**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **1000 [NW1168E]**

**1000. Dr D T George (DA) to ask the Minister of Finance:**

In light of the scourge of violent crime in the Republic, how does the National Treasury justify the 5,27% nominal cut to Vote 28: Police for the 2021-22 financial year relative to the 2020-21 financial year?

NW1168E

**REPLY**:

Parliament approved a fiscal framework that proposes significant adjustments to spending over the medium term in order to stabilize government debt and reduce the pace of growth in debt servicing costs in October 2020. This approval by Parliament meant all spheres of government and all department’s budgets would be reduced to achieve debt stabilization. Furthermore, Parliament passed the 2021 fiscal framework tabled by the Minister of Finance in February 2021 proposing the same fiscal consolidation through lowering the levels of expenditure. The decision to reduce departmental budgets was not a National Treasury decision but a Cabinet decision.

Table 1 provides a summary of expenditure trends and estimates for Vote 28: Police. Between 2020/21 and 2021/22, the department’s budget for compensation of employees is expected to decrease from R76.1 billion to R75.3 billion, while its budget for goods and services is expected to decrease from R19.2 billion to R16.3 billion. The main items influenced under goods and services are non-essential in nature, e.g. advertising, consultants, catering, and travel and subsistence, and will be managed through cost-containment. Reductions on compensation of employees will be managed through salary freezes and non-filling of less critical post vacancies.

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| **Table 1. Expenditure trends and estimates: Vote 28 (Police)** |
| **Economic classification** |  **Audited outcome**  |  **Adjusted** **appropriation**  | **Average****growth****rate****(%)** | **Average:** **Expen-****diture/****Total****(%)** |  **Medium-term expenditure** **estimate**  | **Average****growth****rate****(%)** | **Average:****Expen-****diture/****Total****(%)** |
| R million |  **2017/18**  |  **2018/19**  |  **2019/20**  |  **2020/21**  |  **2017/18 - 2020/21**  |  **2021/22**  |  **2022/23**  |  **2023/24**  |  **2020/21 - 2023/24**  |
| **Economic classification** |  |  |  |  |  |  |  |  |  |  |  |
| **Current payments** | **82 469.3** | **86 118.7** | **92 232.1** | **95 366.4** | **5.0%** | **95.7%** | **91 570.7** | **92 036.9** | **92 097.1** | **-1.2%** | **95.2%** |
| Compensation of employees | 67 124.5 | 71 282.4 | 76 357.7 | 76 147.0 | 4.3% | 78.1% | 75 300.5 | 75 299.7 | 75 297.1 | -0.4% | 77.5% |
| Goods and services | 15 344.8 | 14 836.3 | 15 874.5 | 19 219.4 | 7.8% | 17.5% | 16 270.2 | 16 737.2 | 16 800.1 | -4.4% | 17.7% |
| **Transfers and subsidies** | **1 049.3** | **1 268.5** | **1 225.1** | **1 613.7** | **15.4%** | **1.4%** | **1 333.5** | **1 258.4** | **1 267.2** | **-7.7%** | **1.4%** |
| Provinces and municipalities | 44.5 | 49.5 | 52.8 | 53.2 | 6.1% | 0.1% | 55.6 | 57.6 | 61.4 | 4.9% | 0.1% |
| Departmental agencies and accounts | 39.7 | 45.6 | 52.9 | 51.0 | 8.7% | 0.1% | 49.9 | 51.4 | 53.5 | 1.6% | 0.1% |
| Non-profit institutions |  –  | 1.0 |  –  | 1.0 | 0.0% | 0.0% |  –  |  –  |  –  | -100.0% | 0.0% |
| Households | 965.1 | 1 172.5 | 1 119.5 | 1 508.5 | 16.1% | 1.3% | 1 228.0 | 1 149.4 | 1 152.2 | -8.6% | 1.3% |
| **Payments for capital assets** | **2 947.9** | **2 894.7** | **2 440.6** | **2 580.8** | **-4.3%** | **2.9%** | **3 451.3** | **3 562.3** | **3 719.3** | **13.0%** | **3.4%** |
| Buildings and other fixed structures | 575.4 | 686.3 | 513.3 | 497.7 | -4.7% | 0.6% | 946.7 | 960.9 | 1 003.2 | 26.3% | 0.9% |
| Machinery and equipment | 2 340.4 | 2 201.4 | 1 927.3 | 2 078.7 | -3.9% | 2.3% | 2 497.3 | 2 593.8 | 2 708.2 | 9.2% | 2.5% |
| Biological assets | 5.9 | 7.0 |  –  | 4.4 | -9.2% | 0.0% | 7.3 | 7.6 | 7.9 | 21.4% | 0.0% |
| Software and other intangible assets | 26.2 |  –  |  –  |  –  | -100.0% | 0.0% |  –  |  –  |  –  | 0.0% | 0.0% |
| **Payments for financial assets** | **13.9** | **15.6** | **32.3** |  **–**  | **-100.0%** | **0.0%** |  **–**  |  **–**  |  **–**  | **0.0%** | **0.0%** |
| **Total**  | **86 480.4** | **90 297.5** | **95 930.2** | **99 560.9** | **4.8%** | **100.0%** | **96 355.5** | **96 857.6** | **97 083.6** | **-0.8%** | **100.0%** |

Over the medium term, compared to other departments in the Peace and Security function group, Table 2 confirms that the Police services baseline decreases least, i.e. a marginal rate of only 0.2 per cent. Government’s support to the attainment of the objectives and outcomes set out under priority 6 (social cohesion and safer communities) of the 2019-2024 medium term strategic framework is therefore corroborated.

**Table 2. Peace and security function expenditure**

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| --- | --- | --- | --- | --- |
|  | **2020/21** | **Medium term expenditure estimate** | **Percentage of total MTEF allocation** | **Average annual MTEF change** |
| **R million** | **Revised estimate** | **2021/22** | **2022/23** | **2023/24** |
| Defence and state security | 53 968 | 46 656 | 47 811 | 48 132 | 22.5% | -3.7% |
| Police services | 106 603 | 104 570 | 105 946 | 105 994 | 49.9% | -0.2% |
| Law courts and prisons | 48 263 | 48 482 | 49 632 | 49 919 | 23.3% | 1.1% |
| Home affairs | 9 780 | 8 862 | 9 463 | 9 372 | 13.4% | -1.4% |
| **Total** | **218 615** | **208 570** | **212 853** | **213 417** | **100.0%** | **-0.8%** |