

**Adjusted Estimates of
National Expenditure**

2017

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Adjusted Estimates of National Expenditure

2017

National Treasury

Republic of South Africa

October 2017



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

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

The adjustments budget process

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

The Estimates of National Expenditure (ENE) publication describes in detail the planned spending of all national government votes over the MTEF period. The Adjusted Estimates of National Expenditure (AENE) describes in detail the revisions to spending plans for the first year of the MTEF period: 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)¹ specifies the type of spending permissible as an adjustment that the adjusted budget may provide for. The Treasury Regulations, issued by National Treasury in terms of the PFMA², provide instructions on how to comply with the 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 main 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.

¹ Section 30(2).

² Section 76.

- **Unforeseeable and unavoidable expenditure:** This is expenditure that could not be anticipated at the time of the main Budget. The Treasury Regulations³ specify that the following may not be regarded as unforeseeable and unavoidable expenditure: spending that was known when the main Budget was being finalised but could not be accommodated in the allocations at the time; spending increases due to tariff adjustments and price increases; and spending to extend existing services or create new services that are not unforeseeable and unavoidable. An example of unforeseeable and unavoidable expenditure is spending made necessary to deal with the effects of adverse weather conditions.
- **Section 16 of the PFMA:** The Minister of Finance can 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 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, 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 main Budget.
- **Virements:** The use of unspent funds from amounts appropriated under one main division (programme)⁴ to defray excess expenditure under another main division (programme) within the same vote. Enacted legislation⁵ and the Treasury Regulations⁶ set the parameters within which virements may take place.
- **Shifts within votes:** The use of unspent funds to defray increased expenditure within a main division (programme) of a vote 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 votes⁷:** The use of unspent funds in a vote to defray increased expenditure in another vote. Such shifts include when functions are shifted to another vote or institution in terms of legislation and/or following the reassignment of responsibility for the functions. The associated assets, including personnel, and the liabilities also need to be shifted.
- **Roll-overs:** Unspent funds from the preceding financial year that may be rolled over into the current financial year, when activities planned to be completed by the end of the preceding year have not been completed but are close to completion. The Treasury Regulations⁸ restricts 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 specific activities. The revenue is paid into the National Revenue Fund. If self-financing expenditure is approved, these funds are allocated to the vote.
- **Declared unspent funds:** Unspent amounts that will not be spent in the current financial year, explicitly indicated as a reduction to the vote allocation.

³ Section 6.6.

⁴ '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.

⁵ Section 43 of the PFMA and section 5 of the Appropriation Act (2017).

⁶ Section 6.3.

⁷ Section 42 and 33 of the PFMA.

⁸ 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:**⁹ Cash amounts exceeding R100 000 per beneficiary are included in the Adjustments Appropriation Bill.

Summary of adjustments for 2017/18

Adjustments to vote appropriations amount to an increase of R14 498.734 million, of which:

- | | |
|---|-----------------------|
| • unforeseeable and unavoidable expenditure | R 585.981 million |
| • expenditure in terms of section 16 of the PFMA | R 5 207.901 million |
| • expenditure earmarked in the 2017 Budget speech for future allocation | R 8 609.099 million |
| • roll-overs | R 216.947 million |
| • self-financing expenditure | R 1 546.784 million |
| • declared unspent funds (reductions to vote allocations) | (R 1 667.978 million) |

Adjustments to estimates of direct charges against the National Revenue Fund amount to R113.668 million less than anticipated at the time of the main Budget, of which:

- | | |
|---|---------------------|
| • debt-service costs | R 994.816 million |
| • National Revenue Fund payments | (R 137.582 million) |
| • skills levy and sector education and training authorities | (R 870.902 million) |
| • magistrates' salaries | (R 100.000 million) |

The adjustments to vote appropriations (R14.499 billion increase) and estimates of direct charges (R113.668 million decrease) are offset against the R6 billion in contingency reserve funds set aside in the main Budget. In addition, the revised budget framework makes provision for approximately R3 billion in projected underspending at national government level, and R1.5 billion in local government repayment to the National Revenue Fund. The total estimated adjustments spending for 2017/18 thus increases by R3.885 billion, from a budgeted R1 409.215 billion to a revised R1 413.1 billion.

Summary tables

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Table 10.1: Departmental receipts per economic classification

⁹ Treasury Regulation 21.

Table 1: 2017/18 adjusted national budget

R thousand	Main appropriation (ENE)	Adjustments appropriation (AENE)	Adjusted appropriation (AENE)
Appropriation by vote	767 037 868	14 498 734	781 536 602
Main appropriation	767 037 868		
Total adjustments		14 498 734	
Roll-overs		216 947	
Unforeseeable and unavoidable expenditure		585 981	
Section 16 of the PFMA		5 207 901	
Announced in the 2017 Budget		8 609 099	
Self-financing		1 546 784	
Declared unspent funds		(1 667 978)	
Direct charges against the National Revenue Fund	636 177 512	(113 668)	636 063 844
<i>Of which:</i>			
Debt-service costs	162 353 119	994 816	163 347 935
National Revenue Fund payments	387 551	(137 582)	249 969
Skills levy and sector education and training authorities	16 641 456	(870 902)	15 770 554
Magistrates' salaries	2 140 520	(100 000)	2 040 520
Subtotal	1 403 215 380	14 385 066	1 417 600 446
Contingency reserve	6 000 000	(6 000 000)	–
National government projected underspending	–	(3 000 000)	(3 000 000)
Local government repayment to the National Revenue Fund	–	(1 500 000)	(1 500 000)
Total adjustments expenditure estimate	1 409 215 380	3 885 066	1 413 100 446
Main budget revenue	1 242 417 269	(48 960 796)	1 193 456 473
Tax revenue	1 265 488 182	(50 760 810)	1 214 727 372
Non-tax revenue	32 879 960	1 800 014	34 679 974
Less: Estimate of Southern Africa Customs Union payments	(55 950 873)	–	(55 950 873)
Budget balance	(166 798 111)	(52 845 862)	(219 643 973)

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

Vote number and title		2017/18						Adjusted appropriation	Value of Virements and shifts
		Main appropriation	Adjustments appropriation				Total adjustments appropriation		
R thousand			Roll-overs	Unforeseeable/unavoidable	Declared unspent funds	Other adjustments			
1	The Presidency	495 169	6 000	–	–	–	6 000	501 169	655
2	Parliament ¹	1 711 947	–	–	–	–	–	1 711 947	–
3	Communications	1 425 095	11 300	–	(11 195)	3 100	3 205	1 428 300	8 367
4	Cooperative Governance and Traditional Affairs	78 414 485	73 258	26 147	(50 000)	–	49 405	78 463 890	39 036
5	Home Affairs	7 055 539	12 000	–	(100 000)	1 334 800	1 246 800	8 302 339	6 548
6	International Relations and Cooperation	6 574 879	–	–	(166 540)	–	(166 540)	6 408 339	206 470
7	National Treasury	30 799 220	–	–	(237 414)	10 022 500	9 785 086	40 584 306	153 122
8	Planning, Monitoring and Evaluation	923 496	–	–	(25 000)	–	(25 000)	898 496	22 207
9	Public Enterprises	266 696	–	–	–	–	–	266 696	10 320
10	Public Service and Administration	897 144	–	–	(20 000)	–	(20 000)	877 144	14 523
11	Public Works	7 038 130	–	–	(53 000)	–	(53 000)	6 985 130	115 918
12	Statistics South Africa	2 146 313	31 249	–	–	–	31 249	2 177 562	385
13	Women	206 163	–	–	–	–	–	206 163	6 768
14	Basic Education	23 408 620	–	–	(415 000)	–	(415 000)	22 993 620	58 597
15	Higher Education and Training	52 307 639	–	–	–	–	–	52 307 639	261 334
16	Health	42 625 723	–	19 834	–	–	19 834	42 645 557	452 996
17	Social Development	160 707 768	–	–	(350 000)	–	(350 000)	160 357 768	406 377
18	Correctional Services	22 814 124	–	–	–	469	469	22 814 593	183 000
19	Defence and Military Veterans	48 618 790	–	–	–	380 770	380 770	48 999 560	1 697 460
20	Independent Police Investigative Directorate	255 482	–	–	–	–	–	255 482	9 803
21	Justice and Constitutional Development	16 786 788	–	–	–	–	–	16 786 788	489 212
22	Office of the Chief Justice and Judicial Administration	1 018 565	–	–	–	753	753	1 019 318	33 349
23	Police	87 025 128	–	–	–	(264 000)	(264 000)	86 761 128	–
24	Agriculture, Forestry and Fisheries	6 807 034	–	40 000	–	–	40 000	6 847 034	22 950
25	Economic Development	797 237	–	–	–	117 000	117 000	914 237	5 906
26	Energy	8 113 450	31 972	–	–	–	31 972	8 145 422	32 076
27	Environmental Affairs	6 848 214	–	–	–	–	–	6 848 214	48 000
28	Labour	3 065 821	–	–	(10 000)	–	(10 000)	3 055 821	24 080
29	Mineral Resources	1 779 449	–	–	–	–	–	1 779 449	44 733
30	Science and Technology	7 557 229	–	–	–	–	–	7 557 229	18 472
31	Small Business Development	1 449 796	25 874	–	–	–	25 874	1 475 670	34 600
32	Telecommunications and Postal Services	1 614 206	–	–	(139 829)	3 700 000	3 560 171	5 174 377	17 892
33	Tourism	2 140 156	–	–	–	–	–	2 140 156	26 087
34	Trade and Industry	9 274 795	–	–	–	68 392	68 392	9 343 187	517 805
35	Transport	59 795 180	–	–	–	–	–	59 795 180	405 123
36	Water and Sanitation	15 107 449	–	500 000	–	–	500 000	15 607 449	246 671
37	Arts and Culture	4 449 845	11 893	–	(90 000)	–	(78 107)	4 371 738	364 658
38	Human Settlements	33 464 300	13 401	–	–	–	13 401	33 477 701	6 428
39	Rural Development and Land Reform	10 184 240	–	–	–	–	–	10 184 240	737 113
40	Sport and Recreation South Africa	1 066 564	–	–	–	–	–	1 066 564	15 700
Total appropriation by vote		767 037 868	216 947	585 981	(1 667 978)	15 363 784	14 498 734	781 536 602	6 744 741

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

		2017/18					
	Main appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
R thousand		Roll-overs	Unforeseeable/unavoidable	Declared unspent funds	Other adjustments		
Plus:							
Total direct charges against the National Revenue Fund	636 177 512	–	–	(100 000)	(13 668)	(113 668)	636 063 844
President and Deputy President salaries (The Presidency)	6 373	–	–	–	–	–	6 373
Members' remuneration (Parliament)	556 288	–	–	–	–	–	556 288
Debt-service costs (National Treasury)	162 353 119	–	–	–	994 816	994 816	163 347 935
Provincial equitable share (National Treasury)	441 331 122	–	–	–	–	–	441 331 122
General fuel levy sharing with metropolitan municipalities (National Treasury)	11 785 023	–	–	–	–	–	11 785 023
National Revenue Fund payments (National Treasury)	387 551	–	–	–	(137 582)	(137 582)	249 969
Skills levy and sector education and training authorities (Higher Education and Training)	16 641 456	–	–	–	(870 902)	(870 902)	15 770 554
Magistrates' salaries (Justice and Constitutional Development)	2 140 520	–	–	(100 000)	–	(100 000)	2 040 520
Judges' salaries (Office of the Chief Justice and Judicial Administration)	966 060	–	–	–	–	–	966 060
International Oil Pollution Compensation Fund (Transport)	10 000	–	–	–	–	–	10 000
Subtotal	1 403 215 380	216 947	585 981	(1 767 978)	15 350 116	14 385 066	1 417 600 446
Contingency reserve	6 000 000				(6 000 000)	(6 000 000)	–
National government projected underspending	–	–	–	–	(3 000 000)	(3 000 000)	(3 000 000)
Local government repayment to the National Revenue Fund	–	–	–	–	(1 500 000)	(1 500 000)	(1 500 000)
Total estimated expenditure	1 409 215 380	216 947	585 981	(1 767 978)	4 850 116	3 885 066	1 413 100 446

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		2017/18						Adjusted appropriation
R thousand	Main appropriation	Adjustments appropriation						
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Current payments								
Compensation of employees	154 664 585	–	–	1 246 447	(178 295)	–	1 068 152	155 732 737
Goods and services	65 722 371	30 225	–	(380 019)	(470 549)	1 162 434	342 091	66 064 462
Interest and rent on land	162 458 386	–	–	29 828	–	994 816	1 024 644	163 483 030
Total current payments	382 845 342	30 225	–	896 256	(648 844)	2 157 250	2 434 887	385 280 229
Transfers and subsidies to:								
Provinces and municipalities	650 807 005	27 858	45 981	57 852	–	–	131 691	650 938 696
Departmental agencies and accounts	106 071 840	–	300 000	(1 254 345)	(306 594)	(487 032)	(1 747 971)	104 323 869
Higher education institutions	31 614 341	–	–	(18 504)	–	–	(18 504)	31 595 837
Foreign governments and international organisations	1 971 169	–	–	(8 569)	–	–	(8 569)	1 962 600
Public corporations and private enterprises	37 326 132	57 846	–	(33 090)	–	117 000	141 756	37 467 888
Non-profit institutions	3 981 636	–	–	217 613	–	–	217 613	4 199 249
Households	167 359 781	51 400	40 000	(354 472)	(350 000)	469	(612 603)	166 747 178
Total transfers and subsidies	999 131 904	137 104	385 981	(1 393 515)	(656 594)	(369 563)	(1 896 587)	997 235 317
Payments for capital assets								
Buildings and other fixed structures	11 179 098	31 249	200 000	(326 843)	(415 000)	–	(510 594)	10 668 504
Machinery and equipment	4 538 559	18 369	–	154 614	(8 994)	–	163 989	4 702 548
Heritage assets	9 000	–	–	176 071	(38 546)	–	137 525	146 525
Specialised military assets	1 743	–	–	–	–	–	–	1 743
Biological and cultivated assets	17 673	–	–	39	–	–	39	17 712
Software and other intangible assets	85 393	–	–	107 478	–	–	107 478	192 871
Total payments for capital assets	15 831 466	49 618	200 000	111 359	(462 540)	–	(101 563)	15 729 903
Total payments for financial assets	5 406 668	–	–	385 900	–	13 562 429	13 948 329	19 354 997
Subtotal	1 403 215 380	216 947	585 981	–	(1 767 978)	15 350 116	14 385 066	1 417 600 446
Contingency reserve	6 000 000	–	–	–	–	(6 000 000)	(6 000 000)	–
National government projected underspending	–	–	–	–	–	(3 000 000)	(3 000 000)	(3 000 000)
Local government repayment to the National Revenue Fund	–	–	–	–	–	(1 500 000)	(1 500 000)	(1 500 000)
Total estimated expenditure	1 409 215 380	216 947	585 981	–	(1 767 978)	4 850 116	3 885 066	1 413 100 446

Table 3: Unforeseeable and unavoidable expenditure

Vote and description of expenditure	R thousand
4 Cooperative Governance and Traditional Affairs R26.147 million for reconstruction and rehabilitation to address damages resulting from the sinkhole formation in the Merafong City Local Municipality	26 147
16 Health R19.834 million for the comprehensive HIV, AIDS and tuberculosis grant to provide relief necessary for the malaria outbreak	19 834
24 Agriculture, Forestry and Fisheries R40 million to combat the outbreak of highly pathogenic avian influenza	40 000
36 Water and Sanitation R200 million to implement the Butterworth emergency water supply scheme and R300 million to upgrade the capacity of Thukela Goedertrouw transfer scheme	500 000
Total	585 981

Table 4: Expenditure in terms of section 16 of the PFMA

Vote and description of expenditure	R thousand
7 National Treasury R5 207.901 million to defray expenditure in respect of South African Airways' debt obligations	5 207 901
Total	5 207 901

Table 5: Expenditure earmarked in the 2017 Budget speech for future allocation

Vote and description of expenditure	R thousand
7 National Treasury R4 792.099 million to recapitalise the South African Airways	4 792 099
25 Economic Development R117 million to establish the Tirisano Construction Fund	117 000
32 Telecommunications and Postal Services R3.7 billion to recapitalise the South African Post Office	3 700 000
Total	8 609 099

Table 6: Roll-overs

Vote and description of expenditure	R thousand
1 The Presidency R6 million for employee initiated severance packages	6 000
3 Communications R11.3 million for the digital terrestrial television awareness campaign	11 300
4 Cooperative Governance and Traditional Affairs R45.4 million for former councillors that did not return after the 2016 local government elections and R27.858 million for the municipal demarcation transition grant	73 258
5 Home Affairs R12 million for the installation of voice over internet protocol and video conferencing systems	12 000
12 Statistics South Africa R31.249 million for the capital contribution and unitary fee payable to the public-private partnership for its head office building	31 249
26 Energy R31.972 million for the integrated national electrification programme for non-grid electrification service providers	31 972
31 Small Business Development R25.874 million for the enterprise incubation programme	25 874
37 Arts and Culture R6.925 million for leases and municipal charges, and R4.968 million for ICT servers and software	11 893
38 Human Settlements R13.4 million for ICT network equipment	13 401
Total	216 947

Table 7: Self-financing expenditure

Vote and description of expenditure	R thousand
3 Communications Expenditure by the Government Communication and Information System to produce the Vuk'uzenzele government newspaper, which is funded from revenue generated through advertising in the newspaper	3 100
5 Home Affairs Expenditure incurred issuing official documents, which is defrayed by revenue generated from issuing the documents	1 070 800
7 National Treasury Expenditure for the emolument attachment orders solution project, which is funded from revenue generated from a 5 per cent commission on emolument attachment orders	22 500
18 Correctional Services Expenditure for offender gratuities, which is funded from revenue generated from the hiring out of offender labour	469
19 Defence and Military Veterans R335.4 million for the United Nations' Operation Mistral, in line with reimbursements; and R45.364 million for defence activities, which is defrayed by selling equipment and spares procured through the special defence account	380 770
22 Office of the Chief Justice and Judicial Administration Expenditure incurred in hosting the fourth congress of the Conference of Constitutional Jurisdictions of Africa, in line with reimbursements	753
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	68 392
Total	1 546 784

Table 8: Declared unspent funds and projected underspending

Vote and description of expenditure	R thousand
3 Communications R6.4 million from the Government Communication and Information System, and R4.795 million from compensation of employees	11 195
4 Cooperative Governance and Traditional Affairs R50 million from the community work programme	50 000
5 Home Affairs R100 million from the information and modernisation systems project	100 000
6 International Relations and Cooperation R157.3 million due to the difference between exchange rate projections used when the department compiled its budget and the exchange rate costs when payments were processed, and R9.240 million from the South African Development Partnership Agency	166 540
7 National Treasury R237.414 million from the Jobs Fund	237 414
8 Planning, Monitoring and Evaluation R25 million from compensation of employees	25 000
10 Public Service and Administration R10.5 million from compensation of employees, R6.6 million from the National School of Government, and R2.9 million from the Public Service Commission	20 000
11 Public Works R38 million from compensation of employees, and R15 million from prestige accommodation projects	53 000
14 Basic Education R415 million from the school infrastructure backlogs grant	415 000
17 Social Development R350 million from social grant payments due to a decrease in the estimate of assistance required	350 000
28 Labour R10 million from compensation of employees	10 000
32 Telecommunications and Postal Services R139.829 million from the South Africa Connect broadband project	139 829
37 Arts and Culture R90 million from capital projects	90 000
Total declared unspent funds	1 667 978
Projected underspending	3 000 000
Local government repayment to the National Revenue Fund	1 500 000
Total	6 167 978

Table 9: Expenditure outcome for 2016/17 and actual expenditure for 2017/18

Vote number and title		2016/17				2017/18		
		Audited outcome				Actual expenditure		
			Apr 16 - Sep 16 % of		Apr 16 - Mar 17 % of			Apr 17 - Sep 17 % of
R thousand	Adjusted appropriation	Apr 16 - Sep 16	adjusted appropriation	Apr 16 - Mar 17	adjusted appropriation	Adjusted appropriation	Apr 17 - Sep 17	adjusted appropriation
1	The Presidency	489 775	239 241	48.8	475 333	97.1	501 169	213 335
2	Parliament ¹	1 659 631	—	0.0	1 738 872	104.8	1 711 947	—
3	Communications	1 349 720	666 766	49.4	1 335 742	99.0	1 428 300	675 655
4	Cooperative Governance and Traditional Affairs	73 021 906	27 904 621	38.2	69 852 230	95.7	78 463 890	31 187 060
5	Home Affairs	8 155 805	4 483 402	55.0	8 143 524	99.8	8 302 339	3 908 130
6	International Relations and Cooperation	6 838 651	3 152 934	46.1	6 844 930	100.1	6 408 339	2 853 766
7	National Treasury	28 471 417	15 619 838	54.9	28 199 783	99.0	40 584 306	16 674 554
8	Planning, Monitoring and Evaluation	797 662	433 950	54.4	781 246	97.9	898 496	447 438
9	Public Enterprises	267 976	117 826	44.0	253 779	94.7	266 696	114 806
10	Public Service and Administration	779 846	395 332	50.7	763 271	97.9	877 144	401 312
11	Public Works	6 512 799	3 255 767	50.0	6 403 346	98.3	6 985 130	3 393 357
12	Statistics South Africa	2 538 108	1 284 075	50.6	2 461 205	97.0	2 177 562	1 003 785
13	Women	196 887	96 475	49.0	194 739	98.9	206 163	96 532
14	Basic Education	22 413 461	11 711 701	52.3	21 476 064	95.8	22 993 620	12 630 912
15	Higher Education and Training	49 188 279	33 508 228	68.1	49 137 562	99.9	52 307 639	38 316 211
16	Health	38 597 416	18 911 750	49.0	38 496 186	99.7	42 645 557	21 111 646
17	Social Development	147 933 229	72 717 563	49.2	147 342 628	99.6	160 357 768	79 160 119
18	Correctional Services	21 580 191	10 993 766	50.9	21 542 174	99.8	22 814 593	10 681 474
19	Defence and Military Veterans	47 236 465	22 625 697	47.9	47 197 094	99.9	48 999 560	23 220 134
20	Independent Police Investigative Directorate	242 111	134 768	55.7	241 731	99.8	255 482	138 140
21	Justice and Constitutional Development	16 040 736	7 892 363	49.2	16 039 022	100.0	16 786 788	7 839 643
22	Office of the Chief Justice and Judicial Administration	873 990	390 250	44.7	855 644	97.9	1 019 318	488 350
23	Police	80 984 851	38 921 817	48.1	80 984 836	100.0	86 761 128	42 109 706
24	Agriculture, Forestry and Fisheries	6 514 965	3 370 408	51.7	6 490 827	99.6	6 847 034	3 432 943
25	Economic Development	674 661	341 260	50.6	665 083	98.6	914 237	423 294
26	Energy	7 550 556	4 667 008	61.8	7 512 842	99.5	8 145 422	4 394 854
27	Environmental Affairs	6 425 101	2 708 633	42.2	6 380 971	99.3	6 848 214	2 624 951
28	Labour	2 842 877	1 406 093	49.5	2 761 585	97.1	3 055 821	1 330 203
29	Mineral Resources	1 669 077	917 784	55.0	1 661 101	99.5	1 779 449	948 201
30	Science and Technology	7 428 996	5 101 856	68.7	7 383 594	99.4	7 557 229	3 184 519
31	Small Business Development	1 318 439	617 810	46.9	1 197 041	90.8	1 475 670	699 381.00
32	Telecommunications and Postal Services	2 417 412	1 379 362	57.1	2 075 692	85.9	5 174 377	732 612
33	Tourism	2 009 516	1 007 050	50.1	1 919 646	95.5	2 140 156	1 182 082
34	Trade and Industry	10 389 517	4 539 516	43.7	10 349 396	99.6	9 343 187	3 797 185
35	Transport	56 285 854	25 534 113	45.4	56 403 659	100.2	59 795 180	27 641 822
36	Water and Sanitation	15 524 597	7 371 163	47.5	15 635 438	100.7	15 607 449	6 961 733
37	Arts and Culture	4 062 572	1 976 252.00	48.6	3 957 467	97.4	4 371 738	2 052 704
38	Human Settlements	30 696 356	13 029 754	42.4	30 587 231	99.6	33 477 701	13 063 652
39	Rural Development and Land Reform	10 124 345	4 310 029	42.6	10 066 999	99.4	10 184 240	3 771 605
40	Sport and Recreation South Africa	1 026 600	485 817	47.3	1 023 622	99.7	1 066 564	474 550
Total		723 132 353	354 222 038	49.0	716 833 135	99.1	781 536 602	373 382 356

Table 9: Expenditure outcome for 2016/17 and actual expenditure for 2017/18 (continued)

	2016/17					2017/18		
	Audited outcome					Actual expenditure		
R thousand	Adjusted appropriation	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted appropriation	Adjusted appropriation	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation
Plus:								
Total direct charges against the National Revenue Fund	589 792 956	289 500 467	49.1	588 652 576	99.8	636 063 844	312 829 651	49.2
President and Deputy President salaries (The Presidency)	6 035	2 917	48.3	5 713	94.7	6 373	2 796	43.9
Members' remuneration (Parliament)	529 798	–	0.0	436 488	82.4	556 288	–	0.0
Debt-service costs (National Treasury)	147 689 225	71 684 052	48.5	146 496 697	99.2	163 347 935	78 626 155	48.1
Provincial equitable share (National Treasury)	410 698 585	205 349 310	50.0	410 698 585	100.0	441 331 122	220 665 568	50.0
General fuel levy sharing with metropolitan municipalities (National Treasury)	11 223 831	3 741 276	33.3	11 223 830	100.0	11 785 023	3 928 341	33.3
National Revenue Fund payments (National Treasury)	1 221 393	231 434	18.9	1 778 016	145.6	249 969	249 969	100.0
Skills levy and sector education and training authorities (Higher Education and Training)	15 462 170	7 127 910	46.1	15 233 009	98.5	15 770 554	7 953 809	50.4
Magistrates' salaries (Justice and Constitutional Development)	2 010 162	886 902	44.1	1 845 713	91.8	2 040 520	924 591	45.3
Judges' salaries (Office of the Chief Justice and Judicial Administration)	950 057	476 666	50.2	930 704	98.0	966 060	478 422	49.5
International Oil Pollution Compensation Fund (Transport)	1 700	–	0.0	3 821	224.8	10 000	–	0.0
Total	1 312 925 309	643 722 505	49.0	1 305 485 711	99.4	1 417 600 446	686 212 007	48.4
Economic classification								
Current payments								
Compensation of employees	148 253 807	72 251 750	48.7	147 114 270	99.2	155 732 737	77 003 899	49.4
Goods and services	65 050 111	29 449 003	45.3	62 987 357	96.8	66 064 462	25 785 596	39.0
Interest and rent on land	147 805 097	71 713 440	48.5	146 613 016	99.2	163 483 030	78 697 338	48.1
Total current payments	361 109 015	173 414 193	48.0	356 714 643	98.8	385 280 229	181 486 834	47.1
Transfers and subsidies								
Provinces and municipalities	606 521 418	290 715 501	47.9	604 387 336	99.6	650 938 696	313 775 892	48.2
Departmental agencies and accounts	100 938 246	55 814 727	55.3	100 094 997	99.2	104 323 869	57 246 694	54.9
Higher education institutions	30 064 951	20 949 610	69.7	30 203 934	100.5	31 595 837	23 520 029	74.4
Foreign governments and international organisations	2 551 251	814 745	31.9	2 550 991	100.0	1 962 600	1 424 267	72.6
Public corporations and private enterprises	33 353 339	15 833 596	47.5	33 880 069	101.6	37 467 888	14 835 991	39.6
Non-profit institutions	3 909 116	1 539 039	39.4	3 897 823	99.7	4 199 249	1 603 791	38.2
Households	153 262 121	74 058 632	48.3	151 907 101	99.1	166 747 178	81 083 142	48.6
Total transfers and subsidies	930 600 442	459 725 850	49.4	926 922 251	99.6	997 235 317	493 489 806	49.5
Payments for capital assets								
Buildings and other fixed structures	10 775 046	4 676 245	43.4	10 798 331	100.2	10 668 504	4 114 244	38.6
Machinery and equipment	4 283 790	867 399	20.2	3 703 477	86.5	4 702 548	1 361 801	29.0
Heritage assets	2 000	–	0.0	8	0.4	146 525	28 702	19.6
Specialised military assets	7 553	11 454	151.6	7 553	100.0	1 743	135	7.7
Biological assets	10 211	4 777	46.8	7 242	70.9	17 712	1 934	10.9
Land and subsoil assets	4 406	15 829	359.3	104 403	2 369.6	–	15 736	–
Software and other intangible assets	152 644	32 447	21.3	558 636	366.0	192 871	93 132	48.3
Total payments for capital assets	15 235 650	5 608 151	36.8	15 179 650	99.6	15 729 903	5 615 684	35.7
Total payments for financial assets	5 980 202	4 974 311	83.2	6 669 167	111.5	19 354 997	5 619 683	29.0
Total	1 312 925 309	643 722 505	49.0	1 305 485 711	99.4	1 417 600 446	686 212 007	48.4

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

Table 10: Departmental receipts per vote

Vote number and title		2016/17				2017/18			
		Audited outcome				Actual receipts			
		Apr 16 - Sep 16 % of adjusted estimate	Apr 16 - Mar 17 % of adjusted estimate	Apr 16 - Mar 17 % of adjusted estimate	Apr 16 - Mar 17 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 17 - Sep 17 % of adjusted estimate	Apr 17 - Sep 17 % of adjusted estimate
R thousand	Adjusted estimate	Apr 16 - Sep 16	adjusted estimate	Apr 16 - Mar 17	adjusted estimate	Budget estimate	Adjusted estimate	Apr 17 - Sep 17	adjusted estimate
1 The Presidency	1 069	593	55.5	1 365	127.7	368	1 046	824	78.8
2 Parliament ¹	36 066	–	0.0	29 015	80.4	19 182	19 182	–	0.0
3 Communications	1 026 751	852 752	83.1	1 171 168	114.1	1 036 565	1 036 995	541 224	52.2
4 Cooperative Governance and Traditional Affairs	1 165	940	80.7	23 451	2 013.0	1 261	1 875	1 102	58.8
5 Home Affairs	962 325	608 194	63.2	1 099 536	114.3	1 071 205	1 077 037	309 925	28.8
6 International Relations and Cooperation	24 340	19 354	79.5	29 000	119.1	38 464	38 464	17 172	44.6
7 National Treasury	19 852 759	15 342 199	77.3	19 191 857	96.7	19 688 655	20 821 329	10 613 027	51.0
8 Planning, Monitoring and Evaluation	602	426	70.8	1 215	201.8	244	1 530	1 006	65.8
9 Public Enterprises	1 083	40	3.7	5 213	481.3	105	1 161	101	8.7
10 Public Service and Administration	653	139	21.3	757	115.9	687	740	311	42.0
11 Public Works	2 764	1 834	66.4	14 608	528.5	1 384	1 809	1 291	71.4
12 Statistics South Africa	3 207	1 616	50.4	8 580	267.5	1 219	1 825	1 292	70.8
13 Women	306	281	91.8	576	188.2	36	40	14	35.0
14 Basic Education	16 001	7 823	48.9	15 521	97.0	7 742	15 189	9 062	59.7
15 Higher Education and Training	37 883	30 204	79.7	25 549	67.4	12 184	29 065	15 810	54.4
16 Health	69 125	34 548	50.0	59 233	85.7	8 112	59 524	54 361	91.3
17 Social Development	49 416	199	0.4	77 546	156.9	88 698	29 964	713	2.4
18 Correctional Services	130 978	66 840	51.0	147 484	112.6	132 231	148 798	84 551	56.8
19 Defence and Military Veterans	842 710	519 118	61.6	1 387 310	164.6	1 051 761	1 051 761	309 494	29.4
20 Independent Police Investigative Directorate	307	222	72.3	285	92.8	201	218	88	40.4
21 Justice and Constitutional Development	460 254	185 877	40.4	371 360	80.7	390 346	397 717	163 018	41.0
22 Office of the Chief Justice and Judicial Administration	784	499	63.6	929	118.5	796	1 869	1 565	83.7
23 Police	497 993	269 285	54.1	756 016	151.8	356 004	588 521	352 118	59.8
24 Agriculture, Forestry and Fisheries	227 198	108 582	47.8	202 706	89.2	241 533	246 223	129 956	52.8
25 Economic Development	908 376	202 714	22.3	137 336	15.1	921 338	321 338	117 647	36.6
26 Energy	5 975	3 546	59.3	956 905	16 015.1	6 054	6 002	2 873	47.9
27 Environmental Affairs	28 294	14 719	52.0	21 180	74.9	20 747	32 733	22 404	68.4
28 Labour	12 866	6 433	50.0	11 702	91.0	11 606	17 168	9 998	58.2
29 Mineral Resources	30 157	18 859	62.5	38 072	126.2	29 733	40 250	19 740	49.0
30 Science and Technology	7 000	5 725	81.8	8 199	117.1	242	8 189	4 095	50.0
31 Small Business Development	50	24	48.0	88	176.0	55	210	168	80.0
32 Telecommunications and Postal Services	559 537	559 413	100.0	831 411	148.6	508 090	654 413	653 467	99.9
33 Tourism	5 274	4 667	88.5	5 321	100.9	1 833	1 756	843	48.0
34 Trade and Industry	82 155	47 601	57.9	98 092	119.4	69 000	68 521	29 081	42.4
35 Transport	276 607	25 723	9.3	290 260	104.9	295 589	270 440	873	0.3
36 Water and Sanitation	20 874	17 123	82.0	20 964	100.4	14 146	7 386	4 201.000	56.9
37 Arts and Culture	2 342	1 031	44.0	1 262	53.9	1 940	1 288	436	33.9
38 Human Settlements	764	339	44.4	539	70.5	235	452	229	50.7
39 Rural Development and Land Reform	95 812	25 831	27.0	89 761	93.7	61 022	98 619	36 807	37.3
40 Sport and Recreation South Africa	92	46	50.0	97	105.4	295	170	43	25.3
Subtotal departmental receipts as per Adjusted Estimates of National Expenditure	26 281 914	18 985 359	72.2	27 131 469	103.2	26 090 908	27 100 817	13 510 930	49.9
Less: Parliament (retained departmental receipts)	36 066	–	0.0	29 015	80.4	19 182	19 182	–	0.0
Plus: South African Revenue Services	4 877 635	2 314 451	47.5	5 913 366	121.2	6 808 234	7 598 339	7 598 339	100.0
<i>Of which:</i>									
Mineral and petroleum royalties	4 840 206	2 292 829	47.4	5 801 670	119.9	6 688 384	7 408 901	7 408 901	100.0
Mining leases and ownership	37 429	21 622	57.8	111 696	298.4	119 850	189 438	189 438	100.0
Total departmental receipts	31 123 483	21 299 810	68.4	33 015 820	106.1	32 879 960	34 679 974	21 109 269	60.9

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 10.1: Departmental receipts per economic classification

	2016/17					2017/18			
	Adjusted estimate	Audited outcome				Actual receipts			
		Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted estimate	Budget estimate	Adjusted estimate	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate
Departmental receipts									
Tax receipts	4 000	1 781	44.5	4 862	121.6	5 200	4 800	1 734	36.1
Sales of goods and services other than capital assets	2 124 044	1 292 315	60.8	2 590 150	121.9	2 109 206	2 305 201	985 818	42.8
Transfers received	235 398	93 198	39.6	447 606	190.1	541 236	556 147	12 597	2.3
Fines, penalties and forfeits	1 217 764	332 710	27.3	419 007	34.4	1 174 662	591 688	257 587	43.5
Interest, dividends and rent on land	5 053 364	2 105 539	41.7	5 299 598	104.9	4 894 138	4 078 642	2 200 576	54.0
Sales of capital assets	171 304	84 689	49.4	148 237	86.5	83 742	145 999	92 414	63.3
Financial transactions in assets and liabilities	17 476 040	15 075 127	86.3	18 222 009	104.3	17 282 724	19 418 339	9 960 204	51.3
Subtotal departmental receipts as per Adjusted Estimates of National Expenditure	26 281 914	18 985 359	72.2	27 131 469	103.2	26 090 908	27 100 817	13 510 930	49.9

Information contained in each chapter

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

Adjusted budget summary

R thousand	2017/18			
	Main 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 by main economic classification for the current financial year in the Appropriation Act (2017), in terms of the main Budget process.

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

Decrease and **Increase** shows the 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 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 reflecting the payments as expenditure, rather than as financing, is because the purpose of the transaction is not profit oriented. This row is shown only in votes where such payments have been budgeted for. Payments for theft and losses are 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 that is not budgeted for in any programme in a particular vote. Hence it is shown as a separate item and is not contained in the Adjustments Appropriation Bill.

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

Vote purpose

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

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2017/18 as published in the 2017 ENE	Achieved in the first six months of 2017/18 (April to September)	Changed target for 2017/18

Managing, monitoring and measuring performance are integral to improving service delivery. The table¹⁰ shows what a department has achieved in the first six months of the current financial year, compared to what it projected for the year.

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

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

Projected for 2017/18 as published in the 2017 ENE shows what the department projected it would achieve for the current financial year.

Achieved in the first six months of 2017/18 shows what the department has actually achieved in the first half of the current financial year.

Changed target for 2017/18 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 2017 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.

¹⁰ 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. It does, however, contain key performance indicators linked to the department's budget and to government's performance management system, annual performance plans and ministerial service delivery agreements.

Adjusted Estimates of National Expenditure 2017

Programme	2017/18							Adjusted appropriation
	Main 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 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 (2017), in terms of the main 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 main 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** 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 2017 Budget speech for future allocation, expenditure in terms of section 16 of the PFMA, 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 and the total adjustments appropriation.

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

Details of adjustments to the Estimates of National Expenditure 2017

This section gives explanations by programme for:

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

Virements and shifts within votes

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
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		
			Programme number		
			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.					

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

In terms of the PFMA¹¹, the Treasury Regulations¹¹, the Appropriation Act (2017)¹¹, and the Adjustments Appropriation Bill (2017)¹¹, the following virements and shifts require approval from National Treasury. Those which:

- increase the funds appropriated for transfers and subsidies to other institutions
- increase funds appropriated for compensation of employees
- introduce a new transfer to other institutions
- use funds appropriated for transfers and subsidies, provided that the funds are used within the same programme
- 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 the National Treasury in the allocation letter for a specific purpose for other purposes
- use funds appropriated for payments for capital assets.

The following virements and shifts can be approved only by the legislature¹¹. Those which:

- use funds appropriated for items specifically and exclusively earmarked in an appropriation act
- use funds totalling more than 8 per cent of the amount appropriated for a programme. (Shifts between different segments within a programme do not affect the overall amount appropriated for a programme; only virements from a programme effectively reduce a programme budget.)
- use funds appropriated for compensation of employees that cannot be approved by National Treasury
- use funds appropriated as transfers and subsidies 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 2017 Budget speech for future allocation, expenditure in terms of section 16 of the PFMA, 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).

¹¹ Section 43 of the PFMA, read in conjunction with Treasury Regulation 6.3, section 5 of the Appropriation Act (2017), and section 5 of the Adjustments Appropriation Bill (2017).

Expenditure outcome for 2016/17 and actual expenditure for 2017/18

Programme	2016/17 Audited outcome					2017/18 Actual expenditure			
	Adjusted appropriation	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted appropriation
R thousand									
1. Programme name									
Subtotal									
Direct charge against the National Revenue Fund									
Item									
Total									
Economic classification									
Current payments									
Economic classification item									
Transfers and subsidies									
Economic classification item									
Payments for capital assets									
Economic classification item									
Payments for financial assets									
Total									

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

2016/17 Audited outcome shows the outcome for the previous financial year.

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

Apr 16 to Sep 16 shows the expenditure outcome for the first six months of the previous financial year.

Apr 16 to Sep 16 % 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 16 to Mar 17 shows the expenditure outcome for the previous financial year.

Apr 16 to Mar 17 % of adjusted appropriation shows the expenditure outcome for the previous financial year as a percentage of the adjusted appropriation for that year.

2017/18 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 what proportion the adjusted budget for a specific segment comprises of the total vote's 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 17 to Sep 17 shows the actual expenditure for the first six months of the current financial year.

Apr 17 to Sep 17 % 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 2017/18

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 full-year expenditure as tabled in the main Budget.

Where functions have shifted between votes subsequent to the publication of the 2016 Adjusted Estimates of National Expenditure, the information in this publication may not be strictly comparable with information published last year.

Departmental receipts

R thousand	2016/17					2017/18				
	Adjusted estimate	Audited outcome				Budget estimate	Actual receipts			
		Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	Apr 16 - Mar 17	Apr 16 - Mar 17 % of adjusted estimate		Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 17 - Sep 17	Apr 17 - Sep 17 % of adjusted estimate
Departmental receipts										
Economic classification item										
National Revenue Fund receipts										
Economic classification item										
Total										

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

2016/17 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 16 to Sep 16 shows the receipts outcome for the first six months of the previous financial year.

Apr 16 to Sep 16 % 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 16 to Mar 17 shows the receipts outcome for the previous financial year.

Apr 16 to Mar 17 % of adjusted estimate shows the receipts outcome for the previous financial year as a percentage of the adjusted estimate for that year.

2017/18 Actual receipts shows the preliminary receipts outcome for the current financial year.

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

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

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

Apr 17 to Sep 17 shows the preliminary receipts outcome for the first six months of the current financial year.

Apr 17 to Sep 17 % 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 2017/18

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 main Budget.

Where functions have shifted between votes subsequent to the publication of the 2016 Adjusted Estimates of National Expenditure, 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

R thousand	Main appropriation	2017/18 Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
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	Main appropriation	2017/18 Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Programme name								
Conditional grant name								

Summary of changes to conditional grants: Local government

R thousand	Main appropriation	2017/18 Adjustments appropriation						Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
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 per programme and by economic classification for the current financial year in the Appropriation Act (2017), in terms of the main 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 when the main Budget was being finalised.

Virements and shifts:

- **Virements** are the use of unspent funds from amounts appropriated under one programme (main division) to defray excess expenditure under another programme (main division) within the same vote.
- **Shifts within votes** 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 2017 Budget speech for future allocation, expenditure in terms of section 16 of the PFMA, 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 and the total adjustments appropriation.

