

# 2023 APPROPRIATION BILL

Standing Committee on Appropriations

PRESENTED BY:

Dr Mampho Modise  
&  
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National Treasury: Public  
Finance

18 April 2023



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA



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## Past spending trends

R' million	2012_13	2013_14	2014_15	2015_16	2016_17	2017_18	2018_19	2019_20	2020_21	2021_22
<b>Total budget</b>										
Adjusted budget	971	1 054	1 140	1 251	1 313	1 419	1 517	1 687	1 808	1 906
Actual	963	1 048	1 132	1 245	1 305	1 407	1 507	1 691	1 789	1 888
Actual (over)/under Adjusted budget	8,5	5,8	8,5	6,1	7,2	12,7	9,9 -	4,6	19,1	17,9
% (over)/under Adjusted budget	0,9%	0,6%	0,7%	0,5%	0,5%	0,9%	0,7%	-0,3%	1,1%	0,9%
<b>Compensation of employees</b>										
Adjusted budget	106	116	124	138	148	156	164	175	177	182
Actual	105	115	123	136	147	157	165	175	176	182
Actual (over)/under Adjusted budget	1,3	1,7	1,3	1,1	1,2 -	0,6 -	1,2 -	0,8	1,0 -	0,2
% (over)/under Adjusted budget	1,2%	1,5%	1,0%	0,8%	0,8%	-0,4%	-0,7%	-0,4%	0,6%	-0,1%
<b>Goods and services</b>										
Adjusted budget	56	60	61	62	66	67	69	75	81	90
Actual	52	58	58	60	63	65	66	72	65	77
Actual (over)/under Adjusted budget	3,8	2,0	2,9	1,9	3,1	1,6	2,9	3,5	15,6	12,8
% (over)/under Adjusted budget	6,9%	3,3%	4,8%	3,0%	4,7%	2,4%	4,2%	4,7%	19,3%	14,2%
<b>Other current</b>										
Adjusted budget	89	101	115	128	148	163	181	204	233	269
Actual	88	101	115	129	147	163	182	205	233	270
Actual (over)/under Adjusted budget	0,7 -	0,7 -	0,4 -	0,9	1,2	0,7 -	0,8 -	1,1	0,4 -	1,1
% (over)/under Adjusted budget	0,7%	-0,7%	-0,3%	-0,7%	0,8%	0,4%	-0,4%	-0,5%	0,2%	-0,4%
<b>Payments for capital assets</b>										
Adjusted budget	14	14	17	17	15	16	16	15	15	16
Actual	14	14	16	18	16	15	14	12	12	13
Actual (over)/under Adjusted budget	0,1	0,2	0,6 -	1,2 -	1,1	0,5	1,8	2,6	2,9	2,3
% (over)/under Adjusted budget	1,0%	1,4%	3,9%	-7,1%	-7,2%	3,3%	11,2%	17,7%	19,4%	14,8%
<b>Payments for financial assets</b>										
Adjusted budget	1	3	4	30	6	19	14	65	88	74
Actual	2	4	5	30	7	19	15	65	90	74
Actual (over)/under Adjusted budget	0,2 -	0,3 -	1,1 -	0,1 -	0,7	0,3 -	0,7	0,2 -	1,3 -	0,2
% (over)/under Adjusted budget	-16,5%	-9,9%	-27,8%	-0,5%	-11,1%	1,7%	-5,4%	0,3%	-1,5%	-0,2%
<b>Transfers and subsidies</b>										
Adjusted budget	705	759	820	876	930	997	1 073	1 153	1 214	1 277
Actual	702	756	815	871	927	987	1 065	1 162	1 213	1 272
Actual (over)/under Adjusted budget	2,8	2,9	5,1	5,4	3,5	10,1	7,9 -	9,1	0,6	4,3
% (over)/under Adjusted budget	0,4%	0,4%	0,6%	0,6%	0,4%	1,0%	0,7%	-0,8%	0,0%	0,3%

## Past spending trends

R' thousand	2018_19	2019_20	2020_21	2021_22	2018_19	2019_20	2020_21	2021_22
Cooperative Governance	3 118 627	3 396 205	3 636 945	2 781 742	3,7%	3,8%	3,4%	2,7%
Water and Sanitation	254 295	1 249 693	2 491 678	2 531 550	1,5%	7,6%	14,7%	14,3%
Forestry, Fisheries and the Environment	693 561	117 024	1 637 785	1 609 724	9,3%	1,6%	16,5%	17,7%
Basic Education	284 816	612 968	494 347	1 312 698	1,2%	2,5%	2,1%	4,6%
Agriculture, Land Reform and Rural Development	302 857	168 176	1 154 582	1 092 036	1,7%	0,9%	7,6%	6,1%
Police	1 255 419	754 044	4 077 751	878 441	1,4%	0,8%	4,1%	0,9%
Health	913 789	422 392	-64 045	771 334	1,9%	0,8%	-0,1%	1,2%
Justice and Constitutional Development	444 875	757 215	1 076 500	741 694	2,3%	3,6%	5,1%	3,4%
Human Settlements	260 459	516 361	303 482	720 253	0,8%	1,5%	1,0%	2,3%
Social Development		-15 008						
	242 315	404	1 884 596	618 508	0,1%	-8,1%	0,8%	0,3%
Employment and Labour	196 179	217 322	196 215	584 327	6,0%	6,3%	5,9%	15,3%
Transport	645 064	324 330	291 917	530 489	1,1%	0,5%	0,5%	0,8%
International Relations and Cooperation	182 529	198 471	69 024	524 854	2,8%	3,0%	1,1%	8,1%
Higher Education and Training	32 600	519 717	-1 840 898	395 153	0,0%	0,5%	-1,8%	0,3%
Mineral Resources and Energy	83 831	270 255	382 101	382 855	0,9%	2,9%	5,0%	4,1%
Communications and Digital Technologies	40 647	105 144	116 303	314 992	0,7%	1,6%	3,5%	8,1%
Statistics South Africa	-39 436	-39 094	440 259	283 324	-1,7%	-1,6%	14,1%	5,7%
Public Works and Infrastructure	34 777	146 831	193 345	272 016	0,5%	1,9%	2,5%	3,3%
Public Enterprises	48 121	36 641	103 507	252 243	0,7%	0,1%	0,1%	0,6%
Correctional Services	72 057	130 736	569 738	250 667	0,3%	0,5%	2,2%	1,0%
Trade, Industry and Competition	70 101	138 405	233 558	197 910	0,7%	1,2%	2,5%	1,7%
Office of the Chief Justice	27 630	110 626	190 578	140 697	1,3%	4,8%	8,3%	6,0%
Sport, Arts and Culture	115 516	254 628	135 222	115 898	2,1%	4,4%	2,5%	2,0%
Military Veterans	0	0	51 079	91 793	0,0%	0,0%	10,6%	15,1%
The Presidency	47 337	61 459	57 108	88 204	9,2%	8,8%	9,8%	14,4%
Public Service and Administration	24 642	38 378	38 309	74 079	2,6%	3,9%	8,2%	13,9%

## Past spending trends

R' thousand	2018_19	2019_20	2020_21	2021_22	2018_19	2019_20	2020_21	2021_22
Planning, Monitoring and Evaluation	83 281	42 421	12 835	62 494	8,7%	4,4%	3,2%	13,6%
Science and Innovation	66 462	93 679	113 022	43 555	0,8%	1,1%	1,6%	0,5%
Defence	4 162	5 875	115 097	31 043	0,0%	0,0%	0,2%	0,1%
Women, Youth and Persons With Disabilities	7 855	3 010	18 575	30 933	3,4%	1,2%	3,0%	2,6%
Small Business Development	68 935	39 773	28 608	23 845	4,6%	1,8%	1,3%	0,9%
Public Service Commission	0	0	12 624	20 500	0,0%	0,0%	4,6%	7,2%
Traditional Affairs	0	0	24 162	18 032	0,0%	0,0%	14,9%	10,4%
Civilian Secretariat for the Police Service	0	0	5 624	12 636	0,0%	0,0%	4,1%	8,4%
Tourism	27 015	8 278	34 611	7 561	1,2%	0,3%	2,4%	0,3%
Independent Police Investigative Directorate	282	43	37	5 870	0,1%	0,0%	0,0%	1,7%
National School of Government	0	0	5 804	3 671	0,0%	0,0%	2,6%	1,7%
Government Communication and Information System	0	0	13 030	2 426	0,0%	0,0%	1,8%	0,3%
Home Affairs	200	187	317 149	0	0,0%	0,0%	3,6%	0,0%
National Treasury	296 211	-289 901	515 581	-47 794	0,0%	0,0%	0,1%	0,0%
<b>Grand Total</b>	<b>9 907 011</b>	<b>-4 597 113 19</b>	<b>137 746 17 772 252</b>		<b>0,7%</b>	<b>-0,3%</b>	<b>1,1%</b>	<b>0,9%</b>

## Past spending trends

- Key reasons provided by departments for underspending (amongst others)
  - Cost-containment measures mainly moving to virtual platforms
  - Implementation of recommendations from spending reviews
  - Lower than anticipated payments to multilateral institutions and other payments that are dollar denominated
  - Savings due to restructuring and implementation of strategies to rationalise/restructure organisations
  - Lower than anticipated claims
  - Specific reasons such as SRD efficiency improvements, COVID-19 allocations for vaccines, leasing of office space, changes of offices to lesser expensive spaces
- Delays in filling of vacant positions
- Delays in delivery of ICT and other capital assets
- Procurement delays
- Delays in the payment of leave gratuities to contract workers
- Delays in implementing strategies planned for
- Delays in paying claims due to disputes and lengthy verification processes
- delays in the finalisation of geospatial application tool maintenance and support contract
- Delays in transferring funds due to none readiness of the receiving organisation
- Delays in receiving invoices from implementing agents for work completed
- Delays in disbursements of funds due to none compliance to legislation and conditions

## Background



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The Appropriation Bill is the legislation that provides for the appropriation of money by Parliament from the National Revenue Fund in terms of section 213 of the Constitution of the Republic of South Africa (1996) and section 26 of the PFMA (1999)

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Section 213(2) of the Constitution provides that money may be withdrawn from the National Revenue Fund only in terms of an appropriation by an Act of Parliament or as a direct charge against that Fund, when it is provided for in the Constitution of the Republic of South Africa (1996) or an Act of Parliament

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Section 26 of the PFMA (1999) provides that Parliament must appropriate money for each financial year for the requirements of the State

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Section 7(1) of the Money Bills and Related Matters Act (2009) provides that the Minister of Finance must table the annual budget, as set out in section 27 of the PFMA (1999), in the National Assembly at the same time as the Appropriation Bill

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The Appropriation Bill was tabled in Parliament together with the National Budget on 22 February 2023

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The 2023 Appropriation Bill proposes to appropriate money from the National Revenue Fund for the requirements of the State for the 2023/24 financial year; to prescribe conditions for the spending of funds withdrawn for the 2024/25 financial year before the commencement of the Appropriation Act for the 2024/25 financial year; and to provide for matters incidental thereto.



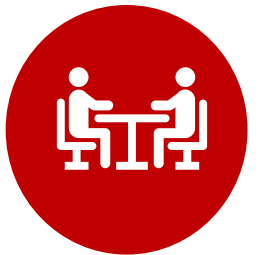
## Parliamentary process



The Money Bills Amendments Procedure and Related Matters Act (2009) sets out **Parliament's** role in the budget process and enhances stakeholder participation and coordination

The Budget is dealt with by the **Standing Committees on Finance and Appropriations** comprising members of both houses

Individual **Portfolio Committees** deal with the budget and strategic plan for each national department



The **Public Accounts Committee** deals with post-facto issues raised by the Auditor General

**Parliament** votes first on the Fiscal Framework, then Division of Revenue and then the Appropriation Bill



The **committees on appropriations** may not consider amendments to the Appropriation Bill prior to the passing of the Division of Revenue Bill

Any amendment to the Appropriation Bill must be consistent with the adopted fiscal framework and Division of Revenue Bill passed by Parliament



## Amending the Appropriation Bill



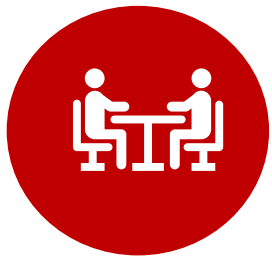
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A report of the Committee on Appropriations to the House that proposes amendments to the main Appropriation Bill must, in respect of each amendment—

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Indicate the reason for such proposed amendment;

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Demonstrate how the amendment takes into account the broad strategic priorities and allocations of the relevant budget;

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Demonstrate the implications of each proposed amendment for an affected vote and the main divisions within that vote;

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Demonstrate the impact of any proposed amendment on the balance between transfer payments, capital and recurrent spending in an affected vote;

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Set out the impact of any proposed amendment on service delivery; and

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Set out the manner in which the amendment relates to prevailing departmental strategic plans, reports of the Auditor General, committee reports adopted by a House, reports in terms of section 32 of the PFMA (1999), annual reports and any other information submitted to a House or committee in terms of the standing rules or on request

## 2023 Appropriation Bill

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

Section 8(3) – Committees on finance must within 16 days or as soon as reasonably possible thereafter, submit a report to the National Assembly and the National Council of Provinces on the fiscal framework and revenue proposals



Section 9(3) – The Division of Revenue Bill must be passed within 35 days after the adoption of the fiscal framework by Parliament, or as soon as reasonably possible thereafter



Section 10(7) – Parliament must pass the Appropriation Bill with or without amendments, within four months after the start of the financial year (i.e. by the end of July)

## Expenditure before promulgation of the Bill

Prior to the 2023 Appropriation Bill being promulgated, departments will incur expenditure in terms of section 29 of the PFMA (1999), which makes provision for spending before an annual budget is passed

**Section 29(1) – Expenditure before annual budget is passed** —If an annual budget is not passed before the start of the financial year to which it relates, funds may be withdrawn in accordance with this section from the relevant Revenue Fund for the services of the state or the province concerned during that financial year as direct charges against the Fund until the budget is passed

**Section 29(2)** – Funds withdrawn from a Revenue Fund in terms of subsection (1) – (a) may be utilised only for services for which funds were appropriated in the previous annual budget or adjustments budget; and (b) may not—

- during the first four months of that financial year, exceed 45 per cent of the total amount appropriated in the previous annual budget;
- during each of the following months, exceed 10 per cent of the total amount appropriated in the previous annual budget; and
- in aggregate, exceed the total amount appropriated in the previous annual budget

Promulgation of the 2023 Appropriation Bill is therefore necessary to:

- allow for monthly expenditure above the transitional provisions contained in the PFMA (1999)
- ensure expenditure in accordance with the vote and programme purposes as stated in the Act

# Structure of the Bill

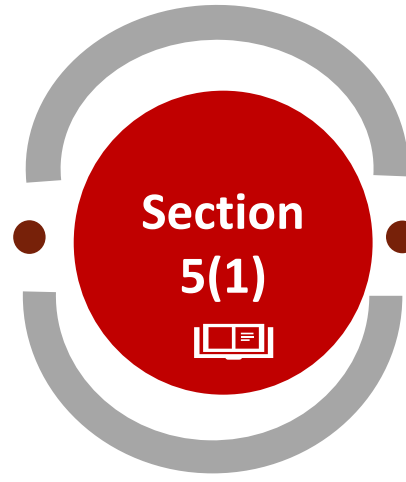
The Bill sets out various provisions to govern utilisation of the appropriated funds for 2023/24



An amount that is marked as specifically and exclusively appropriated in the Schedule may be used only for the purpose indicated, unless the amount or purpose is amended by, or in terms of, an Act of Parliament.

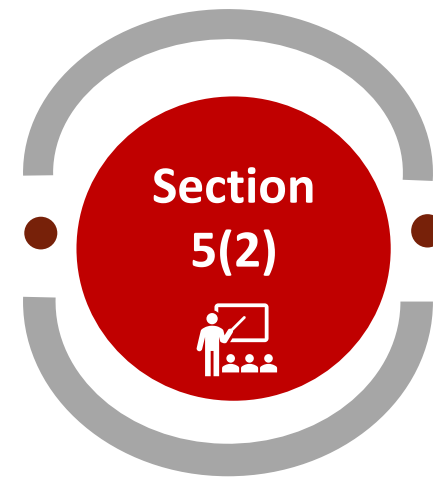


The Minister may, in writing—  
(a) impose conditions on an amount in the Schedule, other than a conditional allocation, in order to promote transparency and accountability and the effective management of the appropriation; and  
(b) stop the use of an amount in respect of which conditions imposed in terms of paragraph (a) are not met.



Despite section 3 of this Act and section 43(4) of the PFMA (1999), the Minister may approve that unspent funds in an amount in the Schedule allocated for—

- a) transfers and subsidies to other institutions, be used elsewhere within the same main division;
- b) payment for capital assets, be used elsewhere within the same vote; or
- c) payment for financial assets, be used elsewhere within the same main division.



The Minister may not approve the use of unspent funds in terms of subsection (1)(c), (d) or (e) for compensation of employees.

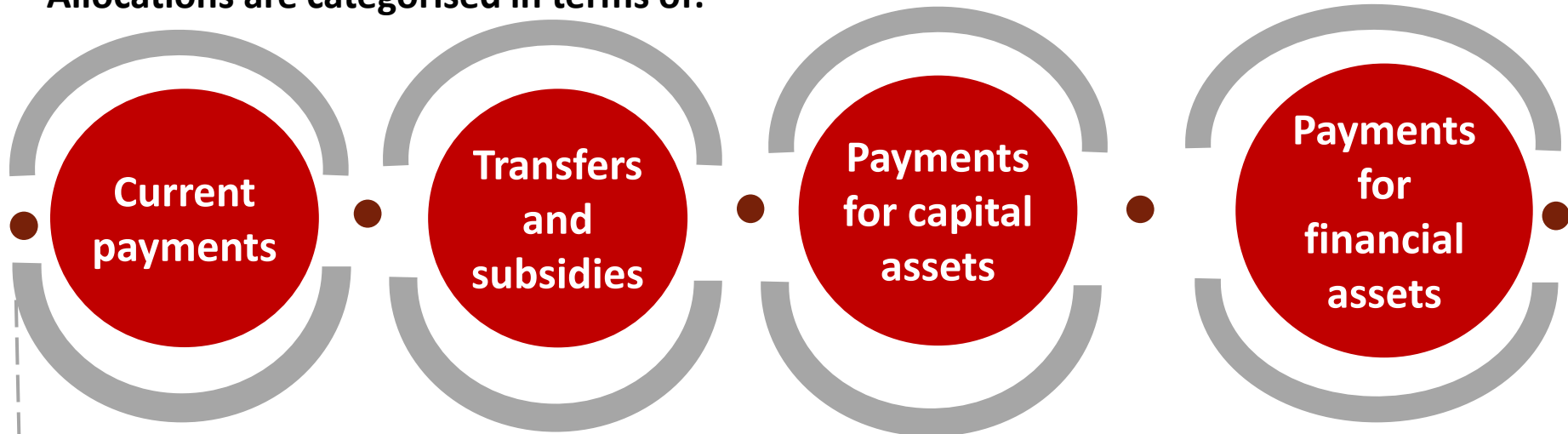
## Structure of the Bill (continued...)

The amounts appropriated to each vote are set out in the Schedule to the Bill

The Schedule is divided by vote and by main division within a vote (i.e. by programme and / or transfer and subsidy to a national department within a vote)

A purpose is set out for each vote, programme and transfer and subsidy to a national department within a vote

### Allocations are categorised in terms of:



- Compensation of employees
- Goods and services
- Interest and rent on land

The Minister may not approve the use of unspent funds in terms of subsection (1)(c), (d) or (e) for compensation of employees.

## 2023 Estimates of National Expenditure

- The ENE publication is the explanatory memorandum to the 2023 Appropriation Bill
- Outlines detailed information on each vote and its entities
- Can be accessed online at [www.treasury.gov.za](http://www.treasury.gov.za)
- The ENE publications contain information on:
  - the institution's mandate, purpose (and that of its programmes), together with programme-level objectives and descriptions of subprogrammes;
  - selected performance data and targets;
  - what institutions aim to achieve over the MTEF, and why;
  - how institutions plan to spend their budget allocations in support of this; and what outputs and outcomes the spending is intended to produce;
  - how institutions have spent their budgets in previous years;
  - detailed expenditure trends and estimates by programme, subprogramme, significant spending item and economic classification for each department and selected public entities; and
  - personnel spending.

# Budget 2023 – Key Highlights

## Retain fiscal consolidation strategy

The 2023 Budget continues to maintain the fiscal consolidation strategy to stabilise public finances, while continuing to protect the social wage, invest in infrastructure and strengthen the criminal justice system, without resorting to tax rate increases that could harm economic growth

## GDP growth of 0.9 per cent

GDP is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the MTBPS, recovering slowly to 1.8 per cent in 2025

## Consolidated spending of R7.08 trillion

Total consolidated government spending will amount to R7.08 trillion over the next 3 years

## Social wage: R3.59 trillion (51%)

More than 51 per cent (R3.59 trillion) will go towards the social wage. In the main, social wage consists of allocations for community development, employment programmes, health, education and social protection

## Net increase of R128.4 billion to non-interest spending

Main budget non-interest spending is increased by a net of R128.4 billion over the MTEF compared to the 2022 Budget

## Additional allocations of R227 billion

Additional allocations of R227 billion (R91 billion in 2023/24, R61.3 billion in 2024/25 and R74.7 billion in 2025/26) are made, mainly to extend the COVID-19 social relief distress grant until 31 March 2024

## Primary surplus in 2022/23 | Narrow consolidated deficit by 2025/26

A primary surplus will be achieved in 2022/23 and is projected to reach 1.7 per cent of GDP in 2025/26, while the consolidated deficit is set to narrow from 4.2 per cent of GDP in 2023/24 to 3.2 per cent by 2025/26.

Carry-through costs of the 2022/23 public service wage increase, to improve investment in infrastructure and to support safety and security, education and health services



# Spending pressures funded in Budget 2023

**Table 1 Spending pressures funded**

R million	2023/24	MTEF total
<b>Carry-through of 2022/23 public-service wage increase</b>	<b>14 973</b>	<b>45 597</b>
National	4 760	14 494
Provinces	10 214	31 104
<b>Economic growth and employment</b>	<b>624</b>	<b>1 744</b>
South African Revenue Service	500	1 500
South African Weather Service: operational funding	124	244
<b>Infrastructure-related spending</b>	<b>11 046</b>	<b>42 757</b>
Refurbishment of Parliament	1 000	2 000
SANRAL: strengthening and rehabilitation of non-toll network	–	5 250
Other infrastructure projects	645	1 311
Refurbishment backlog for provincial roads	1 500	7 125
SANParks infrastructure backlog	700	700
Budget Facility for Infrastructure project	7 201	26 371
<b>Security cluster</b>	<b>4 396</b>	<b>14 373</b>
Additional 5 000 police trainees per year	1 199	7 835
Border Management Authority	250	900
Mozambique deployment, prime mission equipment and navy defence systems	2 350	3 971
State Capture Commission and Financial Action Task Force recommendations	597	1 667
<b>Service delivery</b>	<b>16 095</b>	<b>53 902</b>
Local government equitable share	2 460	8 080
Health	7 536	23 471
Basic education sector	6 100	22 350
<b>Department of Home Affairs digitisation project</b>	<b>840</b>	<b>840</b>
<b>COVID-19 social relief of distress grant</b>	<b>36 081</b>	<b>36 081</b>
<b>Social grants: increase in grant values</b>	<b>5 890</b>	<b>29 575</b>
<b>Other spending pressures</b>	<b>1 075</b>	<b>2 149</b>
<b>Total</b>	<b>91 022</b>	<b>227 019</b>

- Main budget non-interest spending is increased by R91 billion in 2023/24 and a total of R227 billion over the MTEF

Source: National Treasury

## \*Social Wage

**Table 2 Social wage**

<b>R billion</b>	<b>2023/24</b>
<b>Community development</b>	<b>207,0</b>
Housing development	28,2
Transport	40,5
Basic services and local government <sup>1</sup>	138,3
<b>Employment programmes</b>	<b>21,7</b>
<b>Health</b>	<b>236,0</b>
<b>Basic education</b>	<b>284,1</b>
<b>Higher education and training</b>	<b>64,2</b>
<b>Social protection</b>	<b>282,2</b>
<i>of which: Social grants</i>	<i>253,8</i>
<b>Social security funds</b>	<b>79,1</b>
<b>Total</b>	<b>1 174,2</b>
<i>Percentage of non-interest spending</i>	<i>61,7%</i>
<i>Percentage of consolidated spending</i>	<i>52,4%</i>

1. Includes local government equitable share

Source: National Treasury

\*Based on consolidated government spending

## Provisional allocations

Table 3 Provisional allocations not assigned to votes

<b>R million</b>	<b>2023/24</b>
Public entity: South African Social Security Agency	500
General buffer funds	5
Construction of the Tygerberg hospital	–
Construction of the Klipfontein hospital	–
South African Revenue Service	1 000
Infrastructure funding	–
<b>Total</b>	<b>1 505</b>

Source: National Treasury

- Provisional allocations included in the 2023 Budget amount to R1.5 billion in 2023/24
- These allocations will only be confirmed once certain requirements have been met
- The allocations will be reviewed in the 2023 MTBPS.

## Summary of 2023/24 Appropriated funds

<b>Table 4 Summary of 2023 Appropriated Funds</b>	
R million	<b>2023/24</b>
<b>Total Appropriated</b>	<b>1 077 437 771</b>
<i>Of which</i>	
<b>Current payments</b>	<b>261 404 266</b>
<i>Compensation of employees</i>	178 781 881
<i>Goods and services</i>	82 388 900
<i>Interest and Rent on Land</i>	233 485
<b>Transfers and subsidies</b>	<b>793 318 501</b>
<b>Payments for capital assets</b>	<b>17 374 398</b>
<b>Payments for financial assets</b>	<b>1 917 120</b>

# Allocations by Vote (Excluding Direct Charges)

**Table 5 Expenditure by national vote: 2023/24**

**2023/24**

R million	
01. The Presidency	617 192
02. Parliament	3 423 486
03. Cooperative Governance	121 698 251
04. Government Communication and Information System	750 746
05. Home Affairs	10 863 343
06. International Relations and Cooperation	6 694 073
07. National School of Government	229 018
08. National Treasury	34 889 373
09. Planning, Monitoring and Evaluation	475 848
10. Public Enterprises	302 912
11. Public Service and Administration	553 460
12. Public Service Commission	292 119
13. Public Works and Infrastructure	8 782 105
14. Statistics South Africa	2 691 746
15. Traditional Affairs	193 121
16. Basic Education	31 782 713
17. Higher Education and Training	110 781 585
18. Health	60 111 434
19. Social Development	263 029 199
20. Women, Youth and Persons with Disabilities	1 036 444

● 62.9 per cent of the total budget is appropriated to DCoG, DHET, DSD, Police and Transport mainly for free basic services, student funding, universities, TVET and CET training, social grants, crime prevention and investigation, and maintenance of the road transport network

# Allocations by Vote (Excluding Direct Charges) ...continued

**Table 5 Expenditure by national vote: 2023/24**

**2023/24**

R million

21. Civilian Secretariat for the Police Service	154 152
22. Correctional Services	26 026 672
23. Defence	51 124 429
24. Independent Police Investigative Directorate	364 386
25. Justice and Constitutional Development	20 793 904
26. Military Veterans	894 704
27. Office of the Chief Justice	1 304 530
28. Police	102 137 656
29. Agriculture, Land Reform and Rural Development	17 254 348
30. Communications and Digital Technologies	3 512 185
31. Employment and Labour	4 092 225
32. Forestry, Fisheries and the Environment	9 873 566
33. Human Settlements	34 942 401
34. Mineral Resources and Energy	10 701 218
35. Science and Innovation	10 874 221
36. Small Business Development	2 574 779
37. Sport, Arts and Culture	6 357 683
38. Tourism	2 524 244
39. Trade, Industry and Competition	10 922 547
40. Transport	79 552 447
41. Water and Sanitation	22 257 306
<b>Total appropriation for 41 Votes</b>	<b>1 077 437 771</b>

# Compensation of employees allocations by Vote

**Table 6 Personnel expenditure per vote for 2023/24**

R million	2023/24
01. The Presidency	383,1
02. Parliament	965,1
03. Cooperative Governance	346,7
04. Government Communication and Information System	284,1
05. Home Affairs	3 958,1
06. International Relations and Cooperation	3 006,9
07. National School of Government	60,4
08. National Treasury	920,0
09. Planning, Monitoring and Evaluation	322,7
10. Public Enterprises	185,3
11. Public Service and Administration	300,2
12. Public Service Commission	220,1
13. Public Works and Infrastructure	587,6
14. Statistics South Africa	1 648,5
15. Traditional Affairs	97,2
16. Basic Education	557,5
17. Higher Education and Training	11 180,1
18. Health	682,1
19. Social Development	513,8
20. Women, Youth and Persons with Disabilities	126,9

- Total compensation spending for national departments amounts to R179.7 billion in 2023/24
- Largest allocations are to DHET, police, defence, justice and correctional services
- DHET allocation provides for salaries of over 16 000 TVET and over 9 000 CET lecturers



# Compensation of employees allocations by Vote (continued...)

**Table 6 Personnel expenditure per vote for 2023/24**

R million	2023/24
21. Civilian Secretariat for the Police Service	108,9
22. Correctional Services	17 361,5
23. Defence	30 629,3
24. Independent Police Investigative Directorate	246,0
25. Justice and Constitutional Development	10 589,6
26. Military Veterans	134,4
27. Office of the Chief Justice	822,5
28. Police	79 795,1
29. Agriculture, Land Reform and Rural Development	3 803,4
30. Communications and Digital Technologies	302,0
31. Employment and Labour	1 410,9
32. Forestry, Fisheries and the Environment	1 956,1
33. Human Settlements	415,0
34. Mineral Resources and Energy	1 066,6
35. Science and Innovation	370,5
36. Small Business Development	225,1
37. Sport, Arts and Culture	385,3
38. Tourism	374,5
39. Trade, Industry and Competition	1 066,1
40. Transport	547,5
41. Water and Sanitation	179,0
<b>Grand Total</b>	<b>179 747,0</b>

Peace and Security departments are labour intensive, hence a large proportion of their budgets goes to CoE

## Goods and services allocations by Vote: Arranged from highest to lowest

**Table 7 Goods and services per vote for 2023/24**

R million	2023/24
28. Police	17 340,5
23. Defence	13 923,5
22. Correctional Services	7 107,8
25. Justice and Constitutional Development	6 051,3
03. Cooperative Governance	4 745,4
32. Forestry, Fisheries and the Environment	4 677,8
29. Agriculture, Land Reform and Rural Development	3 622,7
05. Home Affairs	2 661,4
16. Basic Education	2 461,0
06. International Relations and Cooperation	2 454,8
08. National Treasury	2 100,8
18. Health	1 870,9
41. Water and Sanitation	1 755,2
30. Communications and Digital Technologies	1 546,0
40. Transport	1 116,5
34. Mineral Resources and Energy	1 076,8
02. Parliament	887,1
14. Statistics South Africa	722,9
31. Employment and Labour	718,2
13. Public Works and Infrastructure	695,0
39. Trade, Industry and Competition	679,2

- Goods and services budgets for Peace and Security departments are proportionate to their budget size and provide for operational expenses
- DCoG budget includes provision for the community works programme
- Home Affairs budget mainly for computer services, operating leases and property payments
- Basic Education budget mainly for printing and distribution of workbooks for Grade R to 9 learners
- DIRCO budget mainly for travel, operating leases and operating payments, linked with operation of missions abroad

## Goods and services allocations by Vote: arranged from highest to lowest (continued...)

Table 7 Goods and services per vote for 2023/24

R million	2023/24
17. Higher Education and Training	672,1
37. Sport, Arts and Culture	613,7
38. Tourism	564,5
33. Human Settlements	539,4
19. Social Development	415,7
27. Office of the Chief Justice	372,1
26. Military Veterans	291,8
01. The Presidency	218,0
35. Science and Innovation	207,5
04. Government Communication and Information System	201,8
11. Public Service and Administration	194,2
09. Planning, Monitoring and Evaluation	148,0
36. Small Business Development	118,4
10. Public Enterprises	113,5
24. Independent Police Investigative Directorate	110,8
20. Women, Youth and Persons with Disabilities	76,5
12. Public Service Commission	69,8
07. National School of Government	48,9
15. Traditional Affairs	44,8
21. Civilian Secretariat for the Police Service	39,8
<b>Grand Total</b>	<b>83 276,0</b>

- Health budget mainly for medicine and medical supplies, contractors and operating leases
- DALRRD budget mainly for administrative support
- DFFE budget mainly for agency and support/outsourced services and parts of the EPWP programme

## Transfers and subsidies allocations by Vote

**Table 8 Transfers and subsidies per vote for 2023/24**

R million	2023/24
01. The Presidency	0,6
02. Parliament	544,5
03. Cooperative Governance	116 582,8
04. Government Communication and Information System	256,6
05. Home Affairs	3 956,5
06. International Relations and Cooperation	798,9
07. National School of Government	115,7
08. National Treasury	29 788,3
09. Planning, Monitoring and Evaluation	0,0
10. Public Enterprises	0,2
11. Public Service and Administration	52,5
12. Public Service Commission	0,6
13. Public Works and Infrastructure	7 490,8
14. Statistics South Africa	0,2
15. Traditional Affairs	47,0
16. Basic Education	26 990,7
17. Higher Education and Training	98 624,1
18. Health	56 251,3
19. Social Development	262 085,9
20. Women, Youth and Persons with Disabilities	829,3

- DCoG – mainly the local government equitable share and MIG
- Health – mainly for entities and the human resources and training grant
- Treasury – mainly for SARS and other entities
- Basic Ed – mainly for infrastructure grant and school nutrition programme
- Higher Ed – mainly subsidies for universities and NSFAS
- DSD – social grants

## Transfers and subsidies allocations by Vote (continued...)

Table 8 Transfers and subsidies per vote for 2023/24	2023/24
R million	
21. Civilian Secretariat for the Police Service	0,1
22. Correctional Services	724,7
23. Defence	5 721,1
24. Independent Police Investigative Directorate	1,0
25. Justice and Constitutional Development	3 364,2
26. Military Veterans	442,9
27. Office of the Chief Justice	1,5
28. Police	1 267,2
29. Agriculture, Land Reform and Rural Development	9 314,5
30. Communications and Digital Technologies	1 653,3
31. Employment and Labour	1 853,2
32. Forestry, Fisheries and the Environment	2 826,9
33. Human Settlements	33 460,6
34. Mineral Resources and Energy	8 543,5
35. Science and Innovation	10 285,8
36. Small Business Development	2 226,4
37. Sport, Arts and Culture	5 072,7
38. Tourism	1 581,8
39. Trade, Industry and Competition	9 161,5
40. Transport	77 882,3
41. Water and Sanitation	14 061,5
<b>Grand Total</b>	<b>793 863,0</b>

- Transport – mainly for SANRAL, PRASA and grants i.e. provincial roads maintenance grant, public transport operations and network operations grants

# Payments for capital assets by Vote

**Table 9 Payments for capital assets allocations**

R. million	2023/24
01. The Presidency	15,6
02. Parliament	1 026,8
03. Cooperative Governance	23,4
04. Government Communication and Information System	8,2
05. Home Affairs	287,4
06. International Relations and Cooperation	282,4
07. National School of Government	4,0
08. National Treasury	163,2
09. Planning, Monitoring and Evaluation	5,2
10. Public Enterprises	4,0
11. Public Service and Administration	6,5
12. Public Service Commission	1,7
13. Public Works and Infrastructure	8,7
14. Statistics South Africa	320,1
15. Traditional Affairs	4,2
16. Basic Education	1 737,3
17. Higher Education and Training	305,3
18. Health	1 307,1
19. Social Development	13,8
20. Women, Youth and Persons with Disabilities	3,8

- Basic Education – mainly for the school infrastructure backlogs grant. This is an indirect grant for a designated special programme as outlined in Schedule 6A of DORA
- Health – construction, maintenance, upgrading and rehabilitation of new and existing health infrastructure

## Payments for capital assets by Vote (continued...)

**Table 9 Payments for capital assets allocations**

R. million	2023/24
21. Civilian Secretariat for the Police Service	5,3
22. Correctional Services	832,6
23. Defence	850,5
24. Independent Police Investigative Directorate	6,5
25. Justice and Constitutional Development	788,8
26. Military Veterans	25,6
27. Office of the Chief Justice	108,4
28. Police	3 734,9
29. Agriculture, Land Reform and Rural Development	513,7
30. Communications and Digital Technologies	10,9
31. Employment and Labour	109,9
32. Forestry, Fisheries and the Environment	366,6
33. Human Settlements	527,4
34. Mineral Resources and Energy	14,4
35. Science and Innovation	10,4
36. Small Business Development	4,9
37. Sport, Arts and Culture	286,0
38. Tourism	3,5
<b>39. Trade, Industry and Competition</b>	15,7
40. Transport	6,0
41. Water and Sanitation	4 650,5
<b>Grand Total</b>	<b>18 401,2</b>

- Police – mainly for the construction and upgrading of police stations; machinery and equipment
- Water and Sanitation – mainly for the bulk regional infrastructure and water services infrastructure grants. These are indirect grants for designated special programmes as outlined in Schedule 6B of DORA



## Payments for financial assets allocations

<b>Table 10 Payments for financial assets allocations per vote</b>	<b>2023/24</b>
R million	
08. National Treasury	1 917
<b>Grand Total</b>	<b>1 917</b>

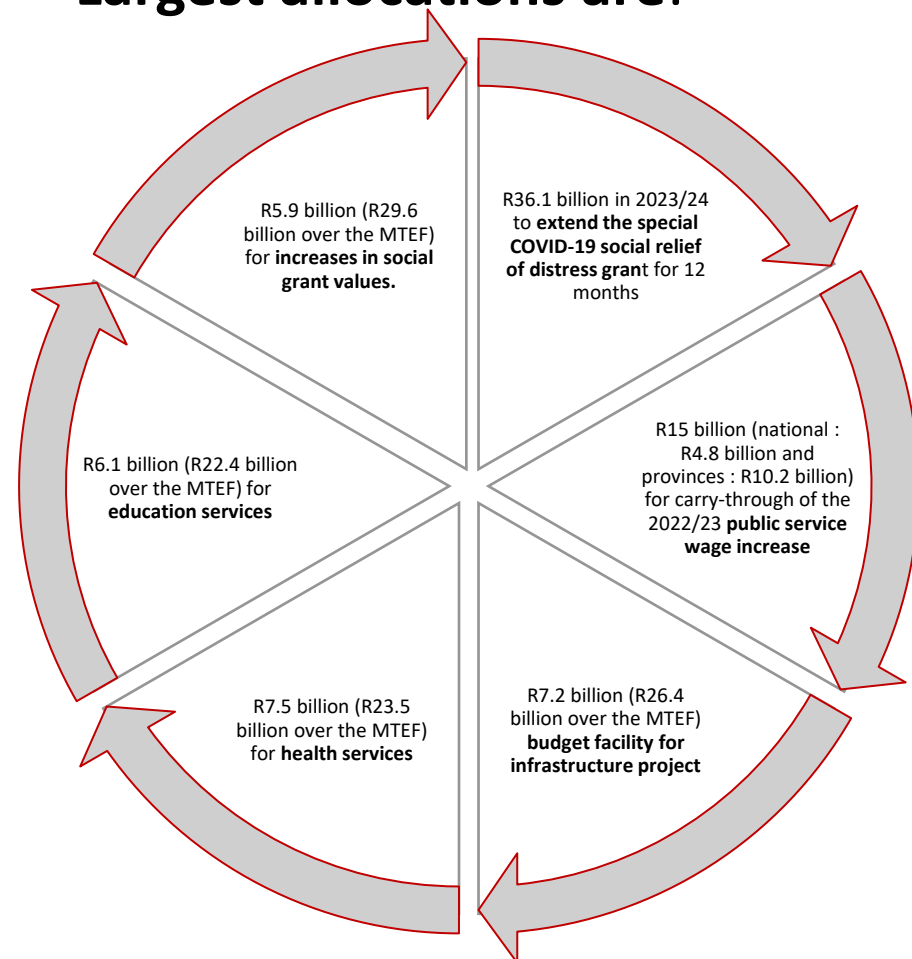
- Allocation provides for the recapitalisation of the Land and Agricultural Development Bank of South Africa (R1 billion)<sup>1</sup>, as well as the World Bank (R278.3 million), African Development Bank and African Development Fund (R638.9 million).

1. Additional details on the Land and Agricultural Bank of South Africa guarantee will be provided in the presentation on Guarantees by the National Treasury.

## 2023 Appropriation Bill – Summary

- Cost pressures funded through a combination of reallocations, reprioritisation and additional funding
- Priority given to interventions associated with the impact of COVID-19 and to meet urgent service delivery needs

### Largest allocations are:



## 2023 Appropriation Bill – Summary (continued...)

- 73.6% of the total budget is for transfers and subsidies – mainly social grants, conditional grants, transfers to public entities, university subsidies and NSFAS
- Largest share of compensation of employees' allocations goes to labour intensive departments e.g. in the Peace and Security function and Higher Education and Training
- Additional allocations on compensation of employees for the carry-through costs of the 2022/23 public service wage increase
- Payments for capital assets constitute 1.6% of the total budget and are mainly for indirect grants (bulk of infrastructure funds allocated to provinces and municipalities mainly through conditional grants).

**THANK YOU**