posts;
- Improved client experience through leadership (Moetapele);
- Issuance of critical skills visas;
- Early birth registration (including expanding connectivity at especially high volume health facilities); and
- Rollout of the “War on Queues” project.<sup>11</sup>

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<sup>9</sup> Department of Home Affairs APP (2022)

<sup>10</sup> *Ibid*

<sup>11</sup> *Ibid*



The DHA policy priorities are aligned with the National Development Plan (NDP) vision 2030, the Medium Term Strategic Framework (MTSF) 2019-2024, and the 2022 State of Nation Address (SONA). The DHA took ownership of three Outcomes of the MTSF 2014-2019, outcome 1 (economic transformation and job creation); outcome 5 (social cohesion and safe communities); outcome 6 (a capable, ethical and developmental state) and outcome 7 (a better Africa and world) of government's 2019-2024 Medium-Term Strategic Framework<sup>12</sup>.

In line with these priorities, the DHA plans to maintain the issuance of smart identity cards and registration of birth, simplify the issuance of permits and visas in support of economic growth, and continue the Information Technology (IT) modernisation programme to expand client's interfaces, and incrementally operationalise the Border Management Agency (BMA) and secure international migration.<sup>13</sup>

### **National Development Plan<sup>14</sup>**

The DHA will place a significant focus on the National Development Plan (NDP) priority of confronting the triple challenge of poverty, inequality and unemployment by achieving higher growth rates. In this regard, the DHA has a critical contribution to make to the achievement of the NDP 2030 objectives as outlined below:

- The inclusion of all citizens in democracy and development is enabled by providing them with a status and an identity that gives them access to rights and services. However, this must be done in an efficient, effective, professional and secure manner.
- A further priority for the DHA is to facilitate the acquisition of the critical skills needed for economic growth as determined by the Department of Higher Education and Training (DHET) to build our own skills base.
- The DHA must continue to drive integrated and coordinated border management to ensure our borders are effectively protected, secured and well-managed
- The DHA plays a key role in enabling regional development by working with Southern African Development Community (SADC) countries through the Department of International Relations and Cooperation (DIRCO) to establish efficient, secure and managed migration.
- The DHA is central to harnessing the fourth (4th) industrial revolution and building a capable state. The modernisation programme of the DHA can reduce fraud and the cost of doing

**Medium Term Strategic Framework** In terms of the APEX priorities, the DHA contributes directly to: economic transformation and job creation, social cohesion and safer communities, a capable, ethical and developmental state, and a better Africa and world.

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<sup>12</sup> Department of Home Affairs APP, (2021).

<sup>13</sup> *Ibid.*

<sup>14</sup> DHA APP, (2022)



The Southern Africa Development Community (**SADC Protocol on the Facilitation of Movement of Persons**) was adopted in 2005 to facilitate the free movement of people, encompassing the right to visa-free entry, residence (temporary and permanent), and establishment (income generating activities). The main challenge with implementing the Protocol relates to developing critical enabling conditions, such as compatible immigration policies, laws, systems and accurate population registers. The Protocol makes provision for Member States to conclude bilateral agreements for visa exemptions.<sup>15</sup> South Africa has adopted visa-free entry for nationals from 11 SADC countries. It also offers special permits to irregular migrants from neighbouring Zimbabwe and Lesotho. The DHA recently started piloting the E-Visa regime in countries such as Kenya, Nigeria, China and India. During SONA 2022, President Ramaphosa announced that the DHA would explore the possibility of visa categories that could enable economic growth as a start-up visa and remote working visa.<sup>16</sup>

The African Continental Free Trade Area (ACFTA) is the free trade area agreement adopted by the African Union in 2018 but only came into effect on 1 January 2021. The main objectives include creating a single market in the continent, deepening the continent's economic integration, establishing a liberalised market through multiple rounds of negotiations, and aiding the movement of capital and people, to mention but a few examples. The DHA is expected to play a central role in assisting the country with the ACFTA objectives through efficient issuance of enabling documents such as visas; and efficient movement of goods and people through South Africa's borders. The postponed One-Stop Border Post construction due to COVID-19 in 2020 has been reprioritised, and the BMA has finally appointed the Commissioner and Deputy Commissioner. The BMA has also commenced with the recruitment of border guards.<sup>17</sup>

In September 2015, the United Nations (UN) Member States agreed on 17 **Sustainable Development Goals (SDGs)**, which pay particular attention to the people, the planet and prosperity. The SDGs' central reference to migration is made in target 10.7 to facilitate orderly, safe, regular and responsible migration and mobility of people, including implementing planned and well-managed migration policies. The South African Constitution makes provisions for freedom of movement and the right to choose where to live, work, study and access to social services. These fundamental human rights are also afforded to refugees in the country.

**Agenda 2063** is a fifty-year strategy for the African continent set in motion following the 50<sup>th</sup> anniversary of the African Union (AU) in 2013. South Africa contributed to the formulation of Agenda 2063; therefore, the strategy is already aligned with South Africa's developmental goals. The aspirations expressed in the strategy are consistent with the mandate of the DHA and South Africa's White Paper on International Immigration Policy. The White Paper acknowledges at least two resolutions adopted by the Assembly, which set clear parameters for South Africa's immigration policy, namely, the establishment of a Continental Free Trade Area (CFTA) and a continent-wide visa-free regime, including the issuing of visas on arrival at ports of entry for African citizens. President Ramaphosa had already announced during SONA 2021 that the CFTA had come into effect on 1 January 2021. As a result, visa-free entry should be the norm once bilateral return

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<sup>15</sup> SADC (2005).

<sup>16</sup> DHA APP, (2022).

<sup>17</sup> DHA APP, (2022).



agreements are concluded. The DHA has been issuing 10-year multiple entry visas to frequent travellers from other African countries. Where visas are still required, entry is straightforward as possible for bona fide travellers. The E-visa regime is already being piloted with Kenya and will later be extended to Nigeria, and more countries will be added in the future<sup>18</sup>

### **DHA Priorities for 2022/23**

Over the medium term, the DHA will focus on establishing and incrementally operationalising the BMA to secure international migration, modernising ICT infrastructure to ensure integrated planning and efficient administration, and reducing fraud, ensuring the timely issuing of permits and visas to facilitate economic growth and job creation.<sup>19</sup>

The 2022/23 financial year budget supports the long-standing policy priorities of the DHA. Some of the key highlights of Vote 5 are summarised below.

- The DHA will implement the BMA during the MTEF. The BMA Act (No.2 of 2020) has since come into effect on 1 January 2021. The BMA will be responsible for restricting the illegal movement of people and goods within South Africa's border law enforcement areas and at ports of entry. The BMA will be allocated R67.5 million in 2022/23, R67.4 million in 2023/24 and R71.8 million in 2024/24. The BMA will also be allocated a further R300 million over the MTF in order to establish it as a public entity.
- In line with the implementation of the BMA, the DHA As part of the iBorders strategy, which entails adopting a risk-based approach to managing migration, the department aims to implement systems to record passenger names and process passengers effectively. These will enable the department to identify unknown threats based on passenger profiles and known suspects such as those on watchlists. For this purpose, R1 billion is allocated in 2022/23 in the BMA, mainly for CoE and goods & services.
- The DHA will continue with the modernisation project of its ICT infrastructure. As a result, the department has been able to automate its business processes and products. Most significantly, the DHA plans to roll out the Automated Biometric System by 2022/23 and introduce biometric functionality at all ports of entry by 2023/24. It will also continue to roll out the e-visa system by 2024/25. The department has set aside R104 million for these technological improvements in the 2022/23 financial year.
- The DHA has continued to prioritise the timeous issuing of permits and visas. The timeous issuing of permits and visas enables economic growth and removes impediments to foreign investment. Accordingly, the department plans to continue implementing the visa simplification process, through which certain low-risk countries will benefit from visa waivers and relaxed conditions and the rolling out of electronic visas. The department has allocated R10 million to set up infrastructure for e-visas in 2022/23/

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<sup>18</sup> Integrate Immigration, (2020)

<sup>19</sup> National Treasury, (2022).



#### 4. SUMMARY AND ANALYSIS OF DHA BUDGET FOR 2022/23

Table 2: Overall Budget 2021/22 and 2022/23 – Department of Home Affairs

| Programme                              | Budget   |                | Nominal Increase / Decrease in 2022/23 | Real Increase / Decrease in 2022/23 | Nominal Percent change in 2022/23 | Real Percent change in 2022/23 |
|--|--|----------------|--|-------------------------------------|-----------------------------------|--------------------------------|
|  | 2021/22  | 2022/23        |  |                                     |                                   |                                |
| 1. Administration                      | 2 371,5  | 2 609,8        | 238,3                                  | 125,9                               | 10,05%                            | 5,31%                          |
| 2. Civil Affairs                       | 3 096,8  | 2 555,9        | -540,9                                 | -651,0                              | -17,47%                           | -21,02%                        |
| 3. Immigration Affairs                 | 1 499,4  | 1 477,7        | -21,7                                  | -85,3                               | -1,45%                            | -5,69%                         |
| 4. Institutional Support and Transfers | 2 463,7  | 2 762,6        | 298,9                                  | 179,9                               | 12,13%                            | 7,30%                          |
| <b>TOTAL</b>                           | <b>9 431,4</b>                                     | <b>9 406,0</b> | <b>-25,4</b>                           | <b>-430,4</b>                       | <b>-0,3%</b>                      | <b>-4,56%</b>                  |
| <i>Nominal Increase/Decrease</i>       | <i>Is when inflation is not taken into account</i> |                |  |                                     |                                   |                                |
| <i>Real Increase/Decrease</i>          | <i>Is when inflation is taken into account</i>     |                |  |                                     |                                   |                                |

Source: National Treasury (2022)

For the 2022/23 financial year, the Department receives an allocation of R 9.40 billion compared to the R 9.43 billion special adjusted allocations of 2021/22. As stated previously, the adjusted budget includes revenue generated through the issuance of civil documents. Without inflation (nominally), the Department's budget decreases by 0.3 % from the previous year. This allocation is much lower in real terms as the Department allocation is 4.56 % lower than the previous year's budget. This allocation translates into a decrease of R 430.4 million in real rand value. The Department's responsibilities keep increasing considering the BMA, One-Stop-Boarder-Post and modernisation of its IT infrastructure; however, its budget has decreased in real terms for the past four financial years.

Only two of the DHA's four programmes show a real increase in the current financial year. The Administration branch shows a real increase of R 125.9 million or 5.31%, while the Institutional Support and Transfers Programme shows a real increase of R 179.9 million or 7.30%. The budget increase in the Institutional Support and Transfers could be attributed to the implementation of the One-Stop Border Post and implementation of the BMA, whilst the increase in the Administration Branch could be attributed to the procurement of ICT infrastructure such as the implementation of the Automated Biometric Systems and the Advanced Passenger Processing System.

Both Citizen and Immigration Affairs programmes have been allocated a smaller budget compared to the last financial year. However, since the Department's revenue will be appropriated in September 2022, its respective programme budgets will likely increase. When considering inflation, the Citizen Affairs budget is significantly reduced by R 651 million or 21.02%. Programme 3: Immigration Affairs experiences a slight budget reduction of R 85.3 million or 5.69 % in real terms.

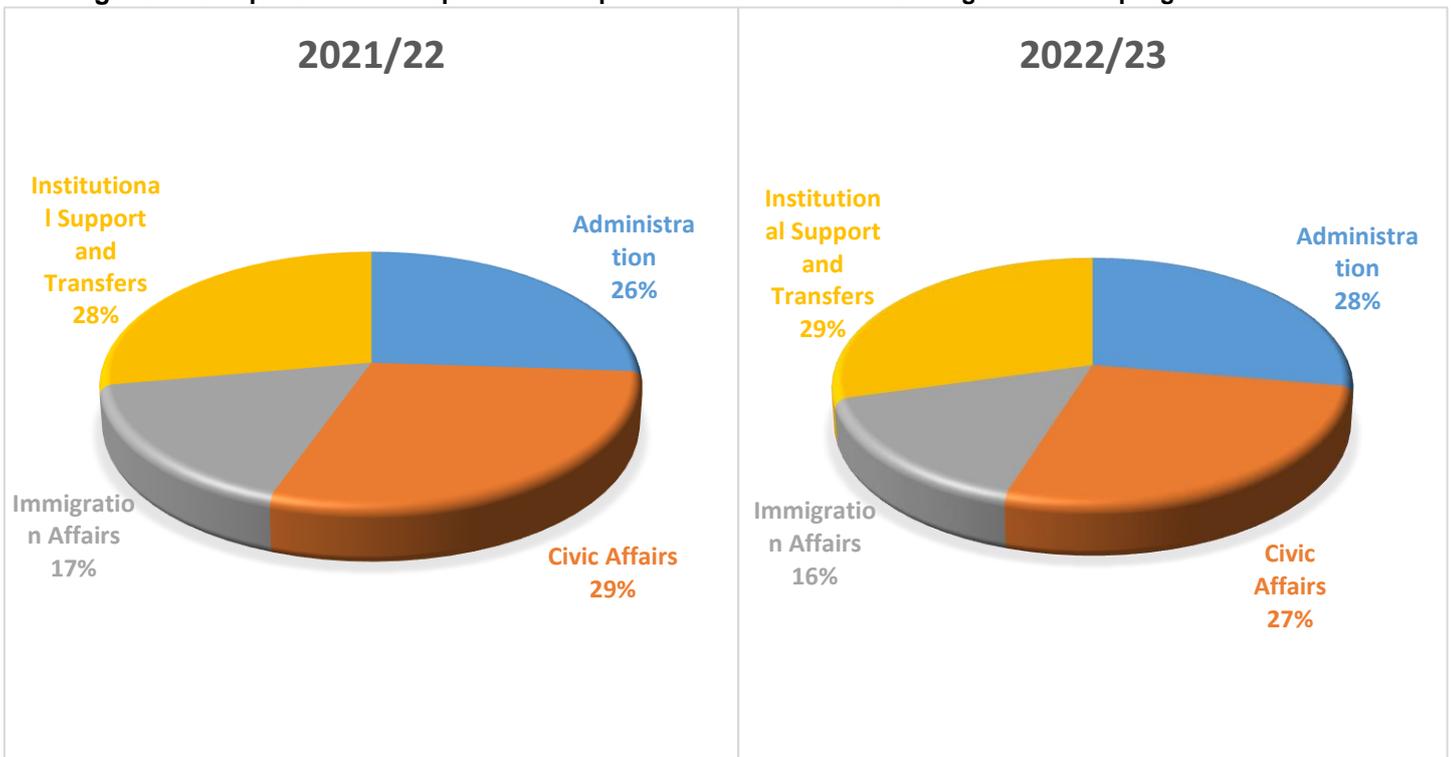


In terms of economic classification, the Vote's main cost drivers are the compensation of employees (COE), which costs the Department R 3.88 billion or 41.2% and goods & services at R 2,91 billion or 30.98%.<sup>20</sup> The COE and goods & Services are allocated R6.79 billion or 72.18 % of the department's total budget of R9.40 billion.

#### 4.1. Allocation per programme

Figure 2 compares the proportional allocations per main programme between 2021/22 adjusted budget and 2022/23 voted funds. The Citizen Affairs programme loses its majority allocation as its allocation is less by 2% in the current financial year from 29% in 2021/22 to 27% in the current financial year. There is also a 1% decrease in the Immigration Affairs Programme from 17% during 2021/22 to 16% in the current financial year. On the contrary, both the Institutional Support & Transfers Programme and the Administration Programme receive a 1% and 2% increase. The former's allocation increases from 28% in the previous financial year to 29% in the current financial year, while the latter's allocation increases from 26% to 28% in the current financial year.<sup>21</sup>

**Figure 2: comparison of the split of the Department of Home Affairs budget between programmes**



Source: Adapted by Research Unit

<sup>20</sup> Home Affairs Budget Allocation Presentation, (2020)

<sup>21</sup> National Treasury, (2022).



#### 4.2.1 Programme 1: Administration

Table 3 below depicts DHA's budget changes in comparison to the previous financial year:

**Table 3: Programme 1: Administration**

| Programme                   | Budget         |                | Nominal Increase/ Decrease in 2022/23 (Rand) | Real Increase/ Decrease in 2022/23 (Rand) | Nominal Percent change in 2022/23 | Real Percent change in 2022/23 |
|-----------------------------|----------------|----------------|--|---|-----------------------------------|--------------------------------|
|                             | R million      | 2021/22        |  |   |                                   |                                |
| Ministry                    | 30,8           | 34,5           | 3,7  | 2,2                                       | 12,01%                            | 7,19%                          |
| Management Support Services | 199,4          | 279,6          | 80,2   | 68,2                                      | 40,22%                            | 34,18%                         |
| Corporate Services          | 555,1          | 655,9          | 100,8  | 72,6                                      | 18,16%                            | 13,07%                         |
| Transversal Information     | 1 003,9        | 1 174,9        | 171,0  | 120,4                                     | 17,03%                            | 11,99%                         |
| Office Accommodation        | 582,3          | 465,0          | -117,3                                       | -137,3                                    | -20,14%                           | -23,58%                        |
| <b>TOTAL</b>                | <b>2 371,5</b> | <b>2 609,9</b> | <b>238,4</b>                                 | <b>126,0</b>                              | <b>10.1%</b>                      | <b>5,31%</b>                   |

Source: National Treasury (2022), Adapted

As Table 3 above depicts, the *Administration* programme receives R 2.6 billion for 2022/23 compared to an adjusted appropriation of R 2.37 billion the previous year. The current allocation translates into an increase of 10.1% or R 238.4 million in nominal terms and 5.31% or R 126 million in real terms.

The Office Accommodation sub-programme is the only sub-programme that receives a budget decrease. The allocation is decreased by R 117.3 million or 20.14% in nominal terms and R137,3 million or 23.58% if inflation is considered.

#### Issues for Consideration

The Department should explain the reasons for the R137 million budget reduction on office accommodation. Does this mean that the Department is spending less on accommodation?

The other five sub-programmes receive an increased allocation in both nominal and real terms for the current financial year. The *Management Support Services* received the most significant allocation in real percentage terms by 34,18% or R68.2 million. It is followed by the *Corporate Services* and the *Transversal Information* sub-programmes, which receive 13,07% (R 72.6 million) and 11.99% (R 120.4 million). The *Ministry* sub-programme also received an increased budget from R 30.8 million in the previous year to R 34.5 million in the current year. This increase translates to R 2.2 million or a 7.19% budget increase in real terms.



#### 4.2.2 Programme 2: Citizen Affairs

The Citizen Affairs branch is responsible for providing secure, efficient and accessible services and documents to citizens and lawful residents. It ensures that entry to the population register happens within 30 days of a child's birth. It maintains the number of smart identity cards, and it has a target of 3 million per year. It also targets to issue 90% of machine-readable adult passports through the new live capture process within 13 working days<sup>22</sup>.

**Table 4: Programme 2: Citizen Affairs**

| Programme                     | Budget         |                | Nominal Increase/Decrease in 2022/23 | Real Increase/Decrease in 2022/23 | Nominal Percent change in 2022/23 | Real Percent change in 2022/23 |
|-------------------------------|----------------|----------------|--------------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
|                               | 2021/22        | 2022/23        |                                      |                                   |                                   |                                |
| Citizen Affairs Management    | 26,2           | 35,9           | 9,7                                  | 8,2                               | 37,02%                            | 31,12%                         |
| Status Services               | 547,3          | 92,0           | -455,3                               | -459,3                            | -83,19%                           | -83,91%                        |
| Identification Services       | 250,5          | 174,1          | -76,4                                | -83,9                             | -30,50%                           | -33,49%                        |
| Service Delivery to Provinces | 2 272,8        | 2 253,9        | -18,9                                | -116,0                            | 0,83%                             | -5,10%                         |
| <b>TOTAL</b>                  | <b>3 096,8</b> | <b>2 555,9</b> | <b>-540,9</b>                        | <b>-651,0</b>                     | <b>-17,5%</b>                     | <b>-21,02%</b>                 |

Source: National Treasury (2022), Adapted

The *Citizen Affairs* branch budget declines from R 3.09 billion in 2021/22 special adjusted allocation to R 2.55 billion in the 2022/23 financial year. This is a reduction of R540.9 million or 17.5% in nominal terms and R 651 million or 21.02% in real terms. The *Citizens Affairs Management* is the only sub-programme to receive an increased budget in the programme by R 8.2 million or 31.12% in real terms.

The *Status Services* sub-programme received the most considerable decrease in real percentage terms after being allocated a decrease of R 495.3 million, equivalent to an 83.19 % decrease. The *Identification Services* and *Service Delivery to Provinces* also received a budget decrease in both nominal and real terms. The *Identification Services* allocation decreases from R 250.5 million in the previous year to R 174.1 million in the current year. This allocation decrease translates to a decrease of R 83.9 million or 33.50 % in real terms, while the *Service Delivery to Provinces* decreases from R 2.27 billion in the previous year to R 2.25 billion in the current financial year, thus translating to a decrease of R 116.0 million or 5.10 % in real terms. As stated previously, the Programme 2 is usually allocated additional funding during the adjustment period in September 2022.

<sup>22</sup> Treasury, (2022)



### 4.2.3 Programme 3: Immigration Affairs

The immigration affairs branch facilitates and regulates the secure movement of people through ports of entry into and out of the Republic of South Africa. It also determines the status of asylum seekers and regulates refugee affairs. Programme 3 has four sub-programmes under it.

Constituting only 16% of the Department's budget in the current financial year, the *Immigration Affairs* programme has the lowest spending area. However, if inflation is not considered, the programme's budget increased from R 1.44 billion in 2021/22 to R 1.47 billion in 2022/23. If inflation is considered, the programme's allocation declines by R35.4 million or 2.44%.

**Table 5: Programme 3: Immigration Affairs**

| Programme                      | Budget         |                | Nominal Increase/Decrease in 2022/23 | Real Increase/Decrease in 2022/23 | Nominal Percent change in 2022/23 | Real Percent change in 2022/23 |
|--------------------------------|----------------|----------------|--------------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
|                                | 2021/22        | 2022/23        |                                      |                                   |                                   |                                |
| R million                      |                |                |                                      |                                   |                                   |                                |
| Immigration Affairs Management | 32,9           | 30,5           | -2,4                                 | -3,7                              | -7,29%                            | -11,29%                        |
| Admission Services             | 1 047,7        | 1 066,7        | -19,0                                | -26,9                             | 1,81%                             | -2,57%                         |
| Immigration Services           | 258,7          | 221,4          | -37,3                                | -46,8                             | 14,42%                            | -18,10%                        |
| Asylum Seekers                 | 160,1          | 159,0          | -1,1                                 | -7,9                              | -0,69%                            | -4,96%                         |
| <b>TOTAL</b>                   | <b>1 449,4</b> | <b>1 477,6</b> | <b>28,2</b>                          | <b>-35,4</b>                      | <b>1,9%</b>                       | <b>-2,44%</b>                  |

Source: National Treasury (2022)

All the Immigration Affairs sub-programmes experienced a real decrease in their allocations in the current financial year. In terms of real percentage decline, the *Immigration Services* sub-programme was the biggest loser as its allocation was reduced by 18% (or R46.8 million) from R258.7 million in the previous financial year to R221.4 million in the current financial year.

The *Immigration Affairs Manager* and *Asylum Seekers* sub-programmes also received a reduced by 11.29% and 4.96%, respectively, in real terms. The former's budget was reduced from R258.7 million in the previous financial year to R221.4 million in the current financial year, while the latter's budget allocation was slightly decreased from R160.1 million in the previous financial year to R159 million in the current financial year. The Admission Services sub-programme had the least allocation reduction in percentage terms by just 2.57%. This allocation reduction translates to a decrease of R26.9 million from R1.04 billion in the previous financial year to R1.06 billion in the current financial year if inflation is considered.



## 4.2.4 Institutional Support and Transfers

The Institutional Support and Transfers funds to the Electoral Commission, the Represented Political Parties Fund and the Border Management Authority. This programme aims to defend, protect, secure and manage South Africa's borders.

**Table 6: Programme 4: Institutional Support and Transfers**

| Programme                          | Budget         |                | Nominal Increase/Decrease in 2022/23 | Real Increase/Decrease in 2022/23 | Nominal Percent change in 2022/23 | Real Percent change in 2022/23 |
|------------------------------------|----------------|----------------|--------------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
|                                    | 2021/22        | 2022/23        |                                      |                                   |                                   |                                |
| R million                          |                |                |                                      |                                   |                                   |                                |
| Border Management Authority        | 46,6           | 196,7          | 150,1                                | 141,6                             | 322,10%                           | 303,93%                        |
| Electoral Commission               | 2 250,3        | 2 223,8        | -26,5                                | -122,3                            | -1,18%                            | -5,43%                         |
| Represented Political Parties Fund | 166,8          | 342,1          | 175,3                                | 160,6                             |                                   | 96,26%                         |
| <b>TOTAL</b>                       | <b>2 463,7</b> | <b>2 762,6</b> | <b>298,9</b>                         | <b>179,9</b>                      | <b>12,1%</b>                      | <b>7,30%</b>                   |

Source: National Treasury (2022)

The *Border Management Authority Act (No 2 of 2020)* was signed into law in July 2020 and became effective 1 January 2021. It is encouraging to note that the BMA's budget increases to R 150.1 million in the current financial year from the previous allocation of R 40.6 million. This is an increase of R 150.1 million if inflation is not considered and R 141.6 million or 303.93% in real terms. The BMA's allocation will be utilised for operationalisation and recruitment of staff.

The *Represented Political Parties Fund* sub-programme also almost doubled its increase from R166.8 million in the previous financial year to R342.1 million in the current financial year. This increase translates to a 96.26% increase in real terms.

In Programme 4, only the Electoral Commission receives a slight decrease from R 2.250 billion in 2021/22 to R 2.22 billion in the current financial year. This decrease translates to R 122,3 million or 5.43% in real terms. This decrease could be attributed to the that the Electoral commission hosted the Local Government Election in November 2021; hence it was allocated more funding during 2021/22.

## 5. Key Issues for consideration by Parliament

### Issues for Consideration by Parliament

- The DHA should give Parliament regular updates on the implementation of the One-Stop Border Post in the six identified ports of entry Beitbridge (bordering Zimbabwe); Lebombo (bordering Mozambique); Maseru Bridge (bordering Lesotho); Kopfontein (bordering Botswana); Ficksburg (bordering Lesotho) and Oshoek (bordering Swaziland).



- The Department had started to pilot the e-visa regime with Kenya and India, and negotiations are being held with China and Nigeria; given the potential risks associated with the computerisation of services, Parliament should be briefed regularly on the risk and mitigating factors.
- The BMA was passed into law in 2020 and has become effective since the beginning of 2021. The DHA has also appointed the Commissioner and Deputy Commissioner for the BMA and currently recruiting Border Management Guards. The DHA should provide Parliament with a detailed implementation plan and related budget expenditure, including functions, funding and resources (including assets and personnel) to be transferred from other relevant departments.
- The Committee welcomed the dual connectivity links at several offices and the installation of power generators at 196 offices but urged the DHA to increase this number. The Department must also report on the partnership with SITA and Dimension Data to resolve the network connectivity within the 24 months target as specified in the 2019/20 Annual Performance Plan.
- The DHA should continue to deal decisively with corrupt elements within the Department. These corrupt elements should not only face disciplinary processes but should be charged criminally.

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