

# **Adjusted Estimates of National Expenditure**

**2018**

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## **2018**

**National Treasury**

**Republic of South Africa**

October 2018





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# Introduction

## The budget cycle timeline

**February:** The Minister of Finance tables the budget and Appropriation Bill in the National Assembly.

**April:** Start of the new financial year.

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

## The budget process

The budget announces government spending for three years going forward: 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 of South Africa. Allocations made in the Appropriation Act 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 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 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 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: the current financial year. It also includes revised spending and departmental revenue projections for the current financial year, and any revisions to performance projections emanating from the technical financial amendments tabled in the AENE, if that be the case.

## The adjustments

The Public Finance Management Act (1999) (PFMA)<sup>1</sup> 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 PFMA<sup>2</sup>, provide instructions on how to comply with the Act.

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 budget, adjustments might 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.

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<sup>1</sup> Section 30(2).

<sup>2</sup> Section 76.

- **Unforeseeable and unavoidable expenditure:** This is expenditure that could not be anticipated at the time of the budget. The Treasury Regulations<sup>3</sup> specify that the following may not be regarded as unforeseeable and unavoidable expenditure: spending that was known when the 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.
- **Section 16 of the PFMA:** The Minister of Finance may approve the use of unappropriated funds if it is for spending of an exceptional nature. This happens if postponing the spending to a future parliamentary appropriation would seriously prejudice the public interest. The Minister of Finance must subsequently provide a report to Parliament and to the Auditor-General.
- **Appropriation of expenditure earmarked in the 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 budget is tabled, with the details of the annual allocations to be decided later. This is usually when plans have not been finalised in time to decide on the specific allocation amounts for the budget.
- **Virements:** The use of unspent funds from amounts appropriated under one main division (programme)<sup>4</sup> to defray excess expenditure under another main division (programme) within the same vote/department. Legislation<sup>5</sup> and the Treasury Regulations<sup>6</sup> set the parameters within which virements may take place.
- **Shifts within votes/departments:** The use of unspent funds to defray increased expenditure within a main division (programme) of a vote/department by shifting funds between different segments (subprogrammes and economic classification) of the main division (programme). Shifts may include the reallocation of funds incorrectly allocated in the ENE process or to follow the transfer of functions across programmes.
- **Shifts between votes/departments<sup>7</sup>:** The use of unspent funds in a vote to defray increased expenditure in another vote/department. Such shifts include functions being 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 previous financial year may be rolled over into the current financial year, when activities planned to be completed by the end of the previous year have not been completed but are close to completion. The Treasury Regulations<sup>8</sup> 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; funding for transfers and subsidies 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 be rolled over only to finalise projects or the acquisition of assets already in progress.
- **Self-financing expenditure:** Spending financed from revenue derived from a vote's/department's specific activities. This revenue is paid into the National Revenue Fund. If self-financing expenditure is approved, these funds are allocated to the vote/department.
- **Declared unspent funds:** Unspent amounts that will not be spent in the current financial year, explicitly indicated as a reduction to the vote allocation.

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<sup>3</sup> Section 6.6.

<sup>4</sup> 'Main division' refers to a budget programme within a vote, and is the formal term used in the PFMA and in appropriation acts. In this publication, the term 'programme' is used because this is the more commonly used term in practice.

<sup>5</sup> Section 43 of the PFMA, section 5 of the Appropriation Act (2018) and section 5 of the Adjustments Appropriation Bill (2018).

<sup>6</sup> Section 6.3.

<sup>7</sup> Section 42 and 33 of the PFMA.

<sup>8</sup> Section 6.4.



- **Direct charges 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. These amounts are shown as separate items, such as expenditure on debt-service costs.
- **Gifts, donations and sponsorships:**<sup>9</sup> Cash amounts exceeding R100 000 per beneficiary are included in the Adjustments Appropriation Bill.

## Summary of adjustments for 2018/19

Adjustments to vote appropriations amount to an increase of R12 063.2 million, of which:

• unforeseeable and unavoidable expenditure	R 668.6 million
• expenditure earmarked in the 2018 Budget speech for future allocation	R 9 687.9 million
• roll-overs	R 258.0 million
• self-financing expenditure	R 1 777.5 million
• declared unspent funds (reductions to vote allocations)	(R 328.8 million)

Adjustments to estimates of direct charges against the National Revenue Fund amount to R1 372.7 million more than anticipated at the time of the budget, of which:

• debt-service costs	R 975.0 million
• National Revenue Fund payments	R 14.9 million
• skills levy and sector education and training authorities	R 382.8 million

The adjustments to vote appropriations (R12.1 billion increase) and estimates of direct charges (R1.4 billion increase) are offset against the R6 billion provisional allocation for contingencies not assigned to votes and R8 billion contingency reserve set aside in the budget. In addition, the revised budget framework makes provision for approximately R2.7 billion in projected underspending at national government level, and R500 million in the local government repayment to the National Revenue Fund. The total estimated adjustments spending for 2018/19 thus decreases by R3.8 billion, from a budgeted R1 512.2 billion to a revised R1 508.4 billion.

## Summary tables

Table 1: 2018/19 adjusted national budget

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

Table 2.1: Adjusted appropriations per economic classification

Table 3: Unforeseeable and unavoidable expenditure

Table 4: Expenditure earmarked in the 2018 Budget speech for future allocation

Table 5: Roll-overs

Table 6: Self-financing expenditure

Table 7: Declared unspent funds and projected underspending

Table 8: Expenditure outcome for 2017/18 and actual expenditure for 2018/19

Table 9: Departmental receipts per vote

Table 9.1: Departmental receipts per economic classification

<sup>9</sup> Treasury Regulation 21.

**Table 1: 2018/19 adjusted national budget**

R thousand	Main appropriation (ENE)	Special appropriation	Adjustments appropriation (AENE)	Adjusted appropriation
<b>Appropriation by vote</b>	<b>814 508 927</b>		<b>12 063 172</b>	<b>826 572 099</b>
Roll-overs			258 031	
Unforeseeable and unavoidable expenditure			668 607	
Expenditure earmarked in the 2018 Budget speech for future allocation			9 687 928	
Self-financing			1 777 452	
Declared unspent funds			(328 846)	
<b>Direct charges against the National Revenue Fund</b>	<b>683 691 225</b>		<b>1 372 700</b>	<b>685 063 925</b>
<i>of which:</i>				
Debt-service costs	180 123 990		975 044	181 099 034
National Revenue Fund payments	135 056		14 878	149 934
Skills levy and sector education and training authorities	16 929 383		382 778	17 312 161
<b>Subtotal</b>	<b>1 498 200 152</b>		<b>13 435 872</b>	<b>1 511 636 024</b>
Provisional allocation for contingencies not assigned to votes	6 000 000		( 6 000 000 )	–
Contingency reserve	8 000 000		( 8 000 000 )	–
National government projected underspending	–		( 2 700 000 )	(2 700 000)
Local government repayment to the National Revenue Fund	–		( 500 000 )	(500 000)
<b>Total adjustments expenditure estimate</b>	<b>1 512 200 152</b>		<b>( 3 764 128 )</b>	<b>1 508 436 024</b>
Special Appropriation Bill, 2018		5 000 000		5 000 000
<b>Total estimated expenditure</b>	<b>1 512 200 152</b>	<b>5 000 000</b>	<b>( 3 764 128 )</b>	<b>1 513 436 024</b>
<b>Budget revenue</b>	<b>1 321 146 117</b>		<b>(22 878 666)</b>	<b>1 298 267 451</b>
Tax revenue	1 344 964 542		( 27 364 074 )	1 317 600 468
Non-tax revenue	24 470 211		4 485 408	28 955 619
Less: Estimate of Southern Africa Customs Union payments	( 48 288 636 )		–	(48 288 636)
<b>Budget balance</b>	<b>( 191 054 035 )</b>	<b>( 5 000 000 )</b>	<b>( 19 114 538 )</b>	<b>( 215 168 573 )</b>

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

Vote number and title		2018/19							Adjusted appropriation	Value of Virements and shifts
		Adjustments appropriation								
		Main appropriation	Special appropriation	Roll-overs	Unforeseeable/unavoidable	Declared unspent funds	Other adjustments	Total adjustments appropriation		
R thousand										
1	The Presidency	505 580	–	–	–	–	–	–	505 580	2 691
2	Parliament <sup>1</sup>	1 872 694	–	–	–	–	–	–	1 872 694	–
3	Communications	1 513 146	–	–	–	–	3 100	3 100	1 516 246	10 928
4	Cooperative Governance and Traditional Affairs	83 651 888	–	–	159 639	–	1 225 484	1 385 123	85 037 011	1 071 859
5	Home Affairs	7 915 439	–	–	–	–	1 132 000	1 132 000	9 047 439	9 000
6	International Relations and Cooperation	6 552 768	–	–	–	–	–	–	6 552 768	65 137
7	National Treasury	29 358 390	–	–	–	(17 473)	369 316	351 843	29 710 233	219 020
8	Planning, Monitoring and Evaluation	927 351	–	–	–	–	30 684	30 684	958 035	28 950
9	Public Enterprises	273 914	5 000 000	–	–	–	1 249 000	1 249 000	6 522 914	1 867
10	Public Service and Administration	956 656	–	–	–	(6 000)	–	(6 000)	950 656	15 856
11	Public Works	7 453 326	–	–	30 000	–	–	30 000	7 483 326	39 570
12	Statistics South Africa	2 271 699	–	–	–	–	–	–	2 271 699	78 584
13	Women	230 207	–	–	–	–	–	–	230 207	7 703
14	Basic Education	22 722 437	–	1 317	175 829	–	800 000	977 146	23 699 583	68 035
15	Higher Education and Training	73 020 643	–	–	–	–	103 430	103 430	73 124 073	27 981
16	Health	47 142 866	–	–	199 508	–	166 000	365 508	47 508 374	261 499
17	Social Development	172 901 587	–	18 447	2 199	(100 000)	–	(79 354)	172 822 233	36 074
18	Correctional Services	23 848 510	–	–	–	–	463	463	23 848 973	346 074
19	Defence and Military Veterans	47 949 743	–	–	–	–	546 492	546 492	48 496 235	331 436
20	Independent Police Investigative Directorate	315 113	–	–	–	–	–	–	315 113	15 601
21	Justice and Constitutional Development	17 049 426	–	–	–	–	409 403	409 403	17 458 829	97 835
22	Office of the Chief Justice and Judicial Administration	1 119 747	–	–	–	–	–	–	1 119 747	22 429
23	Police	91 834 161	–	–	–	(150 000)	–	(150 000)	91 684 161	291 314
24	Agriculture, Forestry and Fisheries	7 164 998	–	–	1 305	–	566 500	567 805	7 732 803	51 863
25	Economic Development	1 072 597	–	–	–	–	–	–	1 072 597	220
26	Energy	7 045 017	–	118 515	–	–	–	118 515	7 163 532	59 000
27	Environmental Affairs	7 112 532	–	–	–	–	318 000	318 000	7 430 532	–
28	Labour	3 295 243	–	–	–	(12 373)	–	(12 373)	3 282 870	52 751
29	Mineral Resources	1 890 661	–	–	–	–	–	–	1 890 661	64 177
30	Science and Technology	7 790 488	–	–	–	–	167 900	167 900	7 958 388	21 242
31	Small Business Development	1 488 453	–	–	–	–	–	–	1 488 453	82 440
32	Telecommunications and Postal Services	923 407	–	110 279	–	–	2 973 250	3 083 529	4 006 936	53 933
33	Tourism	2 261 817	–	–	–	–	–	–	2 261 817	567
34	Trade and Industry	9 462 611	–	–	–	–	69 147	69 147	9 531 758	483 161
35	Transport	59 798 294	–	–	–	–	33 000	33 000	59 831 294	10 040 858
36	Water and Sanitation	15 571 518	–	–	–	–	1 302 211	1 302 211	16 873 729	450 085
37	Arts and Culture	4 372 264	–	9 473	–	(43 000)	–	(33 527)	4 338 737	175 274
38	Human Settlements	32 355 716	–	–	100 127	–	–	100 127	32 455 843	11 201
39	Rural Development and Land Reform	10 425 243	–	–	–	–	–	–	10 425 243	1 097 409
40	Sport and Recreation South Africa	1 090 777	–	–	–	–	–	–	1 090 777	29 000
<b>Total appropriation by vote</b>		<b>814 508 927</b>	<b>5 000 000</b>	<b>258 031</b>	<b>668 607</b>	<b>(328 846)</b>	<b>11 465 380</b>	<b>12 063 172</b>	<b>831 572 099</b>	<b>15 722 624</b>

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

R thousand	2018/19							Adjusted appropriation
	Main appropriation	Special appropriation	Adjustments appropriation				Total adjustments appropriation	
			Roll-overs	Unforeseeable/unavoidable	Declared unspent funds	Other adjustments		
Plus:								
<b>Total direct charges against the National Revenue Fund</b>	<b>683 691 225</b>	–	–	–	–	<b>1 372 700</b>	<b>1 372 700</b>	<b>685 063 925</b>
President and deputy president salaries (The Presidency)	6 742	–	–	–	–	–	–	6 742
Members' remuneration (Parliament)	493 161	–	–	–	–	–	–	493 161
Debt-service costs (National Treasury)	180 123 990	–	–	–	–	975 044	975 044	181 099 034
Provincial equitable share (National Treasury)	470 286 510	–	–	–	–	–	–	470 286 510
General fuel levy sharing with metropolitan municipalities (National Treasury)	12 468 554	–	–	–	–	–	–	12 468 554
National Revenue Fund payments (National Treasury)	135 056	–	–	–	–	14 878	14 878	149 934
Skills levy and sector education and training authorities (Higher Education and Training)	16 929 383	–	–	–	–	382 778	382 778	17 312 161
Magistrates' salaries (Justice and Constitutional Development)	2 215 538	–	–	–	–	–	–	2 215 538
Judges' salaries (Office of the Chief Justice and Judicial Administration)	1 022 091	–	–	–	–	–	–	1 022 091
International Oil Pollution Compensation Fund (Transport)	10 200	–	–	–	–	–	–	10 200
<b>Subtotal</b>	<b>1 498 200 152</b>	<b>5 000 000</b>	<b>258 031</b>	<b>668 607</b>	<b>(328 846)</b>	<b>12 838 080</b>	<b>13 435 872</b>	<b>1 516 636 024</b>
Provisional allocation for contingencies not assigned to votes	6 000 000	–	–	–	–	(6 000 000)	(6 000 000)	–
Contingency reserve	8 000 000	–	–	–	–	(8 000 000)	(8 000 000)	–
National government projected underspending	–	–	–	–	–	(2 700 000)	(2 700 000)	(2 700 000)
Local government repayment to the National Revenue Fund	–	–	–	–	–	(500 000)	(500 000)	(500 000)
<b>Total estimated expenditure</b>	<b>1 512 200 152</b>	<b>5 000 000</b>	<b>258 031</b>	<b>668 607</b>	<b>(328 846)</b>	<b>(4 361 920)</b>	<b>(3 764 128)</b>	<b>1 513 436 024</b>

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	2018/19								
	Main appropriation	Special appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
			Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand									
<b>Current payments</b>									
Compensation of employees	163 635 686	–	–	–	(67 358)	(16 373)	13 410	(70 321)	163 565 365
Goods and services	65 875 651	–	228 044	30 000	859 648	(166 619)	2 196 364	3 147 437	69 023 088
Interest and rent on land	180 264 137	–	–	–	462	–	975 044	975 506	181 239 643
<b>Total current payments</b>	<b>409 775 474</b>	<b>–</b>	<b>228 044</b>	<b>30 000</b>	<b>792 752</b>	<b>(182 992)</b>	<b>3 184 818</b>	<b>4 052 622</b>	<b>413 828 096</b>
<b>Transfers and subsidies</b>									
Provinces and municipalities	689 588 620	–	19 764	636 408	89 179	–	2 013 067	2 758 418	692 347 038
Departmental agencies and accounts	115 873 650	–	–	2 199	3 125 771	(3 854)	1 100 270	4 224 386	120 098 036
Higher education institutions	38 578 650	–	–	–	(1 687)	–	103 430	101 743	38 680 393
Foreign governments and international organisations	2 086 628	–	–	–	158 906	–	–	158 906	2 245 534
Public corporations and private enterprises	36 030 639	–	–	–	(2 562 991)	–	–	(2 562 991)	33 467 648
Non-profit institutions	8 233 968	–	–	–	(936 699)	(2 000)	–	(938 699)	7 295 269
Households	179 143 427	–	–	–	(725 564)	(100 000)	318 463	(507 101)	178 636 326
<b>Total transfers and subsidies</b>	<b>1 069 535 582</b>	<b>–</b>	<b>19 764</b>	<b>638 607</b>	<b>(853 085)</b>	<b>(105 854)</b>	<b>3 535 230</b>	<b>3 234 662</b>	<b>1 072 770 244</b>
<b>Payments for capital assets</b>									
Buildings and other fixed structures	9 323 649	–	–	–	40 640	–	1 814 128	1 854 768	11 178 417
Machinery and equipment	4 337 345	–	10 223	–	189 586	–	93 026	292 835	4 630 180
Heritage assets	218 478	–	–	–	(68 885)	(40 000)	–	(108 885)	109 593
Specialised military assets	2 758	–	–	–	–	–	–	–	2 758
Biological assets	8 517	–	–	–	950	–	–	950	9 467
Land and subsoil assets	–	–	–	–	19 081	–	–	19 081	19 081
Software and other intangible assets	406 024	–	–	–	(100 241)	–	–	(100 241)	305 783
<b>Total payments for capital assets</b>	<b>14 296 771</b>	<b>–</b>	<b>10 223</b>	<b>–</b>	<b>81 131</b>	<b>(40 000)</b>	<b>1 907 154</b>	<b>1 958 508</b>	<b>16 255 279</b>
<b>Total payments for financial assets</b>	<b>4 592 325</b>	<b>5 000 000</b>	<b>–</b>	<b>–</b>	<b>(20 798)</b>	<b>–</b>	<b>4 210 878</b>	<b>4 190 080</b>	<b>13 782 405</b>
<b>Subtotal</b>	<b>1 498 200 152</b>	<b>5 000 000</b>	<b>258 031</b>	<b>668 607</b>	<b>–</b>	<b>(328 846)</b>	<b>12 838 080</b>	<b>13 435 872</b>	<b>1 516 636 024</b>
Provisional allocation for contingencies not assigned to votes	6 000 000	–	–	–	–	–	(6 000 000)	(6 000 000)	–
Contingency reserve	8 000 000	–	–	–	–	–	(8 000 000)	(8 000 000)	–
National government projected underspending	–	–	–	–	–	–	(2 700 000)	(2 700 000)	(2 700 000)
Local government repayment to the National Revenue Fund	–	–	–	–	–	–	(500 000)	(500 000)	(500 000)
<b>Total estimated expenditure</b>	<b>1 512 200 152</b>	<b>5 000 000</b>	<b>258 031</b>	<b>668 607</b>	<b>–</b>	<b>(328 846)</b>	<b>(4 361 920)</b>	<b>(3 764 128)</b>	<b>1 513 436 024</b>

**Table 3: Unforeseeable and unavoidable expenditure**

Vote and description of expenditure	R thousand
<b>4 Cooperative Governance and Traditional Affairs</b> R159.639 million for post-disaster reconstruction and rehabilitation after floods	159 639
<b>11 Public Works</b> R30 million for official state funerals	30 000
<b>14 Basic Education</b> R175.829 million for post-disaster rehabilitation of schools	175 829
<b>16 Health</b> R199.508 million for post-disaster reconstruction and rehabilitation of hospitals	199 508
<b>17 Social Development</b> R2.199 million for post-disaster reconstruction and rehabilitation of three South Africa Social Security Agency buildings in the eThekweni municipality	2 199
<b>24 Agriculture, Forestry and Fisheries</b> R1.305 million for post-disaster reconstruction and rehabilitation of farms	1 305
<b>38 Human Settlements</b> R100.127 million for post-disaster reconstruction and rehabilitation of housing and human settlements	100 127
<b>Total</b>	<b>668 607</b>

**Table 4: Expenditure earmarked in the 2018 Budget speech for future allocation**

Vote and description of expenditure	R thousand
<b>4 Cooperative Governance and Traditional Affairs</b> R1.226 billion for drought relief	1 225 484
<b>7 National Treasury</b> R400 million to assist public sector institutions to plan and appraise projects or programmes that will be considered for funding in support of the budget facility for infrastructure	400 000
<b>9 Public Enterprises</b> R1.249 billion for the South African Express Airways	1 249 000
<b>14 Basic Education</b> R800 million for the <i>school infrastructure backlogs grant</i> for capital assets	800 000
<b>15 Higher Education and Training</b> R103.430 million for the student housing infrastructure programme	103 430
<b>16 Health</b> R166 million for the Limpopo Central Hospital infrastructure project	166 000
<b>21 Justice and Constitutional Development</b> R386.5 million for the work of the Judicial Commission of Inquiry into Allegations of State Capture, Corruption and Fraud in the Public Sector, including Organs of State and R22.903 million for the Commission of Inquiry into Tax Administration and Governance by the South African Revenue Service	409 403
<b>24 Agriculture, Forestry and Fisheries</b> R566.5 million for drought relief	566 500
<b>27 Environmental Affairs</b> R318 million for drought relief	318 000
<b>30 Science and Technology</b> R167.9 million for maintaining and enhancing the research and training activities of the iThemba Laboratory	167 900
<b>32 Telecommunications and Postal Services</b> R2.947 billion for the South African Post Office to defray debt and fund operational requirements	2 947 000
<b>35 Transport</b> R33 million for the City of Cape Town for phase 2A of the MyCiTi bus rapid transit system infrastructure project	33 000
<b>36 Water and Sanitation</b> R1.302 billion for drought relief	1 302 211
<b>Total</b>	<b>9 687 928</b>

**Table 5: Roll-overs**

Vote and description of expenditure	R thousand
<b>14 Basic Education</b> R1.317 million for learner and teacher support materials in Eastern Cape and for special care centres in Northern Cape	1 317
<b>17 Social Development</b> R18.447 million for the operationalisation of a substance abuse centre in the Northern Cape (R4.21 million), and to finalise the construction of a substance abuse centre in the Free State (R14.237 million)	18 447
<b>26 Energy</b> R118.515 million to purchase a motor vehicle for the Deputy Minister (R750 000), for the solar water heater project (R114.524 million), and for non-grid oversight, monitoring and evaluation (R3.241 million)	118 515
<b>32 Telecommunications and Postal Services</b> R110.279 million for upgrading and the provision of broadband connectivity to government facilities	110 279
<b>37 Arts and Culture</b> R9.473 million for the installation of network cabling, switches, Wi-Fi equipment, and server room infrastructure and telecommunications infrastructure	9 473
<b>Total</b>	<b>258 031</b>

**Table 6: Self-financing expenditure**

<b>Vote and description of expenditure</b>	<b>R thousand</b>
<b>3 Communications</b> Expenditure by the Government Communication and Information System to produce the Vuk'uzenzele newspaper, which is funded from revenue generated through advertising in the newspaper	<b>3 100</b>
<b>5 Home Affairs</b> Expenditure incurred issuing official documents, which is defrayed by revenue generated from issuing the documents	<b>1 132 000</b>
<b>18 Correctional Services</b> Expenditure for offender gratuities, which is funded from revenue generated from the hiring out of offender labour	<b>463</b>
<b>19 Defence and Military Veterans</b> Expenditure for defence activities, which is defrayed from reimbursements from the United Nations for South Africa's contribution towards peace support operations, and the sale of equipment and spares procured through the special defence account	<b>546 492</b>
<b>32 Telecommunications and Postal Services</b> Expenditure incurred in hosting the International Telecommunications Union Telecom World Conference 2018, which is offset by sponsorships received	<b>26 250</b>
<b>34 Trade and Industry</b> Unitary payment in respect of the public private partnership for shared campus accommodation, which is funded from unitary payments received from public entities	<b>69 147</b>
<b>Total</b>	<b>1 777 452</b>

**Table 7: Declared unspent funds and projected underspending**

<b>Vote and description of expenditure</b>	<b>R thousand</b>
<b>7 National Treasury</b> R17.473 million from the Jobs Fund	<b>17 473</b>
<b>10 Public Service and Administration</b> R4 million from compensation of employees and R2 million from goods and services	<b>6 000</b>
<b>17 Social Development</b> R100 million from social grant payments due to the lower than anticipated take-up of the child support grant	<b>100 000</b>
<b>23 Police</b> R150 million from the implementation of the criminal justice system 7-point plan	<b>150 000</b>
<b>28 Labour</b> R12.373 million from compensation of employees	<b>12 373</b>
<b>37 Arts and Culture</b> R43 million from heritage assets (R40 million); goods and services (R1 million); the Mzansi golden economy strategy for the facilitation of public funds for arts projects (R1 million); and the building and upgrading of infrastructure for performing arts projects (R1 million)	<b>43 000</b>
<b>Total declared unspent funds</b>	<b>328 846</b>
<b>Projected underspending</b>	<b>2 700 000</b>
<b>Local government repayment to the National Revenue Fund</b>	<b>500 000</b>
<b>Total</b>	<b>3 528 846</b>

**Table 8: Expenditure outcome for 2017/18 and actual expenditure for 2018/19**

Vote number and title	2017/18					2018/19		
	Audited outcome					Actual expenditure		
R thousand	Adjusted appropriation	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted appropriation	Adjusted appropriation	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted appropriation
1 The Presidency	501 169	213 335	42.6	481 525	96.1	505 580	214 579	42.4
2 Parliament <sup>1</sup>	1 711 947	—	—	1 711 947	100.0	1 872 694	—	—
3 Communications	1 428 300	675 655	47.3	1 418 954	99.3	1 516 246	702 860	46.4
4 Cooperative Governance and Traditional Affairs	78 463 890	31 187 060	39.7	76 362 043	97.3	85 037 011	33 819 723	39.8
5 Home Affairs	8 402 339	3 908 130	46.5	8 401 679	100.0	9 047 439	4 259 967	47.1
6 International Relations and Cooperation	6 408 339	2 853 766	44.5	5 996 856	93.6	6 552 768	3 162 680	48.3
7 National Treasury	40 484 306	16 674 554	41.2	39 792 071	98.3	29 710 233	11 132 209	37.5
8 Planning, Monitoring and Evaluation	898 496	447 438	49.8	866 838	96.5	958 035	388 710	40.6
9 Public Enterprises	266 696	114 806	43.0	250 413	93.9	6 522 914	101 824	1.6
10 Public Service and Administration	877 144	401 312	45.8	856 887	97.7	950 656	422 694	44.5
11 Public Works	6 985 130	3 393 357	48.6	6 927 287	99.2	7 483 326	3 657 915	48.9
12 Statistics South Africa	2 177 562	1 003 785	46.1	2 195 519	100.8	2 271 699	1 038 032	45.7
13 Women	206 163	96 532	46.8	204 707	99.3	230 207	103 255	44.9
14 Basic Education	22 993 620	12 630 912	54.9	22 931 956	99.7	23 699 583	13 591 217	57.3
15 Higher Education and Training	52 307 639	38 316 211	73.3	52 295 860	100.0	73 124 073	53 309 151	72.9
16 Health	42 645 557	21 111 646	49.5	42 424 691	99.5	47 508 374	22 780 428	48.0
17 Social Development	160 357 768	79 160 119	49.4	159 396 550	99.4	172 822 233	84 981 563	49.2
18 Correctional Services	22 814 593	10 681 474	46.8	22 788 578	99.9	23 848 973	10 902 106	45.7
19 Defence and Military Veterans	48 999 560	23 220 134	47.4	48 977 232	100.0	48 496 235	22 157 267	45.7
20 Independent Police Investigative Directorate	255 482	138 140	54.1	255 335	99.9	315 113	137 184	43.5
21 Justice and Constitutional Development	16 786 788	7 839 643	46.7	16 607 219	98.9	17 458 829	7 921 169	45.4
22 Office of the Chief Justice and Judicial Administration	1 019 318	488 350	47.9	997 515	97.9	1 119 747	467 929	41.8
23 Police	86 761 128	42 109 706	48.5	86 605 048	99.8	91 684 161	44 028 867	48.0
24 Agriculture, Forestry and Fisheries	6 847 034	3 432 943	50.1	6 728 132	98.3	7 732 803	3 754 050	48.5
25 Economic Development	914 237	423 294	46.3	912 050	99.8	1 072 597	500 162	46.6
26 Energy	8 145 422	4 394 854	54.0	7 944 647	97.5	7 163 532	3 053 711	42.6
27 Environmental Affairs	6 848 214	2 624 951	38.3	6 590 137	96.2	7 430 532	2 785 026	37.5
28 Labour	3 055 821	1 330 203	43.5	2 844 019	93.1	3 282 870	1 401 814	42.7
29 Mineral Resources	1 779 449	948 201	53.3	1 776 685	99.8	1 890 661	1 011 416	53.5
30 Science and Technology	7 557 229	3 184 519	42.1	7 489 545	99.1	7 958 388	4 600 992	57.8
31 Small Business Development	1 475 670	699 381	47.4	1 459 484	98.9	1 488 453	731 314.00	49.1
32 Telecommunications and Postal Services	5 174 377	732 612	14.2	4 892 055	94.5	4 006 936	557 624	13.9
33 Tourism	2 140 156	1 182 082	55.2	2 133 976	99.7	2 261 817	1 456 029	64.4
34 Trade and Industry	9 343 187	3 797 185	40.6	9 248 248	99.0	9 531 758	3 413 990	35.8
35 Transport	59 795 180	27 641 822	46.2	54 670 701	91.4	59 831 294	22 146 824	37.0
36 Water and Sanitation	15 607 449	6 961 733	44.6	15 106 238	96.8	16 873 729	7 142 402	42.3
37 Arts and Culture	4 371 738	2 052 704	47.0	4 141 480	94.7	4 338 737	2 048 471	47.2
38 Human Settlements	33 477 701	13 063 652	39.0	33 370 485	99.7	32 455 843	12 200 936	37.6
39 Rural Development and Land Reform	10 184 240	3 771 605	37.0	9 730 181	95.5	10 425 243	4 182 718	40.1
40 Sport and Recreation South Africa	1 066 564	474 550	44.5	1 060 371	99.4	1 090 777	463 225	42.5
<b>Total</b>	<b>781 536 602</b>	<b>373 382 356</b>	<b>47.8</b>	<b>768 845 144</b>	<b>98.4</b>	<b>831 572 099</b>	<b>390 732 033</b>	<b>47.0</b>



**Table 8: Expenditure outcome for 2017/18 and actual expenditure for 2018/19 (continued)**

R thousand	2017/18 Audited outcome					2018/19 Actual expenditure		
	Adjusted appropriation	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted appropriation	Adjusted appropriation	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted appropriation
Plus:								
<b>Total direct charges against the National Revenue Fund</b>	<b>636 063 844</b>	<b>312 829 651</b>	<b>49.2</b>	<b>636 140 728</b>	<b>100.0</b>	<b>685 063 925</b>	<b>336 678 669</b>	<b>49.1</b>
President and deputy president salaries (The Presidency)	6 373	2 796	43.9	5 712	89.6	6 742	2 830	42.0
Members' remuneration (Parliament)	556 288	–	–	556 288	100.0	493 161	–	–
Debt-service costs (National Treasury)	163 347 935	78 626 155	48.1	162 644 586	99.6	181 099 034	87 284 619	48.2
Provincial equitable share (National Treasury)	441 331 122	220 665 568	50.0	441 331 122	100.0	470 286 510	235 143 271	50.0
General fuel levy sharing with metropolitan municipalities (National Treasury)	11 785 023	3 928 341	33.3	11 785 023	100.0	12 468 554	4 156 184	33.3
National Revenue Fund payments (National Treasury)	249 969	249 969	100.0	587 054	234.9	149 934	149 934	100.0
Skills levy and sector education and training authorities (Higher Education and Training)	15 770 554	7 953 809	50.4	16 293 561	103.3	17 312 161	8 439 874	48.8
Magistrates' salaries (Justice and Constitutional Development)	2 040 520	924 591	45.3	1 933 468	94.8	2 215 538	995 452	44.9
Judges' salaries (Office of the Chief Justice and Judicial Administration)	966 060	478 422	49.5	998 355	103.3	1 022 091	506 505	49.6
International Oil Pollution Compensation Fund (Transport)	10 000	–	–	5 559	55.6	10 200	–	–
<b>Total</b>	<b>1 417 600 446</b>	<b>686 212 007</b>	<b>48.4</b>	<b>1 404 985 872</b>	<b>99.1</b>	<b>1 516 636 024</b>	<b>727 410 702</b>	<b>48.0</b>
<b>Economic classification</b>								
<b>Current payments</b>								
Compensation of employees	155 732 737	77 003 898	49.4	156 319 271	100.4	163 565 365	80 196 671	49.0
Goods and services	66 150 097	25 785 598	39.0	64 630 049	97.7	69 023 088	27 028 728	39.2
Interest and rent on land	163 483 482	78 697 338	48.1	162 804 511	99.6	181 239 643	87 370 009	48.2
<b>Total current payments</b>	<b>385 366 316</b>	<b>181 486 835</b>	<b>47.1</b>	<b>383 753 831</b>	<b>99.6</b>	<b>413 828 096</b>	<b>194 595 408</b>	<b>47.0</b>
<b>Transfers and subsidies</b>								
Provinces and municipalities	650 938 698	313 167 292	48.1	649 928 352	99.8	692 347 038	330 312 024	47.7
Departmental agencies and accounts	104 223 869	57 503 137	55.2	104 634 220	100.4	120 098 036	67 871 116	56.5
Higher education institutions	31 597 337	23 266 467	73.6	31 596 853	100.0	38 680 393	27 335 596	70.7
Foreign governments and international organisations	1 963 246	333 538	17.0	1 971 094	100.4	2 245 534	671 577	29.9
Public corporations and private enterprises	37 478 313	16 532 439	44.1	32 505 435	86.7	33 467 648	10 987 584	32.8
Non-profit institutions	4 199 249	1 603 791	38.2	4 285 834	102.1	7 295 269	3 375 414	46.3
Households	166 750 215	81 083 143	48.6	162 080 261	97.2	178 636 326	86 986 103	48.7
<b>Total transfers and subsidies</b>	<b>997 150 927</b>	<b>493 489 807</b>	<b>49.5</b>	<b>987 002 049</b>	<b>99.0</b>	<b>1 072 770 244</b>	<b>527 539 414</b>	<b>49.2</b>
<b>Payments for capital assets</b>								
Buildings and other fixed structures	10 659 670	4 114 244	38.6	9 995 879	93.8	11 178 417	3 607 758	32.3
Machinery and equipment	4 697 610	1 361 800	29.0	4 618 458	98.3	4 630 180	1 192 972	25.8
Heritage assets	146 525	28 702	19.6	43 438	29.6	109 593	2 409	2.2
Specialised military assets	1 743	135	7.7	–	–	2 758	1 736	62.9
Biological assets	17 712	1 934	10.9	8 779	49.6	9 467	4 666	49.3
Land and subsoil assets	–	15 736	–	111 124	–	19 081	21 641	113.4
Software and other intangible assets	204 255	93 070	45.6	435 724	213.3	305 783	185 308	60.6
<b>Total payments for capital assets</b>	<b>15 727 515</b>	<b>5 615 621</b>	<b>35.7</b>	<b>15 213 402</b>	<b>96.7</b>	<b>16 255 279</b>	<b>5 016 490</b>	<b>30.9</b>
<b>Total payments for financial assets</b>	<b>19 355 688</b>	<b>5 619 744</b>	<b>29.0</b>	<b>19 016 590</b>	<b>98.2</b>	<b>13 782 405</b>	<b>259 390</b>	<b>1.9</b>
<b>Total</b>	<b>1 417 600 446</b>	<b>686 212 007</b>	<b>48.4</b>	<b>1 404 985 872</b>	<b>99.1</b>	<b>1 516 636 024</b>	<b>727 410 702</b>	<b>48.0</b>

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		2017/18				2018/19				
		Audited outcome		Apr 17 - Mar 18		Actual receipts				
R thousand		Adjusted estimate	Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted estimate		
1	The Presidency	1 046	824	78.8	898	85.9	613	636	280	44.0
2	Parliament <sup>1</sup>	—	—	—	—	—	—	—	—	—
3	Communications	2 712	1 346	49.6	2 225	82.0	2 625	2 061	997	48.4
4	Cooperative Governance and Traditional Affairs	1 875	1 102	58.8	1 661	88.6	1 532	43 768	43 478	99.3
5	Home Affairs	1 077 037	309 925	28.8	1 159 278	107.6	1 131 949	1 132 000	327 785	29.0
6	International Relations and Cooperation	38 464	17 172	44.6	38 607	100.4	40 388	40 388	16 152	40.0
7	National Treasury	20 821 329	10 613 027	51.0	21 031 027	101.0	10 020 469	14 008 032	6 252 910	44.6
8	Planning, Monitoring and Evaluation	1 530	1 006	65.8	1 212	79.2	443	1 582	1 278	80.8
9	Public Enterprises	1 161	101	8.7	188	16.2	143	217	164	75.6
10	Public Service and Administration	740	311	42.0	475	64.2	721	721	323	44.8
11	Public Works	1 809	1 291	71.4	10 358	572.6	1 949	3 374	909	26.9
12	Statistics South Africa	1 825	1 292	70.8	2 046	112.1	1 615	3 149	2 539	80.6
13	Women	40	14	35.0	31	77.5	38	55	35	63.6
14	Basic Education	15 189	9 062	59.7	25 653	168.9	13 769	14 933	1 634	10.9
15	Higher Education and Training	29 065	15 810	54.4	29 663	102.1	15 864	29 877	10 051	33.6
16	Health	59 524	54 361	91.3	76 056	127.8	7 915	7 821	2 219	28.4
17	Social Development	29 964	713	2.4	52 445	175.0	12 222	16 583	1 675	10.1
18	Correctional Services	148 798	84 551	56.8	164 986	110.9	148 310	144 106	65 198	45.2
19	Defence and Military Veterans	1 051 761	309 494	29.4	933 331	88.7	1 085 741	1 085 741	327 790	30.2
20	Independent Police Investigative Directorate	218	88	40.4	259	118.8	218	291	186	63.9
21	Justice and Constitutional Development	397 717	163 018	41.0	339 060	85.3	409 863	355 651	174 571	49.1
22	Office of the Chief Justice and Judicial Administration	1 869	1 565	83.7	2 754	147.4	810	1 178	932	79.1
23	Police	588 521	352 118	59.8	677 686	115.2	518 781	540 378	297 114	55.0
24	Agriculture, Forestry and Fisheries	246 223	129 956	52.8	228 106	92.6	258 524	251 092	109 467	43.6
25	Economic Development	137 271	117 647	85.7	167 560	122.1	145 354	284 964	104 439	36.6
26	Energy	6 002	2 873	47.9	7 994	133.2	6 170	6 170	3 054	49.5
27	Environmental Affairs	32 733	22 404	68.4	29 244	89.3	20 991	8 205	4 225	51.5
28	Labour	17 168	9 998	58.2	16 805	97.9	11 839	10 521	5 777	54.9
29	Mineral Resources	40 250	19 740	49.0	38 912	96.7	40 311	43 027	22 141	51.5
30	Science and Technology	8 189	4 095	50.0	10 298	125.8	555	9 644	6 376	66.1
31	Small Business Development	210	168	80.0	551	262.4	60	112	72	64.3
32	Telecommunications and Postal Services	654 413	653 467	99.9	1 141 106	174.4	600 379	517 828	516 156	99.7
33	Tourism	1 756	843	48.0	1 138	64.8	1 934	3 863	1 939	50.2
34	Trade and Industry	68 521	29 081	42.4	106 646	155.6	73 910	73 728	35 984	48.8
35	Transport	270 440	873	0.3	368 488	136.3	309 491	281 801	895	0.3
36	Water and Sanitation	7 386	4 201	56.9	12 876	174.3	7 632	18 237	13 296	72.9
37	Arts and Culture	1 288	436	33.9	1 547	120.1	685	573	310	54.1
38	Human Settlements	452	229	50.7	603	133.4	238	850	599	70.5
39	Rural Development and Land Reform	98 619	36 807	37.3	81 609	82.8	103 550	86 594	38 366	44.3
40	Sport and Recreation South Africa	170	43	25.3	153	90.0	340	152	56	36.8
<b>Subtotal departmental receipts as per Adjusted Estimates of National Expenditure</b>		<b>25 863 285</b>	<b>12 971 052</b>	<b>50.2</b>	<b>26 763 535</b>	<b>103.5</b>	<b>14 997 941</b>	<b>19 029 903</b>	<b>8 391 372</b>	<b>44.1</b>
Less: Parliament (retained departmental receipts)		—	—	—	—	—	—	—	—	—
Plus: Public entities conduit <sup>2</sup> receipts		1 218 350	539 878	44.3	1 320 424	108.4	1 292 370	1 935 655	1 413 215	73.0
of which:										
Independent Communications Authority of South Africa		1 034 283	539 878	52.2	1 318 423	127.5	1 101 870	1 308 600	880 810	67.3
Competition Commission		184 067	—	—	2 001	1.1	190 500	627 055	532 405	84.9
Plus: South African Revenue Services		7 598 339	7 598 339	100.0	7 797 028	102.6	8 179 900	7 990 061	3 902 528	48.8
of which:										
Mineral and petroleum royalties		7 408 901	7 408 901	100.0	7 617 251	102.8	7 985 995	7 445 220	3 490 814	46.9
Mining leases and ownership		189 438	189 438	100.0	179 777	94.9	193 905	544 841	411 714	75.6
<b>Total departmental and other receipts</b>		<b>34 679 974</b>	<b>21 109 269</b>	<b>60.9</b>	<b>35 880 987</b>	<b>103.5</b>	<b>24 470 211</b>	<b>28 955 619</b>	<b>13 707 115</b>	<b>47.3</b>

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.

2. Receipts for which a department serves as a conduit to deposit funds into the National Revenue Fund and hence included as other receipts for consolidation purposes. These receipts are however accordingly excluded from departmental financial statements.

**Table 9.1: Departmental receipts per economic classification**

	2017/18					2018/19			
	Adjusted estimate	Audited outcome			Actual receipts				
		Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18	Apr 17 - Mar 18 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted estimate
<b>Departmental receipts</b>									
Tax receipts	4 800	1 734	36.1	4 239	88.3	5 400	1 118 081	317 814	28.4
Sales of goods and services other than capital assets	2 298 687	985 818	42.9	2 624 483	114.2	2 293 347	1 271 090	659 324	51.9
Transfers received	555 903	12 597	2.3	287 497	51.7	571 161	599 722	132 179	22.0
Fines, penalties and forfeits	407 621	257 587	63.2	464 045	113.8	420 225	527 142	244 422	46.4
Interest, dividends and rent on land	4 066 359	2 200 576	54.1	4 928 172	121.2	4 598 870	4 203 295	1 842 681	43.8
Sales of capital assets	145 999	92 414	63.3	187 031	128.1	130 682	119 178	63 565	53.3
Financial transactions in assets and liabilities	18 383 916	9 420 326	51.2	18 268 068	99.4	6 978 256	11 191 395	5 131 387	45.9
<b>Subtotal departmental receipts as per Adjusted Estimates of National Expenditure</b>	<b>25 863 285</b>	<b>12 971 052</b>	<b>50.2</b>	<b>26 763 535</b>	<b>103.5</b>	<b>14 997 941</b>	<b>19 029 903</b>	<b>8 391 372</b>	<b>44.1</b>



# Information contained in each chapter

The AENE provides detailed information for each vote in the Adjustments Appropriation Bill, following the layout shown below.

## Adjusted budget summary

	2018/19				
R thousand	Main appropriation	Special appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>					
<i>of which:</i>					
Current payments					
Transfers and subsidies					
Payments for capital assets					
Payments for financial assets					
<b>Direct charge against the National Revenue Fund</b>					
Executive authority					
Accounting officer					
Website address					

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

**Main appropriation** shows the total amount voted by main economic classification for the current financial year in the Appropriation Act (2018), in terms of the budget process.

**Special appropriation** shows the amount for the current financial year tabled in a Special Appropriation Bill. This column appears in all of the tables of the vote affected.

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

**Decrease** and **Increase** shows the total 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 it does not directly receive anything in return.

**Payments for capital assets** are payments made by a department for an asset 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. Payments are reflected as expenditure rather than financing 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 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	MTSF outcome	Annual performance		
			Projected for 2018/19 as published in the 2018 ENE	Achieved in the first six months of 2018/19 (April to September)	Changed target for 2018/19

Managing, monitoring and measuring performance are integral to improving service delivery. The table<sup>10</sup> shows what a department has achieved in the first half of the current financial year, compared to what it projected for the year. Only information for the first quarter has been validated. Information reported for the second quarter is based on preliminary data.

An **Indicator** is a measure that tracks a department’s progress towards meeting the target 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** links the indicator to the vote programme associated with it.

The **MTSF outcome** links the indicator to one or more of the 14 outcomes targeted in government’s 2014-2019 medium-term strategic framework.

**Projected for 2018/19 as published in the 2018 ENE** shows what the department projected it would achieve for the current financial year.

**Achieved in the first six months of 2018/19** shows what the department has actually achieved in the first six months of the current financial year.

**Changed target for 2018/19** shows any changes to the targets 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 2018 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.

## 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 might not be met, or that it might be exceeded.

<sup>10</sup> The table presents only a selected subset of a department’s performance indicators and is not intended to provide a comprehensive view of departmental performance. The table, however, contains key indicators linked to strategic and annual performance plans, as informed by government’s 2014-2019 medium-term strategic framework and ministerial delivery agreements.

## Adjusted Estimates of National Expenditure 2018

Programme	2018/19							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								
<b>Subtotal</b>								
<b>Direct charge against the National Revenue Fund</b>								
Item								
<b>Total</b>								
<b>Economic classification</b>								
<b>Current payments</b>								
Economic classification item								
<b>Transfers and subsidies</b>								
Economic classification item								
<b>Payments for capital assets</b>								
Economic classification item								
<b>Payments for financial assets</b>								
<b>Total</b>								

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 per programme and by economic classification for the current financial year in the Appropriation Act (2018), in terms of the budget process.

**Adjustments appropriation** shows the amounts of the adjustments for each type of expenditure adjustment, by programme and economic classification, and in aggregate.

**Roll-overs** show unspent funds from the previous 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 budget was being finalised.

### Virements and shifts:

- **Virements** are the use of unspent funds from amounts appropriated under one programme to defray excess expenditure under another programme within the same vote.
- **Shifts within votes/departments** are the use of unspent funds to defray increased expenditure within a programme of a vote, by shifting funds between the different segments (subprogramme and economic classification) of the programme.

**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, expenditure earmarked in the 2018 Budget speech for future allocation, and self-financing expenditure.

**Total adjustments appropriation** shows the sum of all the expenditure adjustments, by programme and 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 because of 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, any special appropriation and all the adjustments.

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

## Special appropriation

This section gives an explanation of the funding proposed in a special appropriation.

## Details of adjustments to Estimates of National Expenditure 2018

This section gives explanations by programme for:

- Roll-overs
- Unforeseeable and unavoidable expenditure
- Virements and shifts within the vote

## Virements and shifts within the vote

### Programmes

1. Programme name
2. Programme name
3. Programme name

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

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement.

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

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

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

**R thousand** 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 that have National Treasury's approval or that can be approved only by the legislature are footnoted in this table.

In terms of the PFMA<sup>11</sup>, the Treasury Regulations<sup>11</sup>, the Appropriation Act (2018)<sup>11</sup> and the Adjustments Appropriation Bill (2018)<sup>11</sup>, the following virements and shifts require approval from National Treasury. They are those which:

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

The following virements and shifts can be approved only by the legislature<sup>11</sup>. They are those which:

- use funds appropriated for items specifically and exclusively earmarked in an appropriation act, including the vote's allocation for compensation of employees
- use funds totalling more than 8 per cent of the amount appropriated for a programme for a financial year. (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 National Treasury
- use funds appropriated as transfers and subsidies that cannot be approved by National Treasury
- use funds appropriated for payments for capital assets that cannot be approved by 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, expenditure earmarked in the 2018 Budget speech for future allocation, and self-financing expenditure
- Gifts, donations and sponsorships
- Direct charges against the National Revenue Fund (these are not linked to a programme within a vote).

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<sup>11</sup> Section 43 of the PFMA, read in conjunction with Treasury Regulation 6.3, section 5 of the Appropriation Act (2018) and section 5 of the Adjustments Appropriation Bill (2018).

**Expenditure outcome for 2017/18 and actual expenditure for 2018/19**

Programme	2017/18					2018/19			
	Audited outcome					Actual expenditure			
		Apr 17 - Sep 17 % of	Apr 17 - Mar 18 % of	Apr 17 - Mar 18	Apr 17 - Mar 18	Adjusted Total (%)	Apr 18 - Sep 18 % of	Apr 18 - Sep 18	Apr 18 - Sep 18
R thousand	Adjusted appropriation	Apr 17 - Sep 17 appropriation	Apr 17 - Mar 18 appropriation	Apr 17 - Mar 18	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 18 - Sep 18 appropriation	Apr 18 - Sep 18	Apr 18 - Sep 18
1. Programme name									
<b>Subtotal</b>									
<b>Direct charge against the National Revenue Fund Item</b>									
<b>Total</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
Economic classification item									
<b>Transfers and subsidies</b>									
Economic classification item									
<b>Payments for capital assets</b>									
Economic classification item									
<b>Payments for financial assets</b>									
<b>Total</b>									

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

**2017/18 Audited outcome** shows the outcome for the previous financial year.

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

**Apr 17 to Sep 17** shows the expenditure outcome for the first half of the previous financial year.

**Apr 17 to Sep 17 % of adjusted appropriation** shows the expenditure outcome for the first half of the previous financial year as a percentage of the adjusted appropriation for that year.

**Apr 17 to Mar 18** shows the expenditure outcome for the previous financial year.

**Apr 17 to Mar 18 % of adjusted appropriation** shows the expenditure outcome for the previous financial year as a percentage of the adjusted appropriation for that year.

**2018/19 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 the proportion of the adjusted budget for a specific segment in relation to the vote's total adjusted budget, as a percentage, for the current financial year. The proportion is shown for each vote programme and economic classification item relative to the vote's total adjusted budget.

**Apr 18 to Sep 18** shows the actual expenditure for the first half of the current financial year.

**Apr 18 to Sep 18 % of adjusted appropriation** shows the actual expenditure for the first half of the current financial year as a percentage of the adjusted appropriation for the year.

## Expenditure trends for the first half of 2018/19

The mid-year preliminary expenditure outcome for the current financial year is compared to the 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 expenditure for the full year, as tabled in the budget.

Where functions have shifted between votes subsequent to the publication of the 2017 AENE, the information in this publication may not be strictly comparable with information published last year.

## Departmental receipts

R thousand	2017/18					2018/19			
	Adjusted estimate	Audited outcome			Budget estimate	Adjusted estimate	Actual receipts		Apr 18 - Sep 18 adjusted estimate
		Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Mar 18 adjusted estimate	Apr 17 - Mar 18 % of adjusted estimate			Adjusted receipts estimate / Total (%)	Apr 18 - Sep 18 adjusted estimate	
<b>Departmental receipts</b>									
Economic classification item									
<b>National Revenue Fund receipts</b>									
Economic classification item									
<b>Total</b>									

This table shows the departmental receipts outcome for the previous financial year and the preliminary actual departmental receipts for the first half of the current financial year.

**2017/18 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 17 to Sep 17** shows the receipts outcome for the first half of the previous financial year.

**Apr 17 to Sep 17 % of adjusted estimate** shows the receipts outcome for the first half of the previous financial year as a percentage of the adjusted estimate for that year.

**Apr 17 to Mar 18** shows the receipts outcome for the previous financial year.

**Apr 17 to Mar 18 % of adjusted estimate** shows the receipts outcome for the previous financial year as a percentage of the adjusted estimate for that year.

**2018/19 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 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 the proportion of adjusted receipt for a specific item in relation to 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 vote's total adjusted receipts estimate.

**Apr 18 to Sep 18** shows the preliminary receipts outcome for the first half of the current financial year.

**Apr 18 to Sep 18 % of adjusted estimate** shows the preliminary receipts outcome for the first half of the current financial year as a percentage of the adjusted estimate for the year.

## Revenue trends for the first half of 2018/19

The mid-year preliminary receipts outcome for the current financial year is compared to the 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 budget.

Where functions have shifted between votes subsequent to the publication of the 2017 AENE, the information in this publication may not be strictly comparable with information published last year.

## Changes to transfers and subsidies, including conditional grants

### Summary of changes to transfers and subsidies per programme

		2018/19						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Programme name</b>								
<b>Economic sphere</b>								
<b>Current</b>								
Economic classification item								
<b>Programme name</b>								
<b>Economic sphere</b>								
<b>Capital</b>								
Economic classification item								

### Summary of changes to conditional grants: Provinces

		2018/19						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Programme name</b>								
Conditional grant name								

### Summary of changes to conditional grants: Local government

		2018/19						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
R thousand	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
<b>Programme name</b>								
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 per programme and by economic classification for the current financial year in the Appropriation Act (2018), in terms of the budget process.

**Adjustments appropriation** shows the amounts of the adjustments for each type of expenditure adjustment, by programme and in aggregate.

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

**Unforeseeable/unavoidable expenditure** shows spending that could not be anticipated at the time the budget was being finalised.

**Virements and shifts:**

- **Virements** are the use of unspent funds from amounts appropriated in one programme (main division) to defray excess expenditure in another programme (main division) within the same vote.
- **Shifts within votes/departments** are the use of unspent funds to defray 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, expenditure earmarked in the 2018 Budget speech for future allocation, and self-financing expenditure.

**Total adjustments appropriation** shows the sum of all the expenditure adjustments, by programme and 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 because of 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, any special appropriation and all the adjustments.

