

Adjusted Estimates of National Expenditure

2015

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2015

National Treasury

Republic of South Africa

October 2015



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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 approved by the President. The main Budget also provides for an unallocated reserve, which accommodates expenditure related to unforeseeable circumstances.

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 adjustments budget process

In the middle of each year, the adjustments process provides an opportunity to revise 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 unallocated reserve, and additional amounts that have been approved for particular types of spending, if that be the case. The adjusted budget includes the amount allocated in the main Appropriation Act, special appropriations as well as the effects of the adjustments. The adjusted budget estimates are also tabled in the National Assembly by the Minister of Finance, accompanied by an Adjustments Appropriation Bill. A Division of Revenue Amendment Bill is also tabled that sets out how the adjustments affect the Division of Revenue Act.

The Estimates of National Expenditure (ENE) 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 the adjustments 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. Inflation that is significantly higher than anticipated in the budget estimates projected for the MTEF period, is an example of such an event.
- **Unforeseeable and unavoidable expenditure:** 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

¹ Section 30(2).

² Section 76.

³ Section 6.6.

finalised but that could not be accommodated in the allocations at that 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. Spending made necessary by adverse weather conditions is an example of unforeseeable and unavoidable expenditure.

- **Emergencies:**⁴ The Minister of Finance can approve the use of unappropriated funds, 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 allocation are to be decided later. This is usually when implementation plans have not been finalised in time to decide on the specific allocation amount for the main Budget.
- **Shifts:** The utilisation of unspent funds towards the defrayment of increased expenditure within a main division (programme)⁵ of a vote, between different segments (subprogramme and economic classification) of the programme. Shifts may include the reallocation of funds incorrectly allocated during the ENE process.
- **Function shifts:**⁶ Functions which 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. Such shifts can also happen between programmes within a vote.
- **Virements:** The utilisation of unspent funds from amounts appropriated under one programme towards the defrayment of excess expenditure under another programme within the same vote. Enacted legislation⁷ and the Treasury Regulations⁸ set parameters within which virements may take place.
- **Roll-overs:** Unspent funds from the preceding financial year that may be rolled over, when activities planned to be completed by the end of that 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 assets acquisitions already in progress.
- **Self-financing expenditure:** Spending financed from 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 departments explicitly indicate they will not require in the current financial year.
- **Direct charges against the National Revenue Fund:** Amounts spent in terms of statutes and that do not require parliamentary approval, such as expenditure on debt service costs.
- **Gifts, donations and sponsorships:**¹⁰ If valued at more than R100 000 per transaction, these are included in the adjustments budget.

⁴ Section 16 of the PFMA.

⁵ 'Main division' refers to a budget programme within a vote, and is the formal term used in the PFMA and in the Appropriation Bill. In this publication the term 'programme' is used because this is the more commonly used term.

⁶ Section 42 of the PFMA.

⁷ Section 43 of the PFMA and also section 5 of the Appropriation Act (2015).

⁸ Section 6.3.

⁹ Section 6.4.

¹⁰ Treasury Regulation 21.

Summary of the adjustments for 2015/16

Adjustments to vote appropriations amount to R1 857.537 million, of which:

• national government public sector salary adjustments	R1 173.468 million
• unforeseeable and unavoidable expenditure	R753.106 million
• announced by the Minister of Finance in the 2015 Budget speech	R301.000 million
• roll-overs	R1 616.838 million
• self-financing expenditure	R1 196.821 million
• declared unspent funds (reductions to vote allocations)	(R3 183.696 million)

Adjustments to estimates of direct charges against the National Revenue Fund amount to R6 908.776 million more than anticipated at the time of the main Budget, of which:

• provincial equitable share: public sector salary adjustments	R3 826.532 million
• National Revenue Fund payments	R560.654 million
• debt service costs	R1 461.590 million
• skills levy and sector education and training authorities	R1 110.000 million
• magistrates' salaries: declared unspent funds	(R50.000 million)

The adjustments to vote appropriations and estimates of direct charges are offset against the R5 billion in unallocated reserves 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 2015/16 thus decreases by R433.687 million, from a budgeted R1 222.345 billion to a revised R1 221.911 billion. Total estimated expenditure amounts to R1 246.930 billion, after accounting for the Eskom Special Appropriation Act, 2015 and the estimated contribution to the New Development Bank.

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Table 1: 2015/16 adjusted national budget

R thousand	Main appropriation (ENE)	Special appropriation	Adjustments appropriation (AENE)	Adjusted appropriation (AENE)
Appropriation by vote	679 497 512		1 857 537	681 355 049
Main appropriation	679 497 512			
Total adjustments			1 857 537	
Roll-overs			1 616 838	
Unforeseeable and unavoidable expenditure			753 106	
National public sector salary adjustment			1 173 468	
Unallocated and announced in the 2015 Budget			301 000	
Self-financing			1 196 821	
Declared unspent funds			(3 183 696)	
Direct charges against the National Revenue Fund	537 847 189		6 908 776	544 755 965
<i>Of which:</i>				
Debt service costs	126 440 428		1 461 590	127 902 018
Provincial equitable share:	382 673 477		3 826 532	386 500 009
<i>Public sector salary adjustment</i>			3 826 532	3 826 532
National Revenue Fund payments	121 000		560 654	681 654
Skills levy and sector education and training authorities	14 690 000		1 110 000	15 800 000
Magistrates' salaries	1 880 769		(50 000)	1 830 769
Subtotal	1 217 344 701		8 766 313	1 226 111 014
Unallocated reserves	5 000 000		(5 000 000)	–
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	1 222 344 701		(433 687)	1 221 911 014
Eskom Special Appropriation Act, 2015		23 000 000		23 000 000
New Development Bank		2 019 000		2 019 000
Total estimated expenditure	1 222 344 701	25 019 000	(433 687)	1 246 930 014
Main budget revenue	1 049 290 619		21 373 860	1 070 664 479
Tax revenue	1 081 275 000		(7 575 000)	1 073 700 000
Non-tax revenue	19 037 528		28 948 860	47 986 388
Less: Estimate of Southern Africa Customs Union payments	(51 021 909)		–	(51 021 909)
Budget balance	(173 054 082)		21 807 547	176 265 535

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

Vote number and title	2015/16								Value of Virements and shifts
	Main appropriation	Special appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation	
			Roll- overs	Unforeseeable/ unavoidable	Declared unspent funds	Other adjustments			
R thousand									
1 The Presidency	510 330	-	-	-	-	(34 401)	(34 401)	475 929	11 087
2 Parliament	1 566 922	-	-	-	-	27 316	27 316	1 594 238	7 482
3 Communications	1 280 888	-	-	-	-	10 000	10 000	1 290 888	-
4 Cooperative Governance and Traditional Affairs	69 314 159	-	1 498 818	-	-	2 500	1 501 318	70 815 477	23 161
5 Home Affairs	6 450 822	-	-	-	-	897 903	897 903	7 348 725	17 300
6 International Relations and Cooperation	5 698 634	-	-	720 000	-	92 220	812 220	6 510 854	266 486
7 National Treasury	26 957 304	2 019 000	-	-	(264 500)	14 257	(250 243)	28 726 061	328 395
8 Planning, Monitoring and Evaluation	717 694	-	-	-	-	36 506	36 506	754 200	6 137
9 Public Enterprises	267 481	23 000 000	-	33 106	-	2 007	35 113	23 302 594	2 513
10 Public Service and Administration	930 868	-	5 000	-	-	5 614	10 614	941 482	7 508
11 Public Works	6 411 087	-	-	-	(98 865)	-	(98 865)	6 312 222	2 950
12 Statistics South Africa	2 245 208	-	69 405	-	-	8 643	78 048	2 323 256	41 566
13 Women	187 002	-	-	-	-	2 100	2 100	189 102	3 565
14 Basic Education	21 511 140	-	-	-	(224 714)	-	(224 714)	21 286 426	110 328
15 Higher Education and Training	41 843 955	-	-	-	(30 600)	66 783	36 183	41 880 138	197 815
16 Health	36 468 018	-	-	-	(216 283)	2 190	(214 093)	36 253 925	324 783
17 Social Development	138 168 640	-	-	-	(275 000)	-	(275 000)	137 893 640	72 697
18 Correctional Services	20 617 584	-	-	-	(30 000)	970	(29 030)	20 588 554	849 260
19 Defence and Military Veterans	44 579 390	-	-	-	-	508 771	508 771	45 088 161	478 314
20 Independent Police Investigative Directorate	234 781	-	-	-	-	-	-	234 781	12 515
21 Justice and Constitutional Development	14 983 969	-	-	-	(60 000)	86 804	26 804	15 010 773	366 062
22 Office of the Chief Justice and Judicial Administration	742 417	-	-	-	-	40 962	40 962	783 379	45 619
23 Police	76 377 059	-	8 090	-	(88 000)	423 699	343 789	76 720 848	447 485
24 Agriculture, Forestry and Fisheries	6 383 007	-	-	-	(16 633)	42 376	25 743	6 408 750	120 051
25 Economic Development	885 778	-	-	-	-	-	-	885 778	21 240
26 Energy	7 482 094	-	35 525	-	(250 000)	-	(214 475)	7 267 619	26 174
27 Environmental Affairs	5 947 989	-	-	-	(20 000)	15 308	(4 692)	5 943 297	418 633
28 Labour	2 686 867	-	-	-	-	17 367	17 367	2 704 234	91 769
29 Mineral Resources	1 618 542	-	-	-	-	20 000	20 000	1 638 542	70 925
30 Science and Technology	7 482 120	-	-	-	(20 000)	3 986	(16 014)	7 466 106	12 547
31 Small Business Development	1 103 188	-	-	-	-	24 332	24 332	1 127 520	15 879
32 Telecommunications and Postal Services	1 413 328	-	-	-	-	(8 075)	(8 075)	1 405 253	4 774
33 Tourism	1 800 233	-	-	-	(10 000)	3 945	(6 055)	1 794 178	255 697
34 Trade and Industry	9 593 715	-	-	-	(134 400)	38 529	(95 871)	9 497 844	565 041
35 Transport	53 357 297	-	-	-	(43 220)	301 000	257 780	53 615 077	41 710
36 Water and Sanitation	16 446 530	-	-	-	(700 000)	-	(700 000)	15 746 530	1 237 171
37 Arts and Culture	3 919 859	-	-	-	(93 812)	-	(93 812)	3 826 047	127 216
38 Human Settlements	30 943 381	-	-	-	(400 000)	-	(400 000)	30 543 381	286 725
39 Rural Development and Land Reform	9 379 684	-	-	-	(200 000)	17 677	(182 323)	9 197 361	432 496
40 Sport and Recreation South Africa	988 548	-	-	-	(7 669)	-	(7 669)	980 879	29 005
Total appropriation by vote	679 497 512	25 019 000	1 616 838	753 106	(3 183 696)	2 671 289	1 857 537	706 374 049	4 250 157

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

R thousand	2015/16							Adjusted appropriation
	Main appropriation	Special appropriation	Adjustments appropriation				Total adjustments appropriation	
			Roll-overs	Unforeseeable/unavoidable	Declared unspent funds	Other adjustments		
Plus:								
Total direct charges against the National Revenue Fund	537 847 189	-	-	-	(50 000)	6 958 776	6 908 776	544 755 965
President and Deputy President salaries (The Presidency)	5 726	-	-	-	-	-	-	5 726
Members' remuneration (Parliament)	503 132	-	-	-	-	-	-	503 132
Debt service costs (National Treasury)	126 440 428	-	-	-	-	1 461 590	1 461 590	127 902 018
Provincial equitable share (National Treasury)	382 673 477	-	-	-	-	3 826 532	3 826 532	386 500 009
General fuel levy sharing with metropolitan municipalities (National Treasury)	10 658 909	-	-	-	-	-	-	10 658 909
National Revenue Fund payments (National Treasury)	121 000	-	-	-	-	560 654	560 654	681 654
Skills levy and sector education and training authorities (Higher Education and Training)	14 690 000	-	-	-	-	1 110 000	1 110 000	15 800 000
Magistrates' salaries (Justice and Constitutional Development)	1 880 769	-	-	-	(50 000)	-	(50 000)	1 830 769
Judges' salaries (Office of the Chief Justice and Judicial Administration)	873 748	-	-	-	-	-	-	873 748
Subtotal	1 217 344 701	25 019 000	1 616 838	753 106	(3 233 696)	9 630 065	8 766 313	1 251 130 014
Unallocated reserves	5 000 000	-	-	-	-	(5 000 000)	(5 000 000)	-
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	1 222 344 701	25 019 000	1 616 838	753 106	(3 233 696)	430 065	(433 687)	1 246 930 014

Table 2.1: Adjusted appropriations per economic classification

Economic classification	2015/16								
	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									
Current payments									
Compensation of employees	137 620 242	–	–	361 671	(970 395)	(111 900)	1 119 083	398 459	138 018 701
Goods and services	60 069 283	–	5 000	259 239	429 043	(215 413)	1 170 837	1 648 706	61 717 989
Interest and rent on land	126 489 484	–	–	–	56 030	–	1 461 590	1 517 620	128 007 104
Total current payments	324 179 009	–	5 000	620 910	(485 322)	(327 313)	3 751 510	3 564 785	327 743 794
Transfers and subsidies									
Provinces and municipalities	567 961 899	–	1 498 818	–	354 751	(517 996)	3 826 536	5 162 109	573 124 008
Departmental agencies and accounts	95 441 971	–	8 090	–	(1 306 145)	(1 170 987)	1 490 405	(978 637)	94 463 334
Higher education institutions	26 405 566	–	–	–	9 714	–	–	9 714	26 415 280
Foreign governments and international organisations	1 738 823	–	–	99 090	(59 394)	–	–	39 696	1 778 519
Public corporations and private enterprises	36 017 669	–	35 525	33 106	144 343	(615 900)	–	(402 926)	35 614 743
Non-profit institutions	3 251 193	–	–	–	180 700	–	–	180 700	3 431 893
Households	142 160 816	–	–	–	147 874	(275 000)	960	(126 166)	142 034 650
Total transfers and subsidies	872 977 937	–	1 542 433	132 196	(528 157)	(2 579 883)	5 317 901	3 884 490	876 862 427
Payments for capital assets									
Buildings and other fixed structures	12 964 153	–	69 405	–	282 668	(264 000)	–	88 073	13 052 226
Machinery and equipment	3 669 172	–	–	–	266 323	(62 500)	–	203 823	3 872 995
Heritage assets	–	–	–	–	–	–	–	–	–
Specialised military assets	12 143	–	–	–	–	–	–	–	12 143
Biological and cultivated assets	8 031	–	–	–	4 668	–	–	4 668	12 699
Land and subsoil assets	–	–	–	–	–	–	–	–	–
Software and other intangible assets	42 572	–	–	–	79 160	–	–	79 160	121 732
Total payments for capital assets	16 696 071	–	69 405	–	632 819	(326 500)	–	375 724	17 071 795
Total payments for financial assets	3 491 684	25 019 000	–	–	380 660	–	560 654	941 314	29 451 998
Subtotal	1 217 344 701	25 019 000	1 616 838	753 106	–	(3 233 696)	9 630 065	8 766 313	1 251 130 014
Unallocated reserves	5 000 000	–	–	–	–	–	(5 000 000)	(5 000 000)	–
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	1 222 344 701	25 019 000	1 616 838	753 106	–	(3 233 696)	430 065	(433 687)	1 246 930 014

Table 3: Adjustments due to significant and unforeseeable economic and financial events

Vote and description of expenditure	R thousand
National government public sector salary adjustments	1 173 468
2 Parliament	27 316
4 Cooperative Governance and Traditional Affairs	2 500
5 Home Affairs	68 623
7 National Treasury	14 257
8 Planning, Monitoring and Evaluation	2 105
9 Public Enterprises	2 007
10 Public Service and Administration	5 614
12 Statistics South Africa	8 643
13 Women	2 100
15 Higher Education and Training	66 783
16 Health	2 190
19 Defence and Military Veterans	295 420
21 Justice and Constitutional Development	112 600
22 Office of the Chief Justice and Judicial Administration	15 166
23 Police	423 699
24 Agriculture, Forestry and Fisheries	42 376
27 Environmental Affairs	15 308
28 Labour	17 367
29 Mineral Resources	20 000
30 Science and Technology	3 986
31 Small Business Development	1 861
32 Telecommunications and Postal Services	1 925
33 Tourism	3 945
39 Rural Development and Land Reform	17 677
Provincial government public sector salary adjustments	3 826 532
7 National Treasury Provincial equitable share	3 826 532
Total	5 000 000

Table 4: Unforeseeable and unavoidable expenditure

Vote and description of expenditure	R thousand
6 International Relations and Cooperation	720 000
R720 million for the impact of the depreciation of the Rand on foreign currency denominated expenditure	
9 Public Enterprises	33 106
R33.106 million for the tenth claim submitted for damages and losses in terms of the indemnity provided to Denel Aerostructures by government in respect of the A400M military aircraft contracts	
Total	753 106

Table 5: Appropriation of expenditure earmarked in the 2015 Budget speech for future allocation

Vote and description of expenditure	R thousand
35 Transport	301 000
R301 million for the South African National Roads Agency for the Gauteng freeway improvement project	
Total	301 000

Table 6: Roll-overs

Vote and description of expenditure		R thousand
4	Cooperative Governance and Traditional Affairs R1.499 billion for the local government equitable share for municipalities to pay Eskom and / or Water Board accounts	1 498 818
10	Public Service and Administration R5 million for the Public Service Remuneration Review Commission's extended term	5 000
12	Statistics South Africa R69.405 million for the capital contribution to the public private partnership project for the construction of the new head office building	69 405
23	Police R8.090 million for the Civilian Secretariat for Police for payment of an IT network initiation fee, to the State Information Technology Agency	8 090
26	Energy R35.525 million for the integrated national electrification programme for non-grid electrification service providers to provide electrification connection to households	35 525
Total		1 616 838

Table 7: Self-financing expenditure

Vote and description of expenditure		R thousand
4	Home Affairs Expenditure incurred to issue official documentation, which is defrayed by revenue generated from the issuing of the documents	921 500
18	Correctional Services Expenditure for offender gratuities, which is funded from revenue generated by the hiring out of offender labour	970
19	Defence and Military Veterans R182.2 million for expenditure incurred to deploy troops in the Democratic Republic of the Congo, which is reimbursed by the United Nations; and R31.2 million for defence activities that are funded from selling equipment and spares procured through the Special Defence Account	213 351
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	61 000
Total		1 196 821

Table 8: Declared unspent funds and projected underspending

Vote and description of expenditure	R thousand
7 National Treasury R164.5 million from the Employment Creation Facilitation Fund and R100 million from the South African Revenue Service	264 500
11 Public Works R60 million from the Property Management Trading Entity; R24.405 million from the expanded public works programme integrated grant for provinces; and R14.460 million from the social sector expanded public works programme incentive grant for provinces	98 865
14 Basic Education R163.112 million from the education infrastructure grant; R30.243 million from the maths, science and technology grant; R18.334 million from the national school nutrition programme grant; R12.3 million from the HIV and AIDS (life skills education) grant; and R725 000 from the occupational specific dispensation for education sector therapists grant	224 714
15 Higher Education and Training R28.5 million from compensation of employees; and R2.1 million from goods and services	30 600
16 Health R66.582 million from the comprehensive HIV and AIDS grant; R62.5 million from the national health grant: health facility revitalisation component; R51.717 million from the health facility revitalisation grant; R18.623 million from the national health insurance grant; and R16.861 million from the national tertiary services grant	216 283
17 Social Development R275 million in respect of a decrease in the estimate of social grant payments	275 000
18 Correctional Services R30 million from compensation of employees	30 000
21 Justice and Constitutional Development R60 million from IT services for integrated justice system projects; and R50 million from direct charges against the National Revenue Fund for magistrates' salaries	110 000
23 Police R88 million from the integrated justice system transversal project	88 000
24 Agriculture, Forestry and Fisheries R11.226 million from the comprehensive agricultural support programme grant: infrastructure component; R4.055 million from the Ilima/Letsema projects grant; and R1.352 million from the land care programme grant	16 633
26 Energy R250 million from the solar water heaters programme	250 000
27 Environmental Affairs R10 million from the South African National Parks; R5 million from the expanded public works programme; and R5 million from the South African National Biodiversity Institute	20 000
30 Science and Technology R7.5 million from the Council for Scientific and Industrial Research; R7.5 million from the National Research Foundation; and R5 million from travel and subsistence costs	20 000
33 Tourism R10 million from the tourism incentive programme	10 000
34 Trade and Industry R134.4 million from the special economic zones	134 400
35 Transport R43.220 million from the provincial roads maintenance grant: roads maintenance component	43 220
36 Water and Sanitation R200 million from the Water Trading Entity; R200 million from the municipal water infrastructure indirect grant; R198 million from the Magalies Water for Pilansberg Scheme; R64 million from the regional bulk infrastructure indirect grant to local government; and R38 million from the water infrastructure development programme	700 000
37 Arts and Culture R54 million from capital works projects; R34.273 million from the community library services grant: capital heritage institutions component; R3.1 million from compensation of employees and office accommodation; and R2.439 million from the community library services grant: current component	93 812
38 Human Settlements R400 million from the Social Housing Regulatory Authority	400 000
39 Rural Development and Land Reform R200 million from the Agricultural Land Holding Account	200 000
40 Sport and Recreation South Africa R4.069 million from the mass participation and sport development grant; and R3.6 million from compensation of employees and office accommodation	7 669
Total declared unspent funds	3 233 696
National government projected underspending	3 000 000
Local government repayment to the National Revenue Fund	1 200 000
Total	7 433 696

Table 9: Expenditure outcome for 2014/15 and actual expenditure for 2015/16

Vote number and title		2014/15				2015/16			
		Audited outcome		Actual expenditure		Actual expenditure			
R thousand	Adjusted appropriation	Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted appropriation	Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted appropriation	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	
1	The Presidency	484 484	201 975	41.7	452 746	93.4	475 929	209 276	44.0
2	Parliament	1 508 170	670 558	44.5	1 667 845	110.6	1 594 238	826 164	51.8
3	Communications	1 295 287	594 949	45.9	1 287 210	99.4	1 290 888	621 574	48.2
4	Cooperative Governance and Traditional Affairs	63 453 885	23 434 460	36.9	59 477 784	93.7	70 815 477	29 517 213	41.7
5	Home Affairs	7 144 801	3 574 934	50.0	7 144 427	100.0	7 348 725	3 415 765	46.5
6	International Relations and Cooperation	6 104 324	2 716 038	44.5	5 991 552	98.2	6 510 854	2 758 467	42.4
7	National Treasury	26 703 923	11 404 823	42.7	26 182 531	98.0	28 726 061	11 352 504	39.5
8	Planning, Monitoring and Evaluation	733 842	363 426	49.5	709 147	96.6	754 200	352 634	46.8
9	Public Enterprises	319 538	102 731	32.1	296 052	92.7	23 302 594	10 100 184	43.3
10	Public Service and Administration	875 074	399 888	45.7	813 826	93.0	941 482	426 999	45.4
11	Public Works	6 121 320	3 013 842	49.2	6 022 038	98.4	6 312 222	2 498 709	39.6
12	Statistics South Africa	2 242 514	871 979	38.9	2 156 435	96.2	2 323 256	1 032 550	44.4
13	Women	180 754	77 222	42.7	177 528	98.2	189 102	94 050	49.7
14	Basic Education	19 689 873	10 768 229	54.7	19 528 903	99.2	21 286 426	12 293 863	57.8
15	Higher Education and Training	38 988 456	27 373 672	70.2	38 987 296	100.0	41 880 138	29 491 422	70.4
16	Health	34 325 087	16 212 235	47.2	33 579 172	97.8	36 253 925	18 132 380	50.0
17	Social Development	128 597 654	63 305 661	49.2	127 860 470	99.4	137 893 640	67 654 308	49.1
18	Correctional Services	19 721 839	9 291 266	47.1	19 529 254	99.0	20 588 554	9 876 257	48.0
19	Defence and Military Veterans	42 856 879	18 712 682	43.7	42 842 381	100.0	45 088 161	20 747 860	46.0
20	Independent Police Investigative Directorate	234 719	86 279	36.8	232 404	99.0	234 781	112 896	48.1
21	Justice and Constitutional Development	14 488 940	6 305 100	43.5	14 228 268	98.2	15 010 773	6 915 238	46.1
22	Office of the Chief Justice and Judicial Administration	669 931	297 380	44.4	669 931	100.0	783 379	306 613	39.1
23	Police	72 507 243	34 319 828	47.3	72 507 225	100.0	76 720 848	36 004 490	46.9
24	Agriculture, Forestry and Fisheries	6 692 383	3 440 767	51.4	6 628 873	99.1	6 408 750	3 466 969	54.1
25	Economic Development	696 860	318 493	45.7	694 912	99.7	885 778	423 927	47.9
26	Energy	7 437 794	3 513 937	47.2	6 220 113	83.6	7 267 619	4 549 691	62.6
27	Environmental Affairs	5 680 386	2 409 055	42.4	5 675 059	99.9	5 943 297	2 861 532	48.1
28	Labour	2 546 292	1 202 189	47.2	2 419 936	95.0	2 704 234	1 218 143	45.0
29	Mineral Resources	1 475 541	832 282	56.4	1 475 157	100.0	1 638 542	924 816	56.4
30	Science and Technology	6 479 890	3 608 516	55.7	6 389 044	98.6	7 466 106	4 850 278	65.0
31	Small Business Development	1 100 789	-	-	1 100 789	100.0	1 127 520	547 719	48.6
32	Telecommunications and Postal Services	1 616 415	611 467	37.8	1 568 078	97.0	1 405 253	791 912	56.4
33	Tourism	1 583 260	994 334	62.8	1 557 594	98.4	1 794 178	932 326	52.0
34	Trade and Industry	8 817 940	4 001 072	45.4	8 684 510	98.5	9 497 844	3 622 653	38.1
35	Transport	48 770 669	25 938 423	53.2	49 147 098	100.8	53 615 077	27 194 749	50.7
36	Water and Sanitation	13 647 401	3 565 645	26.1	11 616 682	85.1	15 746 530	4 807 732	30.5
37	Arts and Culture	3 527 748	1 551 325	44.0	3 454 236	97.9	3 826 047	1 728 457	45.2
38	Human Settlements	29 417 605	11 422 779	38.8	29 358 232	99.8	30 543 381	13 126 906	43.0
39	Rural Development and Land Reform	9 455 305	4 459 159	47.2	9 395 755	99.4	9 197 361	3 611 255	39.3
40	Sport and Recreation South Africa	970 404	412 399	42.5	967 389	99.7	980 879	423 485	43.2
Total expenditure by vote		639 165 219	302 380 999	47.3	628 697 882	98.4	706 374 049	339 823 966	48.1

Table 9: Expenditure outcome for 2014/15 and actual expenditure for 2015/16 (continued)

	2014/15				2015/16			
	Audited outcome		Actual expenditure		Audited outcome		Actual expenditure	
R thousand	Adjusted appropriation	Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted appropriation	Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted appropriation	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation
Plus:								
Total direct charges against the National Revenue Fund	501 324 556	249 322 434	49.7	503 253 930	100.4	544 755 965	266 996 565	49.0
President and Deputy President salaries (The Presidency)	5 450	2 176	39.9	4 830	88.6	5 726	2 809	49.1
Members' remuneration (Parliament)	481 006	193 132	40.2	479 803	99.7	503 132	207 763	41.3
Debt service costs (National Treasury)	114 485 032	56 562 896	49.4	114 798 415	100.3	127 902 018	62 645 110	49.0
Provincial equitable share (National Treasury)	359 921 783	181 234 048	50.4	359 921 783	100.0	386 500 009	191 336 757	49.5
General fuel levy sharing with metropolitan municipalities (National Treasury)	10 190 162	3 396 721	33.3	10 190 162	100.0	10 658 909	3 552 969	33.3
National Revenue Fund payments (National Treasury)	310 857	310 857	100.0	1 525 543	490.8	681 654	512 424	75.2
Skills levy and sector education and training authorities (Higher Education and Training)	13 200 000	6 415 632	48.6	13 838 798	104.8	15 800 000	7 502 166	47.5
Magistrates' salaries (Justice and Constitutional Development)	1 858 031	789 722	42.5	1 622 361	87.3	1 830 769	817 564	44.7
Judges' salaries (Office of the Chief Justice and Judicial Administration)	872 235	417 250	47.8	872 235	100.0	873 748	419 003	48.0
Total	1 140 489 775	551 703 433	48.4	1 131 951 812	99.3	1 251 130 014	606 820 531	48.5
Economic classification								
Current payments								
Compensation of employees	128 590 700	62 631 537	48.7	127 395 233	99.1	138 018 701	66 541 090	48.2
Goods and services	61 298 576	23 924 686	39.0	58 046 031	94.7	61 717 989	26 770 726	43.4
Interest and rent on land	114 535 504	56 568 238	49.4	114 901 760	100.3	128 007 104	62 675 765	49.0
Total current payments	304 424 780	143 124 461	47.0	300 343 024	98.7	327 743 794	155 987 581	47.6
Transfers and subsidies								
Provinces and municipalities	530 891 055	253 964 951	47.8	527 542 386	99.4	573 124 008	275 339 915	48.0
Departmental agencies and accounts	87 936 127	44 464 467	50.6	87 719 477	99.8	94 463 334	48 678 661	51.5
Higher education institutions	24 385 573	19 173 492	78.6	24 469 782	100.3	26 415 280	20 541 720	77.8
Foreign governments and international organisations	1 727 324	343 842	19.9	1 802 384	104.3	1 778 519	364 663	20.5
Public corporations and private enterprises	33 114 371	17 966 976	54.3	32 223 716	97.3	35 614 743	19 424 177	54.5
Non-profit institutions	5 234 458	2 507 796	47.9	5 235 981	100.0	3 431 893	1 574 626	45.9
Households	132 347 019	64 138 008	48.5	131 522 064	99.4	142 034 650	68 524 129	48.2
Total transfers and subsidies	815 635 927	402 559 532	49.4	810 515 790	99.4	876 862 427	434 447 891	49.5
Payments for capital assets								
Buildings and other fixed structures	12 560 400	3 450 813	27.5	10 867 455	86.5	13 052 226	3 772 103	28.9
Machinery and equipment	3 812 252	1 132 179	29.7	4 861 394	127.5	3 872 995	860 263	22.2
Heritage assets	—	—	—	1 964	—	—	—	—
Specialised military assets	45 293	6 337	14.0	4 386	9.7	12 143	15 549	128.0
Biological assets	7 148	967	13.5	3 378	47.3	12 699	1 362	10.7
Land and subsoil assets	896	32 748	3 654.9	226 682	25 299.3	—	80 293	—
Software and other intangible assets	49 409	17 849	36.1	75 752	153.3	121 732	23 616	19.4
Total payments for capital assets	16 475 398	4 640 893	28.2	16 041 011	97.4	17 071 795	4 753 186	27.8
Total payments for financial assets	3 953 670	1 378 547	34.9	5 051 987	127.8	29 451 998	11 631 873	39.5
Total	1 140 489 775	551 703 433	48.4	1 131 951 812	99.3	1 251 130 014	606 820 531	48.5

Table 10: Departmental receipts

Vote number and title		2014/15				2015/16				
		Audited outcome				Actual receipts				
		Adjusted estimate	Apr 14 - Sep 14	adjusted estimate	Apr 14 - Mar 15	adjusted estimate	Budget estimate	Adjusted estimate	Apr 15 - Sep 15	adjusted estimate
% of	% of		% of	% of						
R thousand										
1	The Presidency	1 161	549	47.3	1 726	148.7	925	2 972	2 618	88.1
2	Parliament	39 013	18 043	46.2	49 081	125.8	34 093	30 725	15 416	50.2
3	Communications	2 393	1 243	51.9	2 527	105.6	1 025 126	4 042	2 383	59.0
4	Cooperative Governance and Traditional Affairs	988	393	39.8	1 916	193.9	1 043	1 148	564	49.1
5	Home Affairs	365 461	319 410	87.4	767 104	209.9	790 791	921 911	336 731	36.5
6	International Relations and Cooperation	46 189	31 977	69.2	35 147	76.1	48 182	41 846	13 928	33.3
7	National Treasury	12 418 637	8 362 076	67.3	18 246 100	146.9	6 057 867	13 157 419	7 001 447	53.2
8	Planning, Monitoring and Evaluation	92	40	43.5	88	95.7	92	266	189	71.1
9	Public Enterprises	202	37	18.3	203	100.5	107	1 161	167	14.4
10	Public Service and Administration	1 202	784	65.2	979	81.4	867	1 460	1 135	77.7
11	Public Works	13 238	8 033	60.7	16 132	121.9	1 878	1 878	1 328	70.7
12	Statistics South Africa	4 873	4 035	82.8	5 003	102.7	2 207	2 924	2 362	80.8
13	Women	30	15	50.0	24	80.0	32	32	16	50.0
14	Basic Education	70 000	47 984	68.5	57 572	82.2	6 080	12 067	6 659	55.2
15	Higher Education and Training	10 323	6 040	58.5	11 594	112.3	10 864	14 143	7 615	53.8
16	Health	69 819	39 419	56.5	66 140	94.7	32 772	44 605	29 463	66.1
17	Social Development	18 000	363	2.0	62 895	349.4	57 819	57 819	254	0.4
18	Correctional Services	126 303	61 302	48.5	139 752	110.6	124 437	124 437	63 550	51.1
19	Defence and Military Veterans	814 908	270 408	33.2	923 792	113.4	818 166	818 166	301 452	36.8
20	Independent Police Investigative Directorate	244	161	66.0	706	289.3	255	178	75	42.1
21	Justice and Constitutional Development	300 909	160 888	53.5	337 557	112.2	368 690	300 954	147 478	49.0
22	Office of the Chief Justice and Judicial Administration	–	–	–	–	–	–	354	354	100.0
23	Police	313 884	178 580	56.9	389 406	124.1	287 901	343 841	213 738	62.2
24	Agriculture, Forestry and Fisheries	186 116	96 013	51.6	191 652	103.0	198 398	206 326	111 509	54.0
25	Economic Development	900 221	572 310	63.6	50 367	5.6	867 313	668 650	506 515	75.8
26	Energy	3 255	1 880	57.8	5 277	162.1	2 899	3 950	2 608	66.0
27	Environmental Affairs	29 832	18 047	60.5	32 022	107.3	30 109	10 955	5 622	51.3
28	Labour	10 092	5 363	53.1	11 155	110.5	10 903	12 813	5 081	39.7
29	Mineral Resources	45 113	23 372	51.8	46 207	102.4	118 351	34 402	16 036	46.6
30	Science and Technology	116	41	35.3	1 602	1 381.0	121	357	239	66.9
31	Small Business Development	–	–	–	–	–	–	180	91	50.6
32	Telecommunications and Postal Services	1 745 219	892 901	51.2	1 670 224	95.7	1 669 902	27 585 323	13 934 289	50.5
33	Tourism	3 486	1 936	55.5	3 504	100.5	1 769	1 864	938	50.3
34	Trade and Industry	85 015	40 334	47.4	82 551	97.1	83 141	81 996	22 427	27.4
35	Transport	233 479	224 939	96.3	322 107	138.0	80 839	210 252	208 082	99.0
36	Water and Sanitation	57 020	39 608	69.5	15 333	26.9	26 582	19 092	5 746	30.1
37	Arts and Culture	667	402	60.3	3 301	494.9	754	3 205	2 480	77.4
38	Human Settlements	1 141	618	54.2	1 014	88.9	789	1 695	924	54.5
39	Rural Development and Land Reform	85 077	44 009	51.7	87 439	102.8	88 737	91 431	24 186	26.5
40	Sport and Recreation South Africa	331	44	13.3	107	32.3	103	273	204	74.7
Subtotal departmental receipts as per Adjusted Estimates of National Expenditure		18 004 049	11 473 597	63.7	23 639 306	131.3	12 850 904	44 817 112	22 995 899	51.3
Less: Parliament (retained departmental receipts)		39 013	18 043	46.2	49 081	125.8	34 093	30 725	15 416	50.2
Plus: South African Revenue Services		6 791 578	3 098 307	45.6	5 413 151	79.7	6 220 717	3 200 000	1 495 657	46.7
Total departmental receipts		24 756 614	14 553 861	58.8	29 003 376	117.2	19 037 528	47 986 387	24 476 140	51.0

Table 10: Departmental receipts (continued)

Economic classification	2014/15					2015/16			
	Adjusted estimate	Audited outcome		Apr 14 - Mar 15		Budget estimate	Actual receipts		
		Apr 14 - Sep 14	adjusted estimate	Apr 14 - Mar 15	adjusted estimate		Adjusted estimate	Apr 15 - Sep 15	adjusted estimate
Tax receipts	5 360	1 248	23.3	2 925	54.6	5 440	4 110	1 352	32.9
Sales of goods and services other than capital assets	1 253 861	781 639	62.3	1 677 571	133.8	2 562 747	1 859 720	840 143	45.2
Transfers received	175 607	92 809	52.9	549 922	313.2	185 288	187 530	95 149	50.7
Fines, penalties and forfeits	1 121 830	716 520	63.9	293 574	26.2	1 199 002	890 552	634 709	71.3
Interest, dividends and rent on land	5 569 116	2 585 059	46.4	6 678 415	119.9	4 895 930	6 428 400	3 084 879	48.0
Sales of capital assets	78 942	25 147	31.9	78 068	98.9	80 471	91 712	35 324	38.5
Financial transactions in assets and liabilities	9 799 333	7 271 176	74.2	14 358 831	146.5	3 922 026	35 355 088	18 304 343	51.8
Subtotal departmental receipts as per Adjusted Estimates of National Expenditure	18 004 049	11 473 597	63.7	23 639 306	131.3	12 850 904	44 817 112	22 995 899	51.3

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

	2015/16				
R thousand	Main appropriation	Special appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated of which:					
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 (2015), in terms of the main Budget.

Special appropriation shows the total amount for the current financial year which is voted in a Special Appropriation Act. The Minister of Finance may table a Special Appropriation Bill in the National Assembly.

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** show the amounts of 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 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. The reason for expensing the payments, rather than treating them as financing, is that the purpose of the transaction is not profit oriented. This column is only shown in votes where such payments have been budgeted for. While payments for theft and losses are included in this category, these payments are not budgeted for and will thus only appear in the historical information.

Direct charge against the National Revenue Fund is an amount spent in terms of a statute and therefore does not require parliamentary approval. An example is debt service costs. Such amounts are therefore not contained in the Adjustments Appropriation Bill, nor are they budgeted for under any programme on a particular vote.

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.

Changes to programme names, purposes and objectives

To maintain the link between a department's strategic plan, annual performance plan, main appropriation, any special appropriation and the adjusted budget - any changes to programme names, purposes and objectives are noted.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2015/16 as published in the 2015 ENE	Achieved in the first six months of 2015/16 (April to September)	Changed target for 2015/16

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 its goal. 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 government outcomes to which it contributes.

Projected for 2015/16 as published in the 2015 ENE shows what the department projected it would achieve for the current financial year.

Achieved in the first six months of 2015/16 shows what the department has actually achieved in the first half of the current financial year.

Changed target for 2015/16 shows any change to the target originally published in the ENE. Estimates will change only in some 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 2015 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 the result only of significant policy or mandate changes, budget programme structure changes, or the effects of the adjustments 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 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 departmental performance plans.

Adjusted Estimates of National Expenditure 2015

Programme	2015/16								Adjusted appropriation
	Main appropriation	Special appropriation	Adjustments appropriation					Total adjustments appropriation	
			Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand									
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, and by vote programme as well as 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 (2015), in terms of the main Budget process.

Special appropriation shows the total amount for the current financial year which is voted in a Special Appropriation Act. The Minister of Finance may table a Special Appropriation Bill in the National Assembly.

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 of finalising the main Budget.

Virements and shifts:

- **Virements** are the utilisation of unspent funds from amounts appropriated under one programme towards the defrayment of excess expenditure under another programme, within the same vote.
- **Shifts** are the utilisation of unspent funds towards the defrayment of increased expenditure within a programme of a vote, through the shifting of funds between the different segments (subprogramme and economic classification) of the programme. Shifts may include the reallocation of funds incorrectly allocated in the 2015 ENE.

Declared unspent funds are amounts that departments explicitly indicate that they will no longer require in the current financial year. The main appropriation of the vote is accordingly reduced by such amounts.

Other adjustments include function shifts, the appropriation of expenditure earmarked in the 2015 Budget speech for future allocation, adjustments due to significant and unforeseeable economic and financial events 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 due to function shifts.

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 the total adjustments appropriation.

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

Special appropriation

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

Details of adjustments to the Estimates of National Expenditure 2015

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 (2015)¹², the following require approval from National Treasury:

- Virements and shifts which will increase the funds appropriated for compensation of employees
- Virements and shifts which will increase the funds appropriated for transfers and subsidies to other institutions
- Virements and shifts which introduce a new transfer to other institutions
- Virements and shifts which utilise funds that were earmarked for a specific purpose by the National Treasury in the allocation letter
- Virements and shifts which utilise funds appropriated for payments for capital assets for the payment of current assets, other than for payment of compensation of employees
- Virements and shifts which utilise unspent funds appropriated as 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

The following can only be approved by the legislature:¹²

- Virements and shifts which utilise unspent funds appropriated for items specifically and exclusively earmarked in an Appropriation Act
- Virements which utilise unspent funds of more than 8 per cent of the amount appropriated for that programme. (Shifts between different segments within a programme do not affect the overall amount appropriated for a programme; only virements away from a programme effectively reduce a programme budget.)
- Virements and shifts which utilise funds appropriated as transfers and subsidies that cannot be approved by the National Treasury
- Virements and shifts which utilise 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, including function shifts, the appropriation of expenditure earmarked in the 2015 Budget speech for future allocation, adjustments due to significant and unforeseeable economic and financial events, 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).

Expenditure outcome for 2014/15 and actual expenditure for 2015/16

Programme	2014/15 Audited outcome					2015/16 Actual expenditure			
	Adjusted appropriation	Apr 14 - Sep 14	Apr 14 - Sep 14 % of adjusted appropriation	Apr 14 - Mar 15	Apr 14 - Mar 15 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 15 - Sep 15	Apr 15 - Sep 15 % 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									

¹² Section 43 of the PFMA read in conjunction with Treasury Regulations 6.3 and Section 5 of the Appropriation Act (2015).

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

2014/15 Audited outcome shows the outcome for the previous financial year.

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

Apr 14 to Sep 14 shows the expenditure outcome for the first six months of the previous financial year.

Apr 14 to Sep 14 % 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 14 to Mar 15 shows the expenditure outcome for the whole of the previous financial year.

Apr 14 to Mar 15 % 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.

2015/16 Actual expenditure shows the preliminary actual expenditure in respect of 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 adjustments budget to be voted for the current financial year; what proportion the adjusted budget for that programme comprises of the total vote's adjusted budget, as a percentage. The proportion that each economic classification forms of the total vote's adjusted budget is also shown.

Apr 15 to Sep 15 shows the actual expenditure for the first six months of the current financial year.

Apr 15 to Sep 15 % 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 2015/16

Expenditure trends consider whether actual expenditure is in line with the budget. Mid-year actual expenditure for the current financial year is compared to mid-year expenditure for the previous year. Explanations are given for significant changes in expenditure compared to the previous financial year.

Where functions have shifted between votes or new votes have been created subsequent to the publication of the 2014 Adjusted Estimates of National Expenditure, the information in this publication may not be strictly comparable with that published last year.

Departmental receipts

	2014/15					2015/16				
	Adjusted estimate	Audited outcome		Apr 14 - Sep 14 % of adjusted estimate	Apr 14 - Mar 15 % of adjusted estimate	Budget estimate	Actual receipts			
		Apr 14 - Sep 14	Apr 14 - Mar 15				Adjusted receipts estimate/ Total (%)	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted estimate	
R thousand										
Departmental receipts										
Economic classification item										
Economic classification item										
Total										

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

2014/15 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 14 to Sep 14 shows the receipts outcome for the first six months of the previous financial year.

Apr 14 to Sep 14 % 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 14 to Mar 15 shows the receipts outcome for the whole of the previous financial year.

Apr 14 to Mar 15 % 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.

2015/16 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 item comprises of the total adjusted estimate of vote receipts for the current financial year, as a percentage.

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

Apr 15 to Sep 15 % 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 2015/16

Any differences from the information published in the ENE for the current financial year are explained in the text that follows the table.

Where functions have shifted between votes or new votes have been created subsequent to the publication of the 2014 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

R thousand	2015/16								Adjusted appropriation
	Main appropriation	Special appropriation	Adjustments appropriation					Total adjustments 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

R thousand	2015/16								Adjusted appropriation
	Main appropriation	Special appropriation	Adjustments appropriation					Total adjustments 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

R thousand	2015/16								Adjusted appropriation
	Main appropriation	Special appropriation	Adjustments appropriation					Total adjustments 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 (2015), in terms of the main Budget process.

Special appropriation shows the total amount for the current financial year which is voted in a Special Appropriation Act. The Minister of Finance may table a Special Appropriation Bill in the National Assembly.

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 of finalising the main Budget.

Virements and shifts:

- **Virements** are the utilisation of unspent funds from amounts appropriated under one programme towards the defrayment of increased expenditure under another programme within the same vote.
- **Shifts** are the utilisation of unspent funds towards the defrayment of increased expenditure within a programme of a vote by shifting funds between the between different segments (subprogramme and economic classification) of the programme. Shifts may include the reallocation of funds incorrectly allocated in the 2015 ENE.

Declared unspent funds are amounts that departments explicitly indicate that they will no longer require in the current financial year. The main appropriation of the vote is accordingly reduced by such amounts.

Other adjustments include function shifts, the appropriation of expenditure earmarked in the 2015 Budget speech for future allocation, adjustments due to significant and unforeseeable economic and financial events 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 due to function shifts.

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 the total adjustments appropriation.