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| MEMORANDUM FROM THE PARLIAMENTARY OFFICE |

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 1080**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 05/06/2020**

**INTERNAL QUESTION PAPER NO 19 OF 2020**

**Prof B Bozzoli (DA) to ask the Minister of Higher Education, Science and Technology:**

(1) What is the total expected reduction in his departments’ budget by Treasury in light of Covid-19;

(2) whether the reduction will be spread evenly throughout his department; if not, (a) why not and (b)(i) how will it be distributed between programmes and entities and (ii) on what principles?

**NW1376E**

**REPLY:**

**DEPARTMENT OF HIGHER EDUCATION AND TRAINING**

(1) The Department did not receive official communication from National Treasury on the budget reductions. The Department is waiting for the announcement to be made by Parliament.

(2) Not applicable

**DEPARTMENT OF SCIENCE AND INNOVATION**

(1) R1 759 479 000. This amount is made up of R1 435 304 000 budget cuts and R324 175 000 for COVID-19 initiatives.

(2) The reduction will not be spread evenly throughout the department.

2 (a) Programmes have different budgets for implementing different initiatives.

**2b (i)**

 **Budget cuts per programme**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Programme** | **Compensation of employees R’000** | **Goods and services R’000** | **Transfers and subsidies****R’000** | **Total****R’000** |
| Administration | 18 995 | 22 987 | - | **41 982** |
| Technology Innovation | 5 769 | 9 978 | 50 000 | **65 747** |
| International Cooperation and Resources | 5 946 | 14 422 | 14 925 | **35 293** |
| Research Development and Support | 4 339 | 6 055 | 926 144 | **936 538** |
| Socio-economic Innovation Partnerships | 4 951 | - | 55 375 | **60 326** |
| **Total** | **40 000** | **53 442** | **1 046 444** | **1 139 886** |

**Budget cuts per entity (Parliamentary Grants)**

|  |  |
| --- | --- |
|  | **R’000** |
| Technology Innovation Agency | 45 586 |
| South African National Space Agency | 18 209 |
| National Research Foundation | 96 610 |
| Council for Science and Industrial Research | 99 765 |
| Academy of Science of South Africa  | 2 790 |
| Human Science Research Council | 32 459 |
| **Total** | **295 418** |

**(ii) Principles**

**Programmes**

* There is an anticipated savings on compensation of employees’ budget as the filling of vacancies will delay due to the pandemic.
* Savings to be realized from goods and services budget due to the lockdown, for example: Travel, events, etc.
* Various factors were considered under transfers and subsidies budget:
	+ Projects that would not be feasible to implement due to the pandemic, for example: infrastructure, science awareness, etc.
	+ Projects that were allocated funds during the last quarter of the financial year and the prospect of spending the new money (2020/21) were slim.
* There are however other areas where the cuts will have a negative impact, these include; the Human Capital Development. The department proposed these cuts in order to reach the 20% stipulated by National Treasury. These challenges were presented by the department to the National Treasury.

**Entities**

* 10% cut was proposed on the entities’ parliamentary grants across the board.
* A lesser percentage (as opposed to 20% requested by National Treasury) was proposed in order to minimize the impact of the cuts to entities.
* Entities are also expected to make some savings on areas where there will be no or minimal activities during the lockdown.
* Based on the above, the department is satisfied that the proposal is fair, however it was noted that entities which rely on external revenue might be negatively impacted as the revenue has declined substantially due to the prevailing conditions.
* The department has discussed the entities that are affected by decline of external revenue with the National Treasury for possible amnesty.