

Adjusted Estimates of National Expenditure

2016

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To obtain copies please contact:

Communications Directorate
National Treasury
Private Bag X115
Pretoria
0001
South Africa
Tel: +27 12 315 5944
Fax: +27 12 406 9055

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2016

National Treasury

Republic of South Africa

October 2016



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Introduction

The budget cycle timeline

February: The Minister of Finance tables the main Budget and Appropriation Bill in the National Assembly.

April: Start of the new financial year.

October: The Minister of Finance tables the adjusted national budget and the Adjustments Appropriation Bill in the National Assembly.

The main budget process

The main Budget announces government spending for three years going forward: that is, the years of the medium-term expenditure framework (MTEF). Through an accompanying Appropriation Bill, the Executive seeks Parliament's approval and adoption of its spending plans for the upcoming financial year. Amounts allocated for the first year of the new MTEF period are then appropriated from the National Revenue Fund in terms of the Appropriation Act, once assented by the President. Allocations made in Appropriation acts are shown by vote. Generally, a vote specifies the total amount appropriated per department. In some cases, a vote may contain more than one department.

The main Budget also provides for a contingency reserve, which accommodates expenditure related to unforeseeable circumstances.

The adjustments budget process

In the middle of each year, the adjustments process provides an opportunity to make permissible revisions to the main Budget, in response to changes that have affected the planned government spending for that year. The adjusted budget may allocate unused funds, mainly from the contingency reserve, and additional amounts that have been approved for particular types of spending, if that be the case. The adjusted budget estimates are tabled in the National Assembly by the Minister of Finance, accompanied by an Adjustments Appropriation Bill. The permissible adjustments are reflected as part of the adjusted budget, which also includes the amounts initially allocated in the main Appropriation Act, and in any subsequent special appropriations. A Division of Revenue Amendment Bill that sets out how the adjustments affect the Division of Revenue Act is also tabled.

The Estimates of National Expenditure (ENE) publication describes in detail the planned spending of all national government votes over the MTEF period. The Adjusted Estimates of National Expenditure (AENE) describes in detail the revisions to spending plans for the first year of the MTEF period, that is, the current financial year.

The adjustments

The Public Finance Management Act (1999) (PFMA)¹ specifies the type of spending permissible as an adjustment that the adjusted budget may provide for. The Treasury Regulations, issued by National Treasury in terms of the PFMA², provide instructions on how to comply with the PFMA.

The adjustments appropriation makes provision for:

- **Adjustments due to significant and unforeseeable economic and financial events:** When unforeseeable economic and financial events affect the fiscal targets set by the main Budget, adjustments may need to be made. An example of such an event is inflation that is significantly higher than anticipated in the budget estimates projected for the MTEF period.

¹ Section 30(2).

² Section 76.

- **Unforeseeable and unavoidable expenditure:** This is expenditure that could not be anticipated at the time of the main Budget. The Treasury Regulations³ specify that the following may not be regarded as unforeseeable and unavoidable expenditure: spending that was known when the main Budget was being finalised but could not be accommodated in the allocations at the time; spending increases due to tariff adjustments and price increases; and spending to extend existing services or create new services that are not unforeseeable and unavoidable. An example of unforeseeable and unavoidable expenditure is spending made necessary to deal with the effects of adverse weather conditions.
- **Emergencies:**⁴ The Minister of Finance can approve the use of funds that have not been appropriated, if it is for spending of an exceptional and extraordinary nature. This happens if postponing the spending to a future parliamentary appropriation would seriously prejudice the public interest.
- **Appropriation of expenditure earmarked in the main Budget speech for future allocation:** In certain instances, an amount to be allocated for a specific purpose will be announced by the Minister of Finance when the main Budget is tabled, although the details of the annual allocations are to be decided later. This is usually when plans have not been finalised in time to decide on the specific allocation amounts for the main Budget.
- **Virements:** The use of unspent funds from amounts appropriated under one programme for defraying excess expenditure under another programme within the same vote. Enacted legislation⁵ and the Treasury Regulations⁶ set parameters within which virements may take place.
- **Shifts within votes:** The use of unspent funds for defraying increased expenditure within a main division (programme)⁷ of a vote, through shifting funds between the different segments (subprogramme and economic classification) of the programme. Shifts may include the reallocation of funds to correct funding classification errors made during the ENE process or to follow the transfer of functions across programmes.
- **Shifts between votes:**⁸ The use of unspent funds in a vote for defraying increased expenditure in another vote. Such shifts include when functions are shifted to another vote or institution in terms of legislation and/or following the reassignment of responsibility for the functions. The associated assets, including personnel, and the liabilities, also need to be shifted.
- **Roll-overs:** Unspent funds from the preceding financial year that may be rolled over into the current financial year, when activities planned to be completed by the end of the preceding year, have not been completed but are close to completion. The Treasury Regulations⁹ restrict roll-overs as follows: compensation of employees funding may not be rolled over; a maximum of 5 per cent of a department's budget for goods and services may be rolled over; transfers and subsidies funding may not be rolled over for any purpose other than what the funds were originally allocated for; and unspent funds on payments for capital assets may only be rolled over to finalise projects or the acquisition of assets already in progress.
- **Self-financing expenditure:** Spending financed from the revenue derived from a vote's specific activities. The revenue is paid into the National Revenue Fund. If self-financing expenditure is approved, these funds are allocated to the vote.
- **Declared unspent funds:** Unspent amounts that will not be spent in the current financial year, explicitly indicated by vote.

³ Section 6.6.

⁴ Section 16 of the PFMA.

⁵ Section 43 of the PFMA and also section 5 of the Appropriation Act (2016).

⁶ Section 6.3.

⁷ 'Main division' refers to a budget programme within a vote, and is the formal term used in the PFMA and in the Appropriation Act. In this publication the term 'programme' is used because this is the more commonly used term.

⁸ Section 42 and 33 of the PFMA.

⁹ Section 6.4.

- **Direct charge against the National Revenue Fund:** An amount spent in terms of a statute and that is not budgeted for in any programme in a particular vote, which is thus shown as a separate item, such as expenditure on debt-service costs.
- **Gifts, donations and sponsorships:**¹⁰ Transactions valued at more than R100 000 are included in the adjustments budget.

Summary of the adjustments for 2016/17

Adjustments to vote appropriations amount to an increase of R1 984.127 million, of which:

• unforeseeable and unavoidable expenditure	R1 203.347 million
• announced by the Minister of Finance in the 2016 Budget speech	R553.300 million
• roll-overs	R412.231 million
• self-financing expenditure	R1 123.549 million
• declared unspent funds (reductions to vote allocations)	(R1 308.300 million)

Adjustments to estimates of direct charges against the National Revenue Fund amount to R1 130.107 million less than anticipated at the time of the main Budget, of which:

• National Revenue Fund payments	R1 076.393 million
• debt-service costs	(R30.775 million)
• skills levy and sector education and training authorities	(R2 177.425 million)
• magistrates' salaries: declared unspent funds	(R30 million)
• judges' salaries: shortfall	R30 million
• International Oil Pollution Compensation Fund	R1.700 million

The adjustments to vote appropriations (R1.984 billion increase) and to estimates of direct charges (R1.130 billion decrease) are offset against the R6.267 billion in contingency reserve funds set aside in the main Budget. In addition, the revised budget framework makes provision for approximately R3 billion in projected underspending at the national government level, and R1.2 billion at the local government level. The total estimated adjustments spending for 2016/17 thus decreases by R9.613 billion, from a budgeted R1 318.338 billion to a revised R1 308.725 billion.

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Table 9: Departmental receipts per vote

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¹⁰ Treasury Regulation 21.

Table 1: 2016/17 adjusted national budget

R thousand	Main appropriation (ENE)	Adjustments appropriation (AENE)	Adjusted appropriation (AENE)
Appropriation by vote	721 148 226	1 984 127	723 132 353
Main appropriation	721 148 226		
Total adjustments		1 984 127	
Roll-overs		412 231	
Unforeseeable and unavoidable expenditure		1 203 347	
Unallocated and announced in the 2016 Budget		553 300	
Self-financing		1 123 549	
Declared unspent funds		(1 308 300)	
Direct charges against the National Revenue Fund	590 923 063	(1 130 107)	589 792 956
<i>Of which:</i>			
Debt-service costs	147 720 000	(30 775)	147 689 225
National Revenue Fund payments	145 000	1 076 393	1 221 393
Skills levy and sector education and training authorities	17 639 595	(2 177 425)	15 462 170
Magistrates' salaries	2 040 162	(30 000)	2 010 162
Judges' salaries	920 057	30 000	950 057
International Oil Pollution Compensation Fund	–	1 700	1 700
Subtotal	1 312 071 289	854 020	1 312 925 309
Provisional allocation not assigned to votes	266 795	(266 795)	–
Contingency reserve	6 000 000	(6 000 000)	–
National government projected underspending	–	(3 000 000)	(3 000 000)
Local government repayment to the National Revenue Fund	–	(1 200 000)	(1 200 000)
Total adjustments expenditure estimate	1 318 338 084	(9 612 775)	1 308 725 309
Main budget revenue	1 161 996 198	(18 295 148)	1 143 701 050
Tax revenue	1 174 787 771	(22 761 856)	1 152 025 915
Non-tax revenue	26 656 775	4 466 708	31 123 483
Less: Estimate of Southern Africa Customs Union payments	(39 448 348)	–	(39 448 348)
Budget balance	(156 341 886)	(8 682 373)	(165 024 259)

Table 2: Adjusted appropriations per vote and adjusted estimates of direct charges against the National Revenue Fund

Vote number and title		2016/17						Adjusted appropriation	Value of virements and shifts
		Adjustments appropriation					Total adjustments appropriation		
		Main appropriation	Roll-overs	Unforeseeable/unavoidable	Declared unspent funds	Other adjustments			
R thousand									
1	The Presidency	499 675	–	2 100	(12 000)	–	(9 900)	489 775	11 253
2	Parliament ¹	1 659 631	–	–	–	–	–	1 659 631	–
3	Communications	1 345 406	1 214	–	–	3 100	4 314	1 349 720	57 403
4	Cooperative Governance and Traditional Affairs	72 994 048	27 858	–	–	–	27 858	73 021 906	27 374
5	Home Affairs	7 167 140	–	71 340	(45 000)	962 325	988 665	8 155 805	44 229
6	International Relations and Cooperation	5 888 651	–	950 000	–	–	950 000	6 838 651	66 937
7	National Treasury	28 471 417	–	–	–	–	–	28 471 417	923 347
8	Planning, Monitoring and Evaluation	827 662	–	–	(30 000)	–	(30 000)	797 662	20 436
9	Public Enterprises	273 976	–	–	(6 000)	–	(6 000)	267 976	222
10	Public Service and Administration	770 380	–	–	(6 500)	15 966	9 466	779 846	15 274
11	Public Works	6 528 765	–	–	–	(15 966)	(15 966)	6 512 799	18 611
12	Statistics South Africa	2 489 102	49 006	–	–	–	49 006	2 538 108	82 209
13	Women	196 887	–	–	–	–	–	196 887	1 070
14	Basic Education	22 269 595	–	179 907	(35 000)	(1 041)	143 866	22 413 461	276 417
15	Higher Education and Training	49 188 279	–	–	–	–	–	49 188 279	313 344
16	Health	38 563 317	18 858	–	(12 300)	27 541	34 099	38 597 416	63 345
17	Social Development	148 937 729	–	–	(1 004 500)	–	(1 004 500)	147 933 229	18 820
18	Correctional Services	21 577 287	–	–	–	2 904	2 904	21 580 191	–
19	Defence and Military Veterans	47 169 745	–	–	–	66 720	66 720	47 236 465	622 040
20	Independent Police Investigative Directorate	246 111	–	–	(4 000)	–	(4 000)	242 111	5 579
21	Justice and Constitutional Development	16 049 736	–	–	–	(9 000)	(9 000)	16 040 736	268 347
22	Office of the Chief Justice and Judicial Administration	864 990	–	–	–	9 000	9 000	873 990	105 342
23	Police	80 984 851	–	–	–	–	–	80 984 851	211 830
24	Agriculture, Forestry and Fisheries	6 332 965	–	–	(30 000)	212 000	182 000	6 514 965	84 446
25	Economic Development	674 661	–	–	–	–	–	674 661	12 524
26	Energy	7 545 171	5 385	–	–	–	5 385	7 550 556	36 601
27	Environmental Affairs	6 430 101	–	–	(5 000)	–	(5 000)	6 425 101	136 280
28	Labour	2 847 877	–	–	(5 000)	–	(5 000)	2 842 877	81 528
29	Mineral Resources	1 669 077	–	–	–	–	–	1 669 077	62 792
30	Science and Technology	7 428 996	–	–	–	–	–	7 428 996	99 910
31	Small Business Development	1 325 439	–	–	(7 000)	–	(7 000)	1 318 439	2 876
32	Telecommunications and Postal Services	2 417 412	–	–	–	–	–	2 417 412	22 680
33	Tourism	2 009 516	–	–	–	–	–	2 009 516	160 929
34	Trade and Industry	10 327 517	–	–	–	62 000	62 000	10 389 517	446 910
35	Transport	56 015 163	275 691	–	(5 000)	–	270 691	56 285 854	3 159
36	Water and Sanitation	15 245 297	–	–	(62 000)	341 300	279 300	15 524 597	158 873
37	Arts and Culture	4 070 853	16 719	–	(25 000)	–	(8 281)	4 062 572	234 615
38	Human Settlements	30 690 856	17 500	–	(12 000)	–	5 500	30 696 356	14 415
39	Rural Development and Land Reform	10 124 345	–	–	–	–	–	10 124 345	176 300
40	Sport and Recreation South Africa	1 028 600	–	–	(2 000)	–	(2 000)	1 026 600	33 994
Total appropriation by vote		721 148 226	412 231	1 203 347	(1 308 300)	1 676 849	1 984 127	723 132 353	4 922 261

Table 2: Adjusted appropriations per vote and adjusted estimates of direct charges against the National Revenue Fund (continued)

R thousand	2016/17						Adjusted appropriation
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Declared unspent funds	Other adjustments		
Plus:							
Total direct charges against the National Revenue Fund	590 923 063	–	–	–	(1 130 107)	(1 130 107)	589 792 956
President and deputy president salaries (The Presidency)	6 035	–	–	–	–	–	6 035
Members' remuneration (Parliament)	529 798	–	–	–	–	–	529 798
Debt-service costs (National Treasury)	147 720 000	–	–	–	(30 775)	(30 775)	147 689 225
Provincial equitable share (National Treasury)	410 698 585	–	–	–	–	–	410 698 585
General fuel levy sharing with metropolitan municipalities (National Treasury)	11 223 831	–	–	–	–	–	11 223 831
National Revenue Fund payments (National Treasury)	145 000	–	–	–	1 076 393	1 076 393	1 221 393
Skills levy and sector education and training authorities (Higher Education and Training)	17 639 595	–	–	–	(2 177 425)	(2 177 425)	15 462 170
Magistrates' salaries (Justice and Constitutional Development)	2 040 162	–	–	–	(30 000)	(30 000)	2 010 162
Judges' salaries (Office of the Chief Justice and Judicial Administration)	920 057	–	–	–	30 000	30 000	950 057
International Oil Pollution Compensation Fund (Transport)	–	–	–	–	1 700	1 700	1 700
Subtotal	1 312 071 289	412 231	1 203 347	(1 308 300)	546 742	854 020	1 312 925 309
Provisional allocation not assigned to votes	266 795	–	–	–	(266 795)	(266 795)	–
Contingency reserve	6 000 000	–	–	–	(6 000 000)	(6 000 000)	–
National government projected underspending	–	–	–	–	(3 000 000)	(3 000 000)	(3 000 000)
Local government repayment to the National Revenue Fund	–	–	–	–	(1 200 000)	(1 200 000)	(1 200 000)
Total estimated expenditure	1 318 338 084	412 231	1 203 347	(1 308 300)	(9 920 053)	(9 612 775)	1 308 725 309

1. Amendments to Parliaments' budget are determined independently of the national government's budget processes in accordance with the Financial Management of Parliament and Provincial Legislatures Act, 2009 as amended.

Table 2.1: Adjusted appropriations per economic classification

Economic classification	2016/17							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Current payments								
Compensation of employees	148 531 022	–	304 018	(317 807)	(243 300)	(1 890)	(258 979)	148 272 043
Goods and services	63 305 274	74 649	376 168	604 833	(35 000)	1 311 975	2 332 625	65 637 899
Interest and rent on land	147 819 588	–	–	124	–	(30 775)	(30 651)	147 788 937
Total current payments	359 655 884	74 649	680 186	287 150	(278 300)	1 279 310	2 042 995	361 698 879
Transfers and subsidies								
Provinces and municipalities	604 903 596	275 691	178 943	213 620	–	–	668 254	605 571 850
Departmental agencies and accounts	104 132 550	–	71 340	(760 529)	(5 000)	(2 107 605)	(2 801 794)	101 330 756
Higher education institutions	28 109 878	–	–	6 649	–	–	6 649	28 116 527
Foreign governments and international organisations	1 769 132	–	272 871	114 173	–	1 700	388 744	2 157 876
Public corporations and private enterprises	36 692 251	5 385	–	(357 041)	–	–	(351 656)	36 340 595
Non-profit institutions	3 611 881	–	–	297 392	–	–	297 392	3 909 273
Households	153 740 504	–	–	505 548	(1 000 000)	2 544	(491 908)	153 248 596
Total transfers and subsidies	932 959 792	281 076	523 154	19 812	(1 005 000)	(2 103 361)	(2 284 319)	930 675 473
Payments for capital assets								
Buildings and other fixed structures	10 930 334	49 006	7	(462 400)	(25 000)	290 700	(147 687)	10 782 647
Machinery and equipment	3 419 591	7 500	–	284 672	–	3 700	295 872	3 715 463
Heritage assets	–	–	–	2 000	–	–	2 000	2 000
Specialised military assets	993	–	–	–	–	–	–	993
Biological and cultivated assets	8 031	–	–	2 180	–	–	2 180	10 211
Land and subsoil assets	–	–	–	4 406	–	–	4 406	4 406
Software and other intangible assets	49 514	–	–	8 037	–	–	8 037	57 551
Total payments for capital assets	14 408 463	56 506	7	(161 105)	(25 000)	294 400	164 808	14 573 271
Total payments for financial assets	5 047 150	–	–	(145 857)	–	1 076 393	930 536	5 977 686
Subtotal	1 312 071 289	412 231	1 203 347	–	(1 308 300)	546 742	854 020	1 312 925 309
Provisional allocation not assigned to votes	266 795	–	–	–	–	(266 795)	(266 795)	–
Contingency reserve	6 000 000	–	–	–	–	(6 000 000)	(6 000 000)	–
National government projected underspending	–	–	–	–	–	(3 000 000)	(3 000 000)	(3 000 000)
Local government repayment to the National Revenue Fund	–	–	–	–	–	(1 200 000)	(1 200 000)	(1 200 000)
Total estimated expenditure	1 318 338 084	412 231	1 203 347	–	(1 308 300)	(9 920 053)	(9 612 775)	1 308 725 309

Table 3: Unforeseeable and unavoidable expenditure

Vote and description of expenditure	R thousand
1 The Presidency R2.1 million for legal fees and costs	2 100
5 Home Affairs R71.340 million for the Electoral Commission for salaries and equipment warehousing costs incurred due to the shifting of the date of the 2016 local government elections from May to August 2016	71 340
6 International Relations and Cooperation R950 million to compensate for the difference between exchange rate projections used when the department compiled its budget and the foreign exchange rate costs prevailing when payments were processed	950 000
14 Basic Education R179.907 million for the repair and rehabilitation of schools, and associated costs including for the provision of mobile classrooms, catch-up camps and the replacement of workbooks	179 907
Total	1 203 347

Table 4: Appropriation of expenditure earmarked in the 2016 Budget speech for future allocation

Vote and description of expenditure	R thousand
24 Agriculture, Forestry and Fisheries R212 million to procure animal feed for drought-stricken areas	212 000
36 Water and Sanitation R290.7 million for a packaged mobile desalination plant to be used in coastal areas and R50.6 million for water-tankering and storage for drought-stricken areas	341 300
Total	553 300

Table 5: Roll-overs

Vote and description of expenditure	R thousand
3 Communications R1.214 million for the digital terrestrial television awareness campaign	1 214
4 Cooperative Governance and Traditional Affairs R27.858 million for the municipal demarcation transition indirect grant	27 858
12 Statistics South Africa R49.006 million for the capital contribution for the construction of the new head office building	49 006
16 Health R18.858 million for the South African demographic health survey	18 858
26 Energy R5.385 million for the integrated national electrification programme for non-grid electrification service providers	5 385
35 Transport R275.691 million for the provincial roads maintenance grant	275 691
37 Arts and Culture R16.719 million for 2015/16 office accommodation commitments	16 719
38 Human Settlements R17.5 million for computer hardware and software	17 500
Total	412 231

Table 6: Self-financing expenditure

Vote and description of expenditure	R thousand
3 Communications Expenditure by the Government Communication and Information System to produce the Vuk'uzenzele Government Newspaper, which is funded from revenue generated through advertising in the newspaper	3 100
5 Home Affairs Expenditure incurred in the issuing of official documentation, which is defrayed by revenue generated from the issuing of the documents	962 325
16 Health Expenditure on preparatory work for establishing the South African Health Products Regulatory Authority, which is defrayed by revenue generated by the Medicines Control Council	26 500
18 Correctional Services R2.250 million in expenditure for the upgrading of production workshop and skills development centres, which is funded by a donation received from the Manufacturing, Engineering and Related Services Sector Education and Training Authority; and R654 000 in expenditure for offender gratuities, which is funded from revenue generated by the hiring out of offender labour	2 904
19 Defence and Military Veterans Expenditure for defence activities, which is defrayed by selling equipment and spares procured through the special defence account	66 720
34 Trade and Industry Unitary payment in respect of the public private partnership for shared campus accommodation, which is funded from unitary payments received from public entities	62 000
Total	1 123 549

Table 7: Declared unspent funds and projected underspending

Vote and description of expenditure		R thousand
1	The Presidency R12 million from compensation of employees	12 000
5	Home Affairs R45 million from compensation of employees	45 000
8	Planning, Monitoring and Evaluation R30 million from compensation of employees	30 000
9	Public Enterprises R6 million from compensation of employees	6 000
10	Public Service and Administration R1.5 million from compensation of employees and R5 million from the Public Service Commission	6 500
14	Basic Education R35 million from goods and services	35 000
16	Health R12.3 million from compensation of employees	12 300
17	Social Development R1 billion from social grant payments due to a decrease in the estimates of assistance required, and R4.5 million from compensation of employees	1 004 500
20	Independent Police Investigative Directorate R4 million from compensation of employees	4 000
24	Agriculture, Forestry and Fisheries R30 million from compensation of employees	30 000
27	Environmental Affairs R5 million from compensation of employees	5 000
28	Labour R5 million from compensation of employees	5 000
31	Small Business Development R7 million from compensation of employees	7 000
35	Transport R5 million from compensation of employees	5 000
36	Water and Sanitation R62 million from compensation of employees	62 000
37	Arts and Culture R25 million from capital works projects	25 000
38	Human Settlements R12 million from compensation of employees	12 000
40	Sport and Recreation South Africa R2 million from compensation of employees	2 000
Total declared unspent funds		1 308 300
Projected underspending		3 000 000
Local government repayment to the National Revenue Fund		1 200 000
Total		5 508 300

Table 8: Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Vote number and title		2015/16				2016/17			
		Audited outcome				Actual expenditure			
R thousand		Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15	Apr 15 - Mar 16	Apr 15 - Mar 16	Adjusted appropriation	Apr 16 - Sep 16	Apr 16 - Sep 16
				% of adjusted appropriation					% of adjusted appropriation
1	The Presidency	475 929	209 276	44.0	466 737	98.1	489 775	239 241	48.8
2	Parliament ¹	1 594 238	–	–	1 693 644	106.2	1 659 631	–	–
3	Communications	1 290 888	621 574	48.2	1 288 042	99.8	1 349 720	666 766	49.4
4	Cooperative Governance and Traditional Affairs	70 815 477	29 517 213	41.7	68 097 537	96.2	73 021 906	27 904 621	38.2
5	Home Affairs	7 348 725	3 415 765	46.5	7 345 969	100.0	8 155 805	4 483 402	55.0
6	International Relations and Cooperation	6 510 854	2 758 467	42.4	6 644 764	102.1	6 838 651	3 152 934	46.1
7	National Treasury	28 726 061	11 352 504	39.5	28 690 816	99.9	28 471 417	15 619 838	54.9
8	Planning, Monitoring and Evaluation	754 200	352 634	46.8	748 777	99.3	797 662	433 950	54.4
9	Public Enterprises	23 302 594	10 100 184	43.3	23 259 675	99.8	267 976	117 826	44.0
10	Public Service and Administration	847 639	370 693	43.7	840 949	99.2	779 846	395 332	50.7
11	Public Works	6 312 222	2 498 709	39.6	6 281 147	99.5	6 512 799	3 255 767	50.0
12	Statistics South Africa	2 323 256	1 032 550	44.4	2 273 540	97.9	2 538 108	1 284 075	50.6
13	Women	189 102	94 050	49.7	188 366	99.6	196 887	96 475	49.0
14	Basic Education	21 286 426	12 293 863	57.8	20 796 125	97.7	22 413 461	11 711 701	52.3
15	Higher Education and Training	42 028 770	29 491 422	70.2	41 943 361	99.8	49 188 279	33 508 228	68.1
16	Health	36 199 136	18 132 380	50.1	35 984 861	99.4	38 597 416	18 911 750	49.0
17	Social Development	137 893 640	67 654 308	49.1	136 405 673	98.9	147 933 229	72 717 563	49.2
18	Correctional Services	20 588 554	9 876 257	48.0	20 588 675	100.0	21 580 191	10 993 766	50.9
19	Defence and Military Veterans	45 088 161	20 747 860	46.0	45 071 534	100.0	47 236 465	22 625 697	47.9
20	Independent Police Investigative Directorate	234 781	112 896	48.1	234 157	99.7	242 111	134 768	55.7
21	Justice and Constitutional Development	15 010 773	6 915 238	46.1	14 971 780	99.7	16 040 736	7 892 363	49.2
22	Office of the Chief Justice and Judicial Administration	783 379	306 613	39.1	767 686	98.0	873 990	390 250	44.7
23	Police	76 720 848	36 004 490	46.9	76 720 801	100.0	80 984 851	38 921 817	48.1
24	Agriculture, Forestry and Fisheries	6 408 750	3 466 969	54.1	6 400 542	99.9	6 514 965	3 370 408	51.7
25	Economic Development	885 778	423 927	47.9	883 733	99.8	674 661	341 260	50.6
26	Energy	7 267 619	4 549 691	62.6	7 142 117	98.3	7 550 556	4 667 008	61.8
27	Environmental Affairs	5 943 297	2 861 532	48.1	5 937 920	99.9	6 425 101	2 708 633	42.2
28	Labour	2 704 234	1 218 143	45.0	2 611 995	96.6	2 842 877	1 406 093	49.5
29	Mineral Resources	1 638 542	924 816	56.4	1 638 481	100.0	1 669 077	917 784	55.0
30	Science and Technology	7 466 106	4 850 278	65.0	7 437 462	99.6	7 428 996	5 101 856	68.7
31	Small Business Development	1 127 520	547 719	48.6	1 098 891	97.5	1 318 439	617 810	46.9
32	Telecommunications and Postal Services	1 405 253	791 912	56.4	1 300 097	92.5	2 417 412	1 379 362	57.1
33	Tourism	1 794 178	932 326	52.0	1 777 394	99.1	2 009 516	1 007 050	50.1
34	Trade and Industry	9 497 844	3 622 653	38.1	9 471 659	99.7	10 389 517	4 539 516	43.7
35	Transport	53 615 077	27 194 749	50.7	53 320 787	99.5	56 285 854	25 534 113	45.4
36	Water and Sanitation	15 746 530	4 807 732	30.5	15 556 974	98.8	15 524 597	7 371 163	47.5
37	Arts and Culture	3 826 047	1 728 457	45.2	3 762 353	98.3	4 062 572	1 976 252	48.6
38	Human Settlements	30 543 381	13 126 906	43.0	30 034 544	98.3	30 696 356	13 029 754	42.4
39	Rural Development and Land Reform	9 197 361	3 611 255	39.3	9 118 047	99.1	10 124 345	4 310 029	42.6
40	Sport and Recreation South Africa	980 879	423 485	43.2	979 902	99.9	1 026 600	485 817	47.3
Total expenditure by vote		706 374 049	338 941 496	48.0	699 777 514	99.1	723 132 353	354 222 038	49.0

Table 8: Expenditure outcome for 2015/16 and actual expenditure for 2016/17 (continued)

R thousand	2015/16					2016/17		
	Audited outcome					Actual expenditure		
	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation
Plus:								
Total direct charges against the National Revenue Fund	544 755 965	266 788 802	49.0	544 847 957	100.0	589 792 956	289 500 467	49.1
President and deputy president salaries (The Presidency)	5 726	2 809	49.1	5 620	98.1	6 035	2 917	48.3
Members' remuneration (Parliament)	503 132	–	–	440 296	87.5	529 798	–	–
Debt-service costs (National Treasury)	127 902 018	62 645 110	49.0	128 795 565	100.7	147 689 225	71 684 052	48.5
Provincial equitable share (National Treasury)	386 500 009	191 336 757	49.5	386 500 009	100.0	410 698 585	205 349 310	50.0
General fuel levy sharing with metropolitan municipalities (National Treasury)	10 658 909	3 552 969	33.3	10 658 909	100.0	11 223 831	3 741 276	33.3
National Revenue Fund payments (National Treasury)	681 654	512 424	75.2	681 654	100.0	1 221 393	231 434	18.9
Skills levy and sector education and training authorities (Higher Education and Training)	15 800 000	7 502 166	47.5	15 156 433	95.9	15 462 170	7 127 910	46.1
Magistrates' salaries (Justice and Constitutional Development)	1 830 769	817 564	44.7	1 721 789	94.0	2 010 162	886 902	44.1
Judges' salaries (Office of the Chief Justice and Judicial Administration)	873 748	419 003	48.0	887 682	101.6	950 057	476 666	50.2
International Oil Pollution Compensation Fund (Transport)	–	–	–	–	–	1 700	–	–
Total	1 251 130 014	605 730 298	48.4	1 244 625 471	99.5	1 312 925 309	643 722 505	49.0
Economic classification								
Current payments								
Compensation of employees	137 877 930	65 923 326	47.8	137 278 536	99.6	149 152 858	72 256 403	48.4
Goods and services	61 956 109	26 659 732	43.0	59 898 595	96.7	65 146 320	29 470 381	45.2
Interest and rent on land	128 008 915	62 675 765	49.0	128 910 608	100.7	147 788 937	71 713 440	48.5
Total current payments	327 842 954	155 258 823	47.4	326 087 739	99.5	362 088 115	173 440 224	47.9
Transfers and subsidies								
Provinces and municipalities	572 892 209	275 339 900	48.1	570 139 965	99.5	605 571 850	290 173 758	47.9
Departmental agencies and accounts	94 854 091	48 506 767	51.1	92 870 786	97.9	101 330 756	56 092 069	55.4
Higher education institutions	26 434 598	20 541 720	77.7	26 544 631	100.4	28 116 527	20 605 838	73.3
Foreign governments and international organisations	1 779 621	364 662	20.5	1 932 878	108.6	2 157 876	436 169	20.2
Public corporations and private enterprises	35 245 878	19 424 176	55.1	35 934 386	102.0	36 340 595	16 824 028	46.3
Non-profit institutions	3 431 893	1 391 157	40.5	3 110 725	90.6	3 523 795	1 539 039	43.7
Households	141 414 502	68 524 112	48.5	139 911 811	98.9	153 248 596	74 058 630	48.3
Total transfers and subsidies	876 052 792	434 092 494	49.6	870 445 182	99.4	930 289 995	459 729 531	49.4
Payments for capital assets								
Buildings and other fixed structures	13 653 475	3 770 464	27.6	13 575 474	99.4	10 782 647	4 646 372	43.1
Machinery and equipment	3 885 083	855 809	22.0	4 366 839	112.4	3 711 705	867 430	23.4
Heritage assets	–	15	–	283	–	2 000	–	–
Specialised military assets	12 143	15 549	128.0	58 098	478.4	993	11 454	1 153.5
Biological assets	12 699	1 362	10.7	6 640	52.3	10 211	4 777	46.8
Land and subsoil assets	90 554	78 213	86.4	90 555	100.0	4 406	15 829	359.3
Software and other intangible assets	123 136	25 775	20.9	119 447	97.0	57 551	32 578	56.6
Total payments for capital asset	17 777 090	4 747 187	26.7	18 217 336	102.5	14 569 513	5 578 440	38.3
Total payments for financial assets	29 457 178	11 631 794	39.5	29 875 214	101.4	5 977 686	4 974 310	83.2
Total	1 251 130 014	605 730 298	48.4	1 244 625 471	99.5	1 312 925 309	643 722 505	49.0

1. Amendments to Parliaments' budget are determined independently of the national government's budget processes in accordance with the Financial Management of Parliament and Provincial Legislatures Act, 2009 as amended.

Table 9: Departmental receipts per vote

Vote number and title		2015/16					2016/17			
		Audited outcome					Actual receipts			
		Adjusted estimate	Apr 15 - Sep 15		Apr 15 - Mar 16		Budget estimate	Adjusted estimate	Apr 16 - Sep 16	Apr 16 - Sep 16 adjusted estimate
Apr 15 - Sep 15	adjusted estimate		Apr 15 - Mar 16	adjusted estimate	% of	% of				
R thousand										
1	The Presidency	2 972	2 618	88.1	2 924	98.4	452	1 069	593	55.5
2	Parliament ¹	30 725	–	–	33 735	109.8	36 066	36 066	–	–
3	Communications	1 025 126	717 111	70.0	1 328 069	129.6	1 025 794	1 026 751	852 752	83.1
4	Cooperative Governance and Traditional Affairs	1 148	564	49.1	1 116	97.2	1 165	1 165	940	80.7
5	Home Affairs	921 911	336 731	36.5	732 121	79.4	989 879	962 325	608 194	63.2
6	International Relations and Cooperation	41 846	13 928	33.3	34 884	83.4	42 740	24 340	19 354	79.5
7	National Treasury	13 157 419	7 001 447	53.2	19 979 853	151.9	16 390 199	19 852 759	15 342 199	77.3
8	Planning, Monitoring and Evaluation	266	189	71.1	417	156.8	143	602	426	70.8
9	Public Enterprises	1 161	167	14.4	3 377	290.9	109	1 083	40	3.7
10	Public Service and Administration	1 460	1 135	77.7	1 441	98.7	825	653	139	21.3
11	Public Works	1 878	1 328	70.7	7 106	378.4	1 474	2 764	1 834	66.4
12	Statistics South Africa	2 924	2 362	80.8	10 055	343.9	1 428	3 207	1 616	50.4
13	Women	32	16	50.0	42	131.3	34	306	281	91.8
14	Basic Education	12 067	6 659	55.2	18 254	151.3	7 081	16 001	7 823	48.9
15	Higher Education and Training	14 143	7 615	53.8	15 444	109.2	11 494	37 883	30 204	79.7
16	Health	44 605	29 463	66.1	53 885	120.8	54 860	69 125	34 548	50.0
17	Social Development	57 819	254	0.4	23 926	41.4	88 395	49 416	199	0.4
18	Correctional Services	124 437	63 550	51.1	129 317	103.9	125 790	130 978	66 840	51.0
19	Defence and Military Veterans	818 166	301 452	36.8	1 082 623	132.3	842 710	842 710	519 118	61.6
20	Independent Police Investigative Directorate	178	75	42.1	161	90.4	191	307	222	72.3
21	Justice and Constitutional Development	300 954	147 478	49.0	328 627	109.2	358 186	460 254	185 877	40.4
22	Office of the Chief Justice and Judicial Administration	354	354	100.0	778	219.8	784	784	499	63.6
23	Police	343 841	213 738	62.2	478 192	139.1	296 700	497 993	269 285	54.1
24	Agriculture, Forestry and Fisheries	206 326	111 509	54.0	212 414	103.0	216 643	227 198	108 582	47.8
25	Economic Development	668 650	506 515	75.8	50 296	7.5	908 329	908 376	202 714	22.3
26	Energy	3 950	2 608	66.0	805 987	20 404.7	4 840	5 975	3 546	59.3
27	Environmental Affairs	10 955	5 622	51.3	11 486	104.8	27 311	28 294	14 719	52.0
28	Labour	12 813	5 081	39.7	10 056	78.5	12 323	12 866	6 433	50.0
29	Mineral Resources	34 402	16 036	46.6	29 763	86.5	27 578	30 157	18 859	62.5
30	Science and Technology	357	239	66.9	514	144.0	121	7 000	5 725	81.8
31	Small Business Development	180	91	50.6	121	67.2	50	50	24	48.0
32	Telecommunications and Postal Services	27 633 930	13 934 289	50.4	26 804 435	97.0	508 093	559 537	559 413	100.0
33	Tourism	1 864	938	50.3	6 770	363.2	1 832	5 274	4 667	88.5
34	Trade and Industry	81 996	22 427	27.4	61 979	75.6	85 428	82 155	47 601	57.9
35	Transport	210 252	208 082	99.0	209 935	99.8	80 881	276 607	25 723	9.3
36	Water and Sanitation	19 092	5 746	30.1	11 008	57.7	18 148	20 874	17 123	82.0
37	Arts and Culture	3 205	2 480	77.4	2 970	92.7	758	2 342	1 031	44.0
38	Human Settlements	1 695	924	54.5	1 237	73.0	519	764	339	44.4
39	Rural Development and Land Reform	91 431	24 186	26.5	54 643	59.8	93 173	95 812	25 831	27.0
40	Sport and Recreation South Africa	273	204	74.7	406	148.7	315	92	46	50.0
Subtotal departmental receipts as per Adjusted Estimates of National Expenditure		45 886 803	23 695 211	51.6	52 540 367	114.5	22 262 841	26 281 914	18 985 359	72.2
Less: Parliament (retained departmental receipts)		30 725	–	–	33 735	109.8	36 066	36 066	–	–
Plus: South African Revenue Service		3 208 348	1 589 521	49.5	3 743 388	116.7	4 447 940	4 877 635	2 314 451	47.5
<i>Of which:</i>										
<i>Mineral and petroleum royalties</i>		3 200 000	1 577 762	49.3	3 707 898	115.9	4 430 000	4 840 206	2 292 829	47.4
<i>Mining leases and ownership</i>		8 348	11 759	140.9	35 490	425.1	17 940	37 429	21 622	57.8
Total departmental receipts		49 064 426	25 284 732	51.5	56 250 020	114.6	26 674 715	31 123 483	21 299 810	68.4

1. Amendments to Parliaments' budget are determined independently of the national government's budget processes in accordance with the Financial Management of Parliament and Provincial Legislatures Act, 2009 as amended.

Table 9.1: Departmental receipts per economic classification

Economic classification	2015/16					2016/17			
	Adjusted estimate	Audited outcome			Actual receipts				
		Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate
Departmental receipts									
Tax receipts	4 110	1 352	32.9	2 986	72.7	5 112	4 000	1 781	44.5
Sales of goods and services other than capital assets	1 855 801	835 562	45.0	1 844 889	99.4	1 821 037	2 123 682	1 292 315	60.9
Transfers received	187 530	95 149	50.7	530 678	283.0	511 262	235 398	93 198	39.6
Fines, penalties and forfeits	892 925	634 709	71.1	288 623	32.3	1 123 044	1 217 764	332 710	27.3
Interest, dividends and rent on land	6 428 103	3 074 286	47.8	6 366 386	99.0	3 804 070	5 052 629	2 105 539	41.7
Sales of capital assets	97 416	35 320	36.3	121 341	124.6	57 970	168 517	84 689	50.3
Financial transactions in assets and liabilities	36 420 918	19 018 833	52.2	43 385 464	119.1	14 940 346	17 479 924	15 075 127	86.2
Subtotal departmental receipts as per Adjusted Estimates of National Expenditure	45 886 803	23 695 211	51.6	52 540 367	114.5	22 262 841	26 281 914	18 985 359	72.2

Information contained in each chapter

The Adjusted Estimates of National Expenditure provides detailed information for each vote in the Adjustments Appropriation Bill, following the layout shown below.

Adjusted budget summary

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated				
<i>of which:</i>				
Current payments				
Transfers and subsidies				
Payments for capital assets				
Payments for financial assets				
Direct charge against the				
National Revenue Fund				
Executive authority				
Accounting officer				
Website address				

This table summarises the adjustments to the main Budget by main economic classification.

Main appropriation shows the total amount voted for the current financial year in the Appropriation Act (2016), in terms of the main Budget.

Adjusted appropriation shows the adjusted total amount to be voted for the current financial year, which is the sum of the main appropriation and all the adjustments.

Decrease and **Increase** shows the net amount resulting from all the adjustments per classification category.

Current payments are payments made by a department for its operational requirements.

Transfers and subsidies are payments made by a department for which the department does not directly receive anything in return.

Payments for capital assets are payments made by a department for assets that can be used for more than one year, and from which future economic benefits or service potential are expected to flow.

Payments for financial assets are mainly payments made by departments as loans to public corporations or as equity investments in public corporations. The reason for reflecting the payments as expenditure, rather than as financing, is because the purpose of the transaction is not profit oriented. This row is shown only in votes where such payments have been budgeted for. Payments for theft and losses are also included in this category. However, it is not possible to budget for these in advance and, if applicable, payments will thus appear only in the historical information once they are known.

Direct charge against the National Revenue Fund is an amount spent in terms of a statute and is not budgeted for in any programme in a particular vote. Hence it is shown as a separate item and is not contained in the Adjustments Appropriation Bill.

The last three rows of the table provide accountability information: the vote's executive authority, accounting officer and website address.

Vote purpose

The purpose of the vote captures a department's mandate, objectives or administrative functions, as stated in the Adjustments Appropriation Bill.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17

Managing, monitoring and measuring performance are integral to improving service delivery. The table shows what a department has achieved in the first six months of the current financial year, compared to what it projected for the year¹¹.

An **Indicator** is a measure that tracks a department's progress towards meeting the targets it has set. An indicator may measure inputs, activities, outputs and outcomes, or in certain instances, explanatory information relating to the internal or external environment.

The **Programme** column links the indicator to the vote programme associated with it.

The **Outcome** column links the indicator to one or more of the 14 outcomes, targeted in government's 2014-2019 medium term strategic framework.

Projected for 2016/17 as published in the 2016 ENE shows what the department projected it would achieve for the current financial year.

Achieved in the first six months of 2016/17 shows what the department has actually achieved in the first half of the current financial year.

Changed target for 2016/17 shows any change to the target originally published in the ENE. Estimates will change only in some of the cases where the funding provided for a particular programme has been amended in the Adjustments Appropriation Bill.

Changes to indicators and targets published in the 2016 ENE

Any specified deviations from stated performance targets for the current financial year are briefly explained, as well as any changes to the indicators themselves. Changes to indicators and/or targets are strictly confined to those arising from technical financial amendments made to a vote's estimates of expenditure, only if changes do arise from the technical financial amendments.

Mid-year progress

A brief discussion is provided on the department's mid-year progress towards achieving the targets that were set. The focus of the discussion is on indicators for which mid-year performance figures suggest that either an annual target may not be met, or that it may be exceeded.

¹¹ This table is not intended to provide a comprehensive view of a department's performance, because it shows a selected subset of a department's indicators, as published in the ENE. It should, however, contain the key performance indicators that form part of department's performance plans.

Adjusted Estimates of National Expenditure 2016

Programme	2016/17							Adjusted appropriation
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	
R thousand		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Programme name								
Subtotal								
Direct charge against the National Revenue Fund								
Item								
Total								
Economic classification								
Current payments								
Economic classification item								
Transfers and subsidies								
Economic classification item								
Payments for capital assets								
Economic classification item								
Payments for financial assets								
Total								

In this table, a vote's adjusted estimates of expenditure are set out by the type of expenditure adjustment by vote programme, and by economic classification (current payments, transfers and subsidies, payments for capital assets, and payments for financial assets).

Main appropriation shows the total amount voted for the current financial year in the Appropriation Act (2016), in terms of the main Budget process.

Adjustments appropriation shows the amounts of the adjustment for each of the types of expenditure adjustment by programme and by economic classification.

Roll-overs show unspent funds from the preceding financial year reallocated to the current financial year, to finalise activities close to completion.

Unforeseeable/unavoidable shows spending that could not be anticipated at the time when the main Budget was being finalised.

Virements and shifts:

- **Virements** are the use of unspent funds from amounts appropriated under one programme for defraying excess expenditure under another programme within the same vote.
- **Shifts within votes** are the use of unspent funds for defraying increased expenditure within a programme of a vote, through shifting funds between the different segments (subprogramme and economic classification) of the programme. Shifts may include funds reallocated to correct classification errors made during the ENE process.

Declared unspent funds are amounts that will not be spent in the current financial year, explicitly indicated by vote. The main appropriation of the vote is accordingly reduced by such amounts.

Other adjustments include funds shifted within votes following a function shift, all funds shifted between votes, the appropriation of expenditure earmarked in the 2016 Budget speech for future allocation, and self-financing expenditure.

Total adjustments appropriation shows the sum of all the expenditure adjustments by programme and the sum by economic classification. This number may be negative. In most instances this would be because of a virement of funds out of the programme or economic classification, or due to function shifts within or across votes.

Adjusted appropriation shows the adjusted total amount to be voted for the current financial year, which is the sum of the main appropriation and the total adjustments appropriation.

Similar tables are then shown for each programme for which adjustments have been made, and for direct charges against the National Revenue Fund.

Details of adjustments to the Estimates of National Expenditure 2016

This section gives explanations by programme for:

- Roll-overs
- Unforeseeable and unavoidable expenditure
- Virements and shifts

Virements and shifts

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme number			Programme number		
Economic classification item			Economic classification item		
Shifts within the programme as a percentage of the programme budget		per cent			
Virements to other programmes as a percentage of the programme budget		per cent			
Programme number			Programme number		
Economic classification item			Economic classification item		
Shifts within the programme as a percentage of the programme budget		per cent			
Virements to other programmes as a percentage of the programme budget		per cent			
Total					

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement in terms of the Public Finance Management Act (1999).

FROM: specifies where funds have been reduced, by programme and by economic classification item. Virements to other programmes, as well as shifts within the same programme, are shown as a percentage of the programme budget.

Motivation states the reasons for funding reductions or, conversely, the reasons for funds being made available.

TO: specifies what funds will be used for, by programme and by economic classification item. These funds, which increase expenditure, offset the funding reductions.

R thousands shows the monetary amounts.

Certain types of virements and shifts require either legislative approval or approval from National Treasury before they can be effected. All virements and shifts which have National Treasury's approval or which can only be approved by the legislature, are footnoted in this table.

In terms of the PFMA¹², the Treasury Regulations¹², and the Appropriation Act (2016)¹², the following virements and shifts require approval from National Treasury. Those which:

- increase the funds appropriated for transfers and subsidies to other institutions
- introduce a new transfer to other institutions
- use funds appropriated for transfers and subsidies to specific institutions for payment to other institutions, provided that the purpose for which the funds are to be used remains consistent with the programme purpose of the vote programme within which it was originally appropriated
- use funds appropriated for the compensation of employees, provided that the funds are used for transfers and subsidies for the payment of severance or exit packages
- use funds that were earmarked by the National Treasury in the allocation letter for a specific purpose, for other purposes
- use funds appropriated for payments for capital assets for the payment of current assets, other than for the compensation of employees.

The following virements and shifts can only be approved by the legislature¹². Those which:

- use funds appropriated for items specifically and exclusively earmarked in an Appropriation Act, including the vote's compensation of employees allocation
- use unspent funds totalling more than 8 per cent of the amount appropriated for a programme. (Shifts between different segments within a programme do not affect the overall amount appropriated for a programme; only virements from a programme effectively reduce a programme budget.)
- use funds appropriated for compensation of employees that cannot be approved by the National Treasury
- use funds appropriated as transfers and subsidies that cannot be approved by the National Treasury
- use funds appropriated for payments for capital assets that cannot be approved by the National Treasury.

After the virements and shifts table, the remaining explanations are given for:

- Declared unspent funds
- Other adjustments, which include funds shifted within votes following a function shift, all funds shifted between votes, the appropriation of expenditure earmarked in the 2016 Budget speech for future allocation, and self-financing expenditure
- Gifts, donations and sponsorships that are valued at more than R100 000 per transaction
- Direct charges against the National Revenue Fund (these are not linked to a programme within a vote).

¹² Section 43 of the PFMA read in conjunction with Treasury Regulations 6.3 and Section 5 of the Appropriation Act (2016).

Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Programme	2015/16 Audited outcome				2016/17 Actual expenditure				
	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16	Apr 15 - Mar 16 % of Adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation
R thousand									
1. Programme name									
Subtotal									
Direct charge against the National Revenue Fund									
Item									
Total									
Economic classification									
Current payments									
Economic classification item									
Transfers and subsidies									
Economic classification item									
Payments for capital assets									
Economic classification item									
Payments for financial assets									
Total									

This table shows the expenditure outcome for the previous financial year and the preliminary actual expenditure for the first six months of the current financial year, by programme and by economic classification.

2015/16 Audited outcome shows the outcome for the previous financial year.

Adjusted appropriation shows the adjusted total amount voted for the previous financial year.

Apr 15 to Sep 15 shows the expenditure outcome for the first six months of the previous financial year.

Apr 15 to Sep 15 % of adjusted appropriation shows the expenditure outcome for the first six months of the previous financial year as a percentage of the adjusted appropriation for that year.

Apr 15 to Mar 16 shows the expenditure outcome for the whole of the previous financial year.

Apr 15 to Mar 16 % of adjusted appropriation shows the expenditure outcome for the whole of the previous financial year as a percentage of the adjusted appropriation for that year.

2016/17 Actual expenditure shows the preliminary actual expenditure for the current financial year.

Adjusted appropriation shows the adjusted total amount to be voted for the current financial year.

Adjusted appropriation / Total (%) shows for the current financial year what proportion the adjusted budget for a specific segment comprises of the total vote's adjusted budget, as a percentage. The proportion is shown for each vote programme and for each economic classification item, relative to the total vote's adjusted budget.

Apr 16 to Sep 16 shows the actual expenditure for the first six months of the current financial year.

Apr 16 to Sep 16 % of adjusted appropriation shows the actual expenditure for the first six months of the current financial year as a percentage of the adjusted appropriation for the year.

Expenditure trends for the first half of 2016/17

The mid-year preliminary expenditure outcome for the current financial year is compared to mid-year expenditure for the previous year. Explanations are given for significant changes in expenditure patterns compared to the previous financial year. The preliminary expenditure outcome in the current year is also compared and explained in relation to the budgeted full year expenditure as tabled in the main Budget.

Where functions have shifted between votes or new votes have been created subsequent to the publication of the 2015 Adjusted Estimates of National Expenditure, the information in this publication may not be strictly comparable with that published last year.

Departmental receipts

R thousand	2015/16					2016/17				
	Adjusted estimate	Audited outcome			Actual receipts					
		Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate
Departmental receipts										
Economic classification item										
National Revenue Fund receipts										
Economic classification item										
Total										

This table shows the departmental receipts outcome for the last financial year, and the preliminary actual departmental receipts for the first six months of the current financial year.

2015/16 Audited outcome shows the departmental receipts outcome for the previous financial year.

Adjusted estimate shows the adjusted total amount of receipts in the previous year's adjustments budget.

Apr 15 to Sep 15 shows the receipts outcome for the first six months of the previous financial year.

Apr 15 to Sep 15 % of adjusted estimate shows the receipts outcome for the first six months of the previous financial year as a percentage of the adjusted estimate for that year.

Apr 15 to Mar 16 shows the receipts outcome for the whole of the previous financial year.

Apr 15 to Mar 16 % of adjusted estimate shows the receipts outcome for the whole of the previous financial year as a percentage of the adjusted estimate for that year.

2016/17 Actual receipts shows the preliminary receipts outcome for the current financial year.

Budget estimate shows the total amount of receipts anticipated for the current financial year in the main Budget.

Adjusted estimate shows the adjusted total amount of receipts anticipated in the adjustments budget for the current financial year.

Adjusted receipts estimate / Total (%) shows what proportion the adjusted receipt for a specific item comprises of the total adjusted estimate of vote receipts, as a percentage, for the current financial year. The proportion is shown for each economic classification item, relative to the total vote's adjusted receipts estimate.

Apr 16 to Sep 16 shows the preliminary receipts outcome for the first six months of the current financial year.

Apr 16 to Sep 16 % of adjusted estimate shows the preliminary receipts outcome for the first six months of the current financial year as a percentage of the adjusted estimate for the year.

Revenue trends for the first half of 2016/17

The mid-year preliminary receipts outcome for the current financial year is compared to mid-year revenue for the previous year. Explanations are given for significant changes in revenue patterns compared to the previous financial year. The preliminary receipts outcome in the current year is also compared and explained in relation to projected full year revenue as tabled in the main Budget.

Where functions have shifted between votes or new votes have been created subsequent to the publication of the 2015 Adjusted Estimates of National Expenditure, the information in this publication may not be strictly comparable with that published last year.

Changes to transfers and subsidies, including conditional grants

Summary of changes to transfers and subsidies per programme

		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Programme name								
Economic sphere								
Current								
Economic classification item								
Programme name								
Economic sphere								
Capital								
Economic classification item								

Summary of changes to conditional grants: Provinces

		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Programme name								
Conditional grant name								

Summary of changes to conditional grants: Local government

		2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Programme name								
Conditional grant name								

These tables show changes to transfers and subsidies and to conditional grants (provinces and local government), by programme.

Main appropriation shows the total amount voted for the current financial year in the Appropriation Act (2016), in terms of the main Budget process.

Adjustments appropriation shows the amounts of the adjustment for each of the types of expenditure adjustment by programme and by economic classification.

Roll-overs show unspent funds from the preceding financial year reallocated to the current financial year, to finalise activities close to completion.

Unforeseeable/unavoidable shows spending that could not be anticipated at the time when the main Budget was being finalised.

Virements and shifts:

- **Virements** are the use of unspent funds from amounts appropriated under one programme for defraying excess expenditure under another programme within the same vote.
- **Shifts within votes** are the use of unspent funds for defraying increased expenditure within a programme of a vote, through shifting funds between the different segments (subprogramme and economic classification) of the programme. Shifts may include funds reallocated to correct classification errors made during the ENE process.

Declared unspent funds are amounts that will not be spent in the current financial year, explicitly indicated by vote. The main appropriation of the vote is accordingly reduced by such amounts.

Other adjustments include funds shifted within votes following a function shift, all funds shifted between votes, the appropriation of expenditure earmarked in the 2016 Budget speech for future allocation and self-financing expenditure.

Total adjustments appropriation shows the sum of all the expenditure adjustments by programme and the sum by economic classification. This number may be negative. In most instances this would be because of a virement of funds out of the programme or economic classification, or due to function shifts within or across votes.

Adjusted appropriation shows the adjusted total amount to be voted for the current financial year, which is the sum of the main appropriation and the total adjustments appropriation.

