

# C

## Technical annexure

### ■ Main budget expenditure ceiling

**Table C.1 Expenditure ceiling calculations**

R million	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Non-interest expenditure</b>	<b>1 115 827</b>	<b>1 158 990</b>	<b>1 242 341</b>	<b>1 332 337</b>	<b>1 435 366</b>	<b>1 544 211</b>	<b>1 652 345</b>
<b>Technical adjustments</b>							
Skills development levy	-15 156	-15 233	-16 294	-17 312	-18 759	-20 437	-22 307
Eskom equity contribution	-23 000	-	-	-	-	-	-
New Development Bank	-2 019	-	-	-	-	-	-
Debt management and GFECRA <sup>1</sup> transactions	-682	-1 778	-587	-150	-	-	-
International Oil Pollution Compensation Fund	-	-	-6	-10	-10	-11	-12
<b>Expenditure ceiling</b>	<b>1 074 970</b>	<b>1 141 979</b>	<b>1 225 455</b>	<b>1 314 865</b>	<b>1 416 597</b>	<b>1 523 762</b>	<b>1 630 026</b>

1. Gold and Foreign Exchange Contingency Reserve Account (GFECRA)

Source: National Treasury

The expenditure ceiling differs slightly from the main budget non-interest expenditure due to technical adjustments. The ceiling excludes payments that are directly financed by dedicated revenue flows, and others not subject to policy oversight. These include:

- **Payments for financial assets, including recapitalisation of state-owned companies, financed by asset sales in the same financial year:** Funds allocated to equity investments financed from the sale of assets are deficit-neutral. The increases in associated spending levels are generally not financed through adjustments to departmental allocations. For example, in 2015/16, capital contributions of R25 billion to Eskom and the New Development Bank were financed from the sale of Vodacom shares. This transaction was deficit-neutral.
- **Payment transactions linked to the management of debt:** This includes premiums paid on the new loan issues, bond switches and buy-back transactions, revaluation profits or losses on government's foreign-exchange deposits at the Reserve Bank when used to meet government's foreign-currency position commitments, and realised profits and losses on the Gold and Foreign Exchange Contingency Reserve Account. These items relate to debt and currency transactions that are not financed through adjustments in departmental appropriations.
- **Direct charges that relate to specific payments made in terms of legislation that provides for the collection and transfer of such receipts outside of the main budget:** These include skills development levy contributions and the International Oil Pollution Compensation Fund. Skills development levy contributions are paid to the National Skills Fund and the sector education and training authorities. In general, the payment schedule to the National Skills Funds is revised to align it directly with anticipated receipts from the levy.

Table C.2 Main budget framework and financing requirements

MACROECONOMIC PROJECTIONS							
R billion/percentage change	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
Real GDP growth	0.6%	0.9%	1.3%	0.7%	1.9%	2.1%	2.4%
Nominal GDP growth	6.8%	6.9%	7.0%	6.9%	7.3%	7.8%	7.8%
CPI inflation	5.2%	6.3%	4.7%	5.4%	5.4%	5.6%	5.4%
<b>GDP at current prices (R billion)</b>	<b>4 127.0</b>	<b>4 412.7</b>	<b>4 721.0</b>	<b>5 045.6</b>	<b>5 413.3</b>	<b>5 833.7</b>	<b>6 290.5</b>
MAIN BUDGET FRAMEWORK							
R billion/percentage of GDP	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Revenue</b>							
Personal income tax	388.1	424.5	461.0	504.2	549.1	601.6	657.8
Corporate income tax	191.2	204.4	217.4	225.3	236.0	249.8	264.9
Value-added tax	281.1	289.2	298.0	328.1	367.6	397.7	430.2
Other tax revenue	125.3	141.2	149.8	161.6	171.7	186.1	200.2
Customs and excise duties	84.3	84.7	90.3	98.3	105.7	113.7	121.6
SACU transfers	-51.0	-39.4	-56.0	-48.3	-50.3	-61.1	-64.5
Non-tax revenue	42.9	19.0	19.3	18.6	19.1	20.1	21.1
National Revenue Fund receipts <sup>1</sup>	14.4	14.2	16.6	10.4	1.5	4.3	5.5
<b>Main budget revenue</b>	<b>1 076.2</b>	<b>1 137.9</b>	<b>1 196.4</b>	<b>1 298.3</b>	<b>1 400.3</b>	<b>1 512.2</b>	<b>1 636.8</b>
	26.1%	25.8%	25.3%	25.7%	25.9%	25.9%	26.0%
<b>Expenditure</b>							
Expenditure ceiling	1 075.0	1 142.0	1 225.5	1 314.9	1 416.6	1 523.8	1 630.0
<i>Baseline allocations</i>	1 075.0	1 142.0	1 225.5	1 314.9	1 409.6	1 515.8	1 618.0
<i>Contingency reserve</i>	–	–	–	–	7.0	8.0	12.0
Other non-interest expenditure <sup>2</sup>	40.9	17.0	16.9	17.5	18.8	20.4	22.3
<b>Non-interest expenditure</b>	<b>1 115.8</b>	<b>1 159.0</b>	<b>1 242.3</b>	<b>1 332.3</b>	<b>1 435.4</b>	<b>1 544.2</b>	<b>1 652.3</b>
Debt-service costs	128.8	146.5	162.6	181.1	202.5	221.7	247.2
<b>Main budget expenditure</b>	<b>1 244.6</b>	<b>1 305.5</b>	<b>1 405.0</b>	<b>1 513.4</b>	<b>1 637.9</b>	<b>1 766.0</b>	<b>1 899.6</b>
	30.2%	29.6%	29.8%	30.0%	30.3%	30.3%	30.2%
<b>Main budget balance</b>	<b>-168.4</b>	<b>-167.6</b>	<b>-208.6</b>	<b>-215.2</b>	<b>-237.6</b>	<b>-253.7</b>	<b>-262.7</b>
	-4.1%	-3.8%	-4.4%	-4.3%	-4.4%	-4.3%	-4.2%
<b>Primary balance</b>	<b>-39.6</b>	<b>-21.1</b>	<b>-45.9</b>	<b>-34.1</b>	<b>-35.0</b>	<b>-32.0</b>	<b>-15.5</b>
	-1.0%	-0.5%	-1.0%	-0.7%	-0.6%	-0.5%	-0.2%
BORROWING REQUIREMENT							
Main budget balance	-168.4	-167.6	-208.6	-215.2	-237.6	-253.7	-262.7
Redemptions	-32.0	-73.0	-28.4	-15.1	-78.3	-62.9	-64.2
<b>Gross borrowing requirement</b>	<b>-200.4</b>	<b>-240.6</b>	<b>-237.0</b>	<b>-230.3</b>	<b>-315.9</b>	<b>-316.6</b>	<b>-326.9</b>
	-4.9%	-5.5%	-5.0%	-4.6%	-5.8%	-5.4%	-5.2%
GOVERNMENT DEBT							
<b>Gross loan debt</b>	<b>2 019.0</b>	<b>2 232.9</b>	<b>2 489.7</b>	<b>2 817.7</b>	<b>3 038.4</b>	<b>3 349.6</b>	<b>3 679.9</b>
	48.9%	50.6%	52.7%	55.8%	56.1%	57.4%	58.5%
<b>Net loan debt</b>	<b>1 804.6</b>	<b>2 008.3</b>	<b>2 264.5</b>	<b>2 546.3</b>	<b>2 823.0</b>	<b>3 133.7</b>	<b>3 457.3</b>
	43.7%	45.5%	48.0%	50.5%	52.1%	53.7%	55.0%

1. Mainly revaluation profits on foreign-currency transactions and premiums on loan transactions

2. Technical adjustments explained in Table C.1

Source: National Treasury

### Southern African Customs Union revenue pool

Payments to the Southern African Customs Union (SACU) have been revised upwards by R4 billion in 2019/20 and R0.9 billion in 2020/21 compared with the 2018 Budget estimates. This reflects a larger common revenue pool in line with import growth and adjustments to estimates of GDP, population and

intra-SACU trade. The SACU revenue-sharing formula adjusts for forecast errors with a two-year lag. The projected 2019/20 SACU payments include the forecast error adjustment for 2017/18.

**Table C.3 Change to SACU common revenue pool since 2018 Budget**

R million	2018 Budget estimates		Revised estimates		Deviations	
	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Customs duties	52 601	57 259	54 025	58 926	1 424	1 666
Specific excise duties	40 652	42 803	40 023	42 165	-629	-638
Ad-valorem excise duties	4 188	4 492	4 300	4 613	112	121
<b>Common revenue pool</b>	<b>97 441</b>	<b>104 554</b>	<b>98 348</b>	<b>105 704</b>	<b>907</b>	<b>1 149</b>

Source: National Treasury

## **Fiscal framework assumptions for long-term main budget baseline**

The long-term debt outlook is developed using the same fiscal framework assumptions as used in the long-term main budget. These assumptions include the following:

- Unit tax elasticity in each year, which implies that revenue grows in line with nominal GDP. This tax elasticity is lower than in the 2018 Budget (1.05), due to weaker-than-expected revenue performance.
- Non-interest expenditure grows by CPI inflation plus 2 per cent, which is lower than in the 2018 Budget. Non-interest expenditure was previously assumed to grow at the same pace as nominal GDP. The assumption changes for two reasons: non-interest expenditure is assumed to grow slower than revenue to ensure fiscal sustainability, and the baseline allocations now grows by 6.8 per cent in 2021/22 (compared to 7.6 per cent in 2020/21). Compensation budgets are assumed to grow by 6.5 per cent, while non-discretionary current items and capital spending are assumed to grow at around CPI inflation plus 2 per cent.
- Beyond the medium term, average real GDP growth is assumed to be 2.7 per cent.

Table C.4 Tax revenue and tax bases

R million/percentage change	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
		Outcome		Estimate		Projections	
<b>Personal income tax</b>	<b>388 102</b>	<b>424 545</b>	<b>460 953</b>	<b>504 233</b>	<b>549 104</b>	<b>601 604</b>	<b>657 819</b>
<i>Wage bill</i> <sup>1</sup>	7.8%	7.9%	7.5%	6.8%	8.0%	8.6%	8.5%
<i>Buoyancy</i>	1.27	1.19	1.14	1.38	1.12	1.11	1.10
<b>Corporate income tax</b>	<b>191 152</b>	<b>204 432</b>	<b>217 412</b>	<b>225 331</b>	<b>235 979</b>	<b>249 792</b>	<b>264 918</b>
<i>Net operating surplus</i>	2.4%	5.4%	9.0%	5.3%	4.7%	5.8%	6.1%
<i>Buoyancy</i>	1.40	1.28	0.70	0.69	1.00	1.00	1.00
<b>Net value-added tax</b>	<b>281 111</b>	<b>289 167</b>	<b>297 998</b>	<b>328 088</b>	<b>367 583</b>	<b>397 670</b>	<b>430 240</b>
<i>Household consumption</i>	6.2%	7.1%	6.9%	6.6%	7.6%	7.9%	7.9%
<i>Buoyancy</i>	1.23	0.40	0.44	1.53	1.59	1.03	1.04
<b>Domestic VAT</b>	<b>297 422</b>	<b>321 475</b>	<b>336 279</b>	<b>377 375</b>	<b>405 975</b>	<b>438 211</b>	<b>472 794</b>
<i>Household consumption</i>	6.2%	7.1%	6.9%	6.6%	7.6%	7.9%	7.9%
<i>Buoyancy</i>	0.60	1.14	0.67	1.85	1.00	1.00	1.00
<b>Import VAT</b>	<b>150 745</b>	<b>149 265</b>	<b>152 789</b>	<b>170 712</b>	<b>186 199</b>	<b>203 011</b>	<b>219 105</b>
<i>Nominal imports</i>	3.0%	1.0%	2.7%	6.2%	9.1%	9.0%	7.9%
<i>Buoyancy</i>	3.45	-1.02	0.88	1.88	1.00	1.00	1.00
<b>VAT refunds</b>	<b>-167 056</b>	<b>-181 574</b>	<b>-191 071</b>	<b>-220 000</b>	<b>-224 591</b>	<b>-243 552</b>	<b>-261 660</b>
<i>Nominal exports</i>	3.9%	8.6%	2.6%	6.6%	7.5%	8.4%	7.4%
<i>Buoyancy</i>	0.79	1.01	1.98	2.30	0.28	1.00	1.00
<b>Customs duties</b>	<b>46 250</b>	<b>45 579</b>	<b>49 152</b>	<b>54 025</b>	<b>58 926</b>	<b>64 246</b>	<b>69 339</b>
<i>Nominal imports</i>	3.0%	1.0%	2.7%	6.2%	9.1%	9.0%	7.9%
<i>Buoyancy</i>	4.54	-1.51	2.91	1.59	1.00	1.00	1.00
<b>Specific excise duties</b>	<b>35 077</b>	<b>35 774</b>	<b>37 356</b>	<b>40 023</b>	<b>42 165</b>	<b>44 506</b>	<b>46 893</b>
<i>CPI inflation</i>	5.2%	6.3%	4.7%	5.4%	5.4%	5.6%	5.4%
<i>Buoyancy</i>	1.64	0.32	0.94	1.32	1.00	1.00	1.00
<b>Skills development levy</b>	<b>15 220</b>	<b>15 315</b>	<b>16 012</b>	<b>17 312</b>	<b>18 759</b>	<b>20 437</b>	<b>22 307</b>
<i>Private sector wage bill</i>	7.4%	7.7%	7.2%	6.4%	8.4%	9.0%	9.1%
<i>Buoyancy</i>	1.14	0.08	0.64	1.26	1.00	1.00	1.00
<b>Fuel levy</b>	<b>55 607</b>	<b>62 779</b>	<b>70 949</b>	<b>77 386</b>	<b>83 025</b>	<b>89 503</b>	<b>96 481</b>
<i>Nominal GDP</i>	6.8%	6.9%	7.0%	6.9%	7.3%	7.8%	7.8%
<i>Buoyancy</i>	2.18	1.86	1.86	1.32	1.00	1.00	1.00
<b>Ad-valorem excise duties</b>	<b>3 014</b>	<b>3 396</b>	<b>3 781</b>	<b>4 300</b>	<b>4 613</b>	<b>4 971</b>	<b>5 361</b>
<i>Nominal GDP</i>	6.8%	6.9%	7.0%	6.9%	7.3%	7.8%	7.8%
<i>Buoyancy</i>	0.26	1.83	1.62	2.00	1.00	1.00	1.00
<b>Other</b> <sup>2</sup>	<b>54 449</b>	<b>63 095</b>	<b>62 852</b>	<b>66 902</b>	<b>69 905</b>	<b>76 147</b>	<b>81 423</b>
<i>Nominal GDP</i>	6.8%	6.9%	7.0%	6.9%	7.3%	7.8%	7.8%
<i>Buoyancy</i>	1.76	2.29	-0.06	0.94	0.62	1.15	0.88
<b>Gross tax</b>	<b>1 069 983</b>	<b>1 144 081</b>	<b>1 216 464</b>	<b>1 317 600</b>	<b>1 430 058</b>	<b>1 548 878</b>	<b>1 674 781</b>
<i>Nominal GDP</i>	6.8%	6.9%	7.0%	6.9%	7.3%	7.8%	7.8%
<i>Buoyancy</i>	1.26	1.00	0.91	1.21	1.17	1.07	1.04

1. Total remuneration in the formal non-agriculture sector

2. Other includes dividend withholding tax, interest on overdue income tax, taxes on property, stamp duties and fees, air departure tax, electricity levy, plastic bag levy and all other minor taxes

Source: National Treasury

## 2017/18 outcomes and 2018/19 mid-year estimates

Table C.5 summarises national and provincial appropriated expenditure outcomes for 2017/18 and estimates for the first half of 2018/19. Details are presented in Tables C.6 and C.7.

National expenditure was R1.4 trillion in 2017/18, R8.1 billion lower than the adjusted budget estimate. This underspending was mainly driven by transfers and subsidies, and goods and services. Spending on capital assets was also lower than the adjusted budget estimate. Provincial expenditure in 2017/18 amounted to R556.1 billion or 99 per cent of the 2017/18 original budget estimate.

Expenditure by provinces amounted to R239.4 billion in the first five months of 2018/19, representing 40.5 per cent of the original budget for the year. Provinces are primarily responsible for the delivery of social services including basic education and health. Compensation of employees is the largest spending item in provincial budgets, accounting for 61.5 per cent of spending in the first five months of 2018/19.

**Table C.5 National and provincial expenditure outcomes and mid-year estimates**

	2017/18				2018/19		
	Original budget	Adjusted estimate	Audited outcome	Over(-)/under(+)	Original budget	Adjusted estimate <sup>1</sup>	Actual spending April to September <sup>2</sup>
<b>R billion</b>							
<b>National appropriation</b>	<b>767.0</b>	<b>781.5</b>	<b>768.8</b>	<b>12.7</b>	<b>814.5</b>	<b>831.6</b>	<b>390.7</b>
<b>Direct charges</b>	<b>636.2</b>	<b>636.1</b>	<b>636.1</b>	<b>-0.1</b>	<b>683.7</b>	<b>685.1</b>	<b>336.7</b>
Debt-service costs	162.4	163.3	162.6	0.7	180.1	181.1	87.3
Provincial equitable share	441.3	441.3	441.3	–	470.3	470.3	235.1
Other direct charges	32.5	31.4	32.2	-0.8	33.3	33.7	14.3
<b>National votes</b>	<b>1 403.2</b>	<b>1 417.6</b>	<b>1 405.0</b>	<b>12.6</b>	<b>1 498.2</b>	<b>1 516.6</b>	<b>727.4</b>
<i>of which:</i>							
<i>Compensation of employees</i>	154.7	155.7	156.3	-0.6	163.6	163.6	80.2
<i>Goods and services</i>	65.7	66.2	64.6	1.5	65.9	69.0	27.0
<i>Transfers and subsidies</i>	999.1	997.1	987.0	10.1	1 069.5	1 072.8	527.5
<i>Payments for capital assets</i>	15.8	15.7	15.2	0.5	14.3	16.3	5.0
<i>Payments for financial assets</i>	5.4	19.4	19.0	0.3	4.6	13.8	0.3
Provisional allocation for contingencies not assigned to votes	–	–	–	–	6.0	–	–
Contingency reserve	6.0	–	–	–	8.0	–	–
Projected underspending	–	-4.5	–	-4.5	–	-3.2	–
<b>Main budget expenditure</b>	<b>1 409.2</b>	<b>1 413.1</b>	<b>1 405.0</b>	<b>8.1</b>	<b>1 512.2</b>	<b>1 513.4</b>	<b>727.4</b>
<b>Provincial expenditure</b>	<b>551.9</b>	<b>561.8</b>	<b>556.1</b>	<b>5.8</b>	<b>591.5</b>	<b>n/a</b>	<b>239.4</b>
<i>of which:</i>							
<i>Compensation of employees</i>	336.0	334.8	334.1	0.7	361.1	n/a	147.3
<i>Transfers and subsidies</i>	74.7	71.1	75.3	-4.2	71.7	n/a	31.7
<i>Payments for capital assets</i>	35.3	42.0	34.9	7.1	39.7	n/a	11.7

1. Provinces will table adjusted estimates during November 2018

2. Provincial expenditure as at 31 August 2018

Source: National Treasury

Table C.6 Expenditure by vote

	2017/18				2018/19		
	Main budget	Adjusted budget	Audited outcome	Over(-)/ Under(+)	Main budget	Adjusted budget	Actual spending April to September
<b>R million</b>							
1 The Presidency	495	501	482	20	506	506	215
2 Parliament	1 712	1 712	1 712	–	1 873	1 873	–
3 Communication	1 425	1 428	1 419	9	1 513	1 516	703
4 Cooperative Governance and Traditional Affairs	78 414	78 464	76 362	2 102	83 652	85 037	33 820
5 Home Affairs	7 056	8 402	8 402	1	7 915	9 047	4 260
6 International Relations and Cooperation	6 575	6 408	5 997	411	6 553	6 553	3 163
7 National Treasury	30 799	40 484	39 792	692	29 358	29 710	11 132
8 Planning, Monitoring and Evaluation	923	898	867	32	927	958	389
9 Public Enterprises	267	267	250	16	274	6 523	102
10 Public Service and Administration	897	877	857	20	957	951	423
11 Public Works	7 038	6 985	6 927	58	7 453	7 483	3 658
12 Statistics South Africa	2 146	2 178	2 196	-18	2 272	2 272	1 038
13 Women	206	206	205	1	230	230	103
14 Basic Education	23 409	22 994	22 932	62	22 722	23 700	13 591
15 Higher Education and Training	52 308	52 308	52 296	12	73 021	73 124	53 309
16 Health	42 626	42 646	42 425	221	47 143	47 508	22 780
17 Social Development	160 708	160 358	159 397	961	172 902	172 822	84 982
18 Correctional Services	22 814	22 815	22 789	26	23 849	23 849	10 902
19 Defence and Military Veterans	48 619	49 000	48 977	22	47 950	48 496	22 157
20 Independent Police Investigative Directorate	255	255	255	0	315	315	137
21 Justice and Constitutional Development	16 787	16 787	16 607	180	17 049	17 459	7 921
22 Office of the Chief Justice and Judicial Administration	1 019	1 019	998	22	1 120	1 120	468
23 Police	87 025	86 761	86 605	156	91 834	91 684	44 029
24 Agriculture, Forestry and Fisheries	6 807	6 847	6 728	119	7 165	7 733	3 754
25 Economic Development	797	914	912	2	1 073	1 073	500
26 Energy	8 113	8 145	7 945	201	7 045	7 164	3 054
27 Environmental Affairs	6 848	6 848	6 590	258	7 113	7 431	2 785
28 Labour	3 066	3 056	2 844	212	3 295	3 283	1 402
29 Mineral Resources	1 779	1 779	1 777	3	1 891	1 891	1 011
30 Science and Technology	7 557	7 557	7 490	68	7 790	7 958	4 601
31 Small Business Development	1 450	1 476	1 459	16	1 488	1 488	731
32 Telecommunications and Postal Services	1 614	5 174	4 892	282	923	4 007	558
33 Tourism	2 140	2 140	2 134	6	2 262	2 262	1 456
34 Trade and Industry	9 275	9 343	9 248	95	9 463	9 532	3 414
35 Transport	59 795	59 795	54 671	5 124	59 798	59 831	22 147
36 Water and Sanitation	15 107	15 607	15 106	501	15 572	16 874	7 142
37 Arts and Culture	4 450	4 372	4 141	230	4 372	4 339	2 048
38 Human Settlements	33 464	33 478	33 370	107	32 356	32 456	12 201
39 Rural Development and Land Reform	10 184	10 184	9 730	454	10 425	10 425	4 183
40 Sport and Recreation South Africa	1 067	1 067	1 060	6	1 091	1 091	463
<b>Total appropriation by vote</b>	<b>767 038</b>	<b>781 537</b>	<b>768 845</b>	<b>12 691</b>	<b>814 509</b>	<b>831 572</b>	<b>390 732</b>

Table C.6 Expenditure by vote (continued)

	2017/18				2018/19		
	Main budget	Adjusted budget	Audited outcome	Over(-)/ Under(+)	Main budget	Adjusted budget	Actual spending April to September
<b>R million</b>							
<b>Total appropriation by vote</b>	<b>767 038</b>	<b>781 537</b>	<b>768 845</b>	<b>12 691</b>	<b>814 509</b>	<b>831 572</b>	<b>390 732</b>
Plus:							
<b>Direct charges against the National Revenue Fund</b>							
President and Deputy President salary (The Presidency)	6	6	6	1	7	7	3
Members' remuneration (Parliament)	556	556	556	–	493	493	–
Debt-service costs (National Treasury)	162 353	163 348	162 645	703	180 124	181 099	87 285
Provincial equitable share (National Treasury)	441 331	441 331	441 331	–	470 287	470 287	235 143
General fuel levy sharing with metropolitan municipalities (National Treasury)	11 785	11 785	11 785	–	12 469	12 469	4 156
National Revenue Fund payments (National Treasury) <sup>1</sup>	388	250	587	-337	135	150	150
Skills levy and sector education and training authorities (Higher Education and Training)	16 641	15 771	16 294	-523	16 929	17 312	8 440
Magistrates' salaries (Justice and Constitutional Development)	2 141	2 041	1 933	107	2 216	2 216	995
Judges' salaries (Office of the Chief Justice and Judicial Administration)	966	966	998	-32	1 022	1 022	507
International Oil Pollution Compensation Fund (Transport)	10	10	6	4	10	10	–
<b>Total direct charges against the National Revenue Fund</b>	<b>636 178</b>	<b>636 064</b>	<b>636 141</b>	<b>-77</b>	<b>683 691</b>	<b>685 064</b>	<b>336 679</b>
Provisional allocation for contingencies not assigned to votes	–	–	–	–	6 000	–	–
Contingency reserve	6 000	–	–	–	8 000	–	–
National government projected underspending	–	-3 000	–	-3 000	–	-2 700	–
Local government repayment to the National Revenue Fund	–	-1 500	–	-1 500	–	-500	–
<b>Total</b>	<b>1 409 215</b>	<b>1 413 100</b>	<b>1 404 986</b>	<b>8 115</b>	<b>1 512 200</b>	<b>1 513 436</b>	<b>727 411</b>

1. National Revenue Fund payments previously classified as extraordinary payments

Source: National Treasury

Table C.7 Expenditure by province

	2017/18					2018/19	
	Main budget	Adjusted budget	Audited outcome	Over(-)/ Under(+)	Deviation from adjusted budget	Main budget	Actual spending April to August
<b>R million</b>							
<b>Eastern Cape</b>	<b>74 462</b>	<b>75 344</b>	<b>74 630</b>	<b>715</b>	<b>0.9%</b>	<b>78 434</b>	<b>33 055</b>
Education	32 989	33 021	32 808	213	0.6%	34 772	14 740
Health	21 707	22 337	22 273	64	0.3%	23 700	10 783
Social Development	2 633	2 642	2 516	126	4.8%	2 837	1 116
Other functions	17 133	17 345	17 033	312	1.8%	17 126	6 416
<b>Free State</b>	<b>32 898</b>	<b>33 162</b>	<b>33 004</b>	<b>157</b>	<b>0.5%</b>	<b>34 877</b>	<b>15 308</b>
Education	12 739	12 960	12 991	-31	-0.2%	13 579	6 291
Health	9 775	9 737	9 802	-65	-0.7%	10 403	4 273
Social Development	1 172	1 197	1 142	55	4.6%	1 266	519
Other functions	9 212	9 268	9 070	198	2.1%	9 629	4 225
<b>Gauteng</b>	<b>108 762</b>	<b>112 459</b>	<b>110 845</b>	<b>1 614</b>	<b>1.4%</b>	<b>121 359</b>	<b>48 463</b>
Education	40 844	41 672	41 414	258	0.6%	45 221	18 389
Health	40 207	42 193	42 013	179	0.4%	46 429	19 939
Social Development	4 442	4 586	4 482	104	2.3%	4 983	1 724
Other functions	23 269	24 008	22 936	1 073	4.5%	24 726	8 412
<b>KwaZulu-Natal</b>	<b>115 258</b>	<b>116 941</b>	<b>116 250</b>	<b>691</b>	<b>0.6%</b>	<b>122 492</b>	<b>48 770</b>
Education	47 477	48 240	48 316	-76	-0.2%	50 904	20 651
Health	39 548	39 930	39 911	19	0.0%	42 348	17 832
Social Development	3 041	2 986	2 916	70	2.3%	3 288	1 305
Other functions	25 192	25 784	25 106	678	2.6%	25 952	8 982
<b>Limpopo</b>	<b>61 459</b>	<b>62 616</b>	<b>62 026</b>	<b>590</b>	<b>0.9%</b>	<b>65 373</b>	<b>27 207</b>
Education	28 783	29 030	29 020	10	0.0%	30 608	12 343
Health	18 043	18 606	18 387	219	1.2%	19 511	8 733
Social Development	1 821	1 829	1 817	12	0.7%	1 987	787
Other functions	12 812	13 151	12 801	350	2.7%	13 268	5 344
<b>Mpumalanga</b>	<b>44 537</b>	<b>45 110</b>	<b>44 718</b>	<b>392</b>	<b>0.9%</b>	<b>48 107</b>	<b>19 915</b>
Education	19 323	19 497	19 284	213	1.1%	20 973	8 498
Health	12 020	12 160	12 083	77	0.6%	13 278	5 804
Social Development	1 456	1 484	1 474	10	0.7%	1 552	626
Other functions	11 738	11 969	11 877	91	0.8%	12 304	4 988
<b>Northern Cape</b>	<b>16 065</b>	<b>16 744</b>	<b>16 594</b>	<b>151</b>	<b>0.9%</b>	<b>17 124</b>	<b>7 133</b>
Education	5 858	5 896	6 006	-110	-1.9%	6 417	2 731
Health	4 434	4 630	4 567	63	1.4%	4 735	2 089
Social Development	819	870	839	31	3.6%	871	322
Other functions	4 954	5 348	5 181	167	3.1%	5 101	1 990
<b>North West</b>	<b>39 081</b>	<b>39 592</b>	<b>38 654</b>	<b>937</b>	<b>2.4%</b>	<b>41 072</b>	<b>15 574</b>
Education	15 282	15 274	15 072	203	1.3%	16 184	6 324
Health	10 461	10 600	10 303	297	2.8%	11 154	4 378
Social Development	1 533	1 525	1 472	53	3.5%	1 609	618
Other functions	11 806	12 192	11 807	385	3.2%	12 126	4 255
<b>Western Cape</b>	<b>59 398</b>	<b>59 857</b>	<b>59 330</b>	<b>527</b>	<b>0.9%</b>	<b>62 705</b>	<b>23 944</b>
Education	20 630	20 723	20 567	156	0.8%	22 193	8 745
Health	21 680	21 686	21 496	190	0.9%	23 064	8 860
Social Development	2 107	2 111	2 104	6	0.3%	2 242	951
Other functions	14 981	15 338	15 163	174	1.1%	15 206	5 388
<b>Total</b>	<b>551 920</b>	<b>561 826</b>	<b>556 052</b>	<b>5 775</b>	<b>1.0%</b>	<b>591 544</b>	<b>239 369</b>
Education	223 924	226 313	225 478	836	0.4%	240 851	98 711
Health	177 875	181 880	180 836	1 043	0.6%	194 622	82 692
Social Development	19 024	19 231	18 763	468	2.4%	20 634	7 968
Other functions	131 096	134 402	130 974	3 428	2.6%	135 437	49 999

Source: National Treasury



## Major infrastructure projects planned and in progress

Table C.8 summarises infrastructure plans for the next three years across general government. These projects are in progress or planned for implementation. Over the 2019 MTEF period, total infrastructure spending is estimated to be R484.9 billion. These projects are financed at national, provincial and local government levels, or in public entities, as well as public investment in public-private partnerships.

**Table C.8 Major infrastructure projects in progress or planned**

R million	Project cost	2018/19	2019/20	2020/21	2021/22	2019 MTEF period
<b>National</b>	<b>133 366</b>	<b>15 300</b>	<b>15 500</b>	<b>15 800</b>	<b>16 600</b>	<b>47 900</b>
New York: Construction of Chancery	765	187	173	197	208	578
School infrastructure backlogs	13 912	1 321	1 170	829	874	2 873
Tertiary institutions infrastructure	35 185	2 688	2 839	2 981	3 141	8 961
University of Mpumalanga	2 743	639	666	701	738	2 105
Sol Plaatje University	1 565	362	378	401	423	1 203
Tshilidzini Hospital	2 301	48	50	–	–	50
Elim Hospital	1 870	50	50	–	–	50
Siloam Hospital	850	100	80	100	105	285
Dihlabeng Hospital	300	100	80	80	84	244
Soshanguve Hospital	1 100	30	30	50	53	133
National health insurance backlog	738	232	109	147	250	506
Bambisana Hospital	480	35	100	137	209	445
Zithulele Hospital	421	35	100	158	128	386
South African Military Health Training Centre	1 803	8	79	222	234	536
Military bases and units	878	96	110	127	545	782
Durban High Court	740	172	176	191	201	568
Soweto Magistrate Court	1 264	–	19	–	–	19
South African Police Service offices and accommodation	608	131	143	162	171	476
South African Police Service stations	2 558	606	628	645	680	1 952
Lichtenburg Correctional Centre	282	16	87	87	92	266
South African National Parks projects	1 283	61	63	66	69	197
Working for Tourism project	859	218	200	215	226	641
Liberation Heritage Route Programme	1 002	25	50	43	45	138
South African National Biodiversity Institute	306	67	76	80	84	239
Department of Trade and Industry Critical infrastructure programme	1 473	211	223	235	248	706
Special economic zones	3 719	1 300	1 457	1 537	1 620	4 615
Centurion Aerospace Village projects	407	15	16	17	18	52
Bambanana pipeline project	701	49	139	250	263	652
Nooitgedagt bulk water supply	646	117	218	151	160	529
Madibeng bulk water supply (phase 2)	427	80	70	135	142	347
Mametya Sekororo bulk water supply (phase 1)	284	50	70	80	84	234
Tokologo regional water supply (phase 2)	285	50	71	80	84	235
Mogalakwena bulk water supply (phase 1)	1 650	70	184	195	206	584
Masilonyana bulk water supply (phase 1)	290	15	70	100	105	275

**Table C.8 Major infrastructure projects in progress or planned (continued)**

R million	Project cost	2018/19	2019/20	2020/21	2021/22	2019 MTEF period
<b>National (continued)</b>	<b>133 366</b>	<b>15 300</b>	<b>15 500</b>	<b>15 800</b>	<b>16 600</b>	<b>47 900</b>
Mathjabeng bulk sewerage project (Welkom)	255	10	40	100	105	245
Welbedacht pipeline project	456	115	155	91	95	341
Bambanana pipeline project	701	49	139	250	263	652
Sedibeng bulk regional sewerage project	3 000	68	198	152	160	510
Sebokeng wastewater treatment works (phase 1 and phase 2)	1 124	165	101	250	264	614
Westonaria/Randfontein regional bulk wastewater treatment works (Zuurbekom)	1 570	–	191	160	169	520
Mooihoek/Tubatse bulk water supply	1 000	70	120	–	–	120
Nebo bulk water supply	1 400	100	90	95	100	285
Thembisile water scheme (Loskop) (phase 1)	1 500	75	100	105	111	316
Mooihoek/Tubatse bulk water supply	1 000	70	120	–	–	120
Other	37 665	5 395	4 274	4 199	3 841	12 314
<b>Provincial</b>	<b>430 497</b>	<b>53 500</b>	<b>54 900</b>	<b>56 900</b>	<b>60 000</b>	<b>171 900</b>
Education infrastructure facilities	132 782	9 918	10 314	11 467	12 086	33 867
Maths, science and technology workshop facilities	2 570	370	391	413	436	1 240
Health facilities: Eastern Cape	4 277	652	581	613	646	1 839
Health facilities: Free State	3 710	576	502	530	558	1 590
Health facilities: Gauteng	5 305	875	865	912	962	2 739
Health facilities: KwaZulu-Natal	8 428	1 202	1 153	1 216	1 282	3 652
Health facilities: Limpopo	3 197	537	461	486	513	1 460
Health facilities: Mpumalanga	2 286	334	347	366	386	1 100
Health facilities: Northern Cape	3 125	374	389	411	433	1 233
Health facilities: North West	3 872	586	512	540	569	1 621
Health facilities: Western Cape	4 619	679	609	642	677	1 927
Provincial roads maintenance projects	78 160	11 036	11 482	12 113	12 767	36 361
Public transport projects	43 322	6 254	6 114	6 450	6 798	19 363
Department of Human Settlements projects	134 845	18 167	18 833	20 102	21 187	60 122
Other	–	1 940	2 347	639	701	3 687
<b>Public-private partnerships</b>	<b>89 343</b>	<b>5 900</b>	<b>6 100</b>	<b>6 400</b>	<b>6 800</b>	<b>19 300</b>
Statistics South Africa head office	2 533	242	256	270	284	810
Department of Correctional Services prisons	3 600	1 094	1 052	1 088	1 146	3 285
Department of Trade and Industry head office	870	232	245	258	272	775
Department of Rural Development and Land Reform head office	1 010	239	244	256	270	770
Inkosi Albert Luthuli Hospital	4 500	814	857	904	953	2 715
Port Alfred, Settlers and Humansdorp Hospitals	343	79	83	88	93	264
Chapman's Peak Drive Toll Road and Rehabilitation Centre and Lentegeur Psychiatric Hospital	342	79	83	88	92	263
Limpopo Renal Dialysis project	88	44	46	48	51	145
Gautrain Rapid Rail Link	31 800	2 035	2 143	2 261	2 383	6 787
City of Tshwane head office	2 005	223	235	248	261	744
Other	42 253	819	857	891	993	2 741

**Table C.8 Major infrastructure projects in progress or planned (continued)**

R million	Project cost	2018/19	2019/20	2020/21	2021/22	2019 MTEF period
<b>Local</b>	<b>108 768</b>	<b>59 709</b>	<b>60 386</b>	<b>63 707</b>	<b>67 147</b>	<b>191 239</b>
Ekurhuleni bulk infrastructure	665	172	163	173	182	518
Ekurhuleni Land Banking and Property Acquisition	860	232	278	293	309	879
Ekurhuleni electrification of informal settlements	813	212	231	244	257	732
Ekurhuleni mega project: Van Dyk Park	498	146	352	372	392	1 115
Tembisa Extension 25 project	509	190	207	219	230	656
Ekurhuleni ERP (phase 1)	742	330	443	468	493	1 404
Buffalo City community assets project	675	114	177	187	197	561
Buffalo City roads project	323	261	304	321	338	964
Buffalo City sewerage project	108	569	497	525	554	1 576
Buffalo City electricity reticulation project	119	152	199	210	221	629
Buffalo City water project	91	220	315	333	351	998
Buffalo City transportation infrastructure	25	328	328	347	365	1 040
Johannesburg Rea Vaya New Bus Rapid Transit	3 372	699	844	891	939	2 674
Johannesburg purchase of buses (Rea Vaya and Metrobus)	1 189	517	212	224	236	672
Johannesburg fleet procurement	1 226	388	264	279	294	838
Lufhereng mixed development	850	216	200	211	223	634
Johannesburg resurfacing and renewal of roads	714	175	170	180	189	539
City of Tshwane revitalisation industrial and economic nodes (phase 1)	1 784	295	470	496	523	1 489
City of Tshwane revitalisation industrial and economic nodes (phase 2)	1 024	–	323	341	360	1 024
Linked housing water provision project	62	295	200	211	222	632
City of Tshwane sewerage project for low-cost housing	278	316	267	281	297	845
City of Tshwane roads and storm water project for low-cost housing	1 119	358	404	427	450	1 280
City of Tshwane transport infrastructure	963	344	426	450	474	1 350
City of Tshwane Electricity For All project	976	200	245	259	273	776
eThekweni South spinal road sidewalk	1 471	340	357	377	397	1 132
eThekweni corridor C9	1 298	335	304	321	338	963
eThekweni corridor C1	586	–	185	195	206	586
City of Cape Town Dark Fibre Broadband Infrastructure	2 505	260	260	275	290	824
City of Cape Town bulk water augmentation scheme	2 707	118	366	386	407	1 159
City of Cape Town Water Meter Replacement Programme	775	270	270	285	301	856
City of Cape Town sewerage replacement and upgrade	307	98	163	172	181	517
City of Cape Town Non-Motorised Transport Programme	1 638	106	196	207	218	620
City of Cape Town land acquisition	305	65	224	236	249	709
City of Cape Town electricity generation and distribution to Steenbras	690	193	302	319	336	957
Other	77 500	51 195	50 242	52 994	55 856	159 092

**Table C.8 Major infrastructure projects in progress or planned (continued)**

R million	Project cost	2018/19	2019/20	2020/21	2021/22	2019 MTEF period
<b>Entities</b>	<b>131 842</b>	<b>16 200</b>	<b>17 400</b>	<b>18 100</b>	<b>19 100</b>	<b>54 600</b>
Blue Downs Rail Link	2 877	371	394	418	441	1 253
Intervention programme for safety, emergency and special needs	4 342	559	595	631	665	1 892
Depots modernisation programme	5 520	729	754	799	842	2 395
Fencing programme for stations and corridors	4 262	550	584	619	653	1 856
General overhaul of Metrorail coaches	11 067	1 439	1 520	1 604	1 690	4 814
Locomotives	2 427	329	330	350	369	1 049
Motherwell rail extension	3 029	391	415	440	464	1 319
Rolling stock components	5 754	743	789	836	881	2 506
Rolling stock fleet renewal programme	47 595	4 677	4 939	8 043	8 477	21 459
Signalling and telecommunications programme	15 560	2 024	2 137	2 255	2 376	6 768
Redevelopment of border post centres	1 665	217	229	241	254	724
General building maintenance and repair	866	184	57	138	146	341
Upgrading and construction of departmental accommodation	1 388	181	191	201	212	604
Dolomite management projects	930	121	128	135	142	405
National government precinct projects	651	85	89	94	99	283
Upgrading and construction of prestige accommodation	1 434	187	197	208	219	624
Property Management Trading Entity maintenance projects	18 938	2 274	2 729	2 728	2 875	8 332
South African National Roads Agency Limited construction of buildings	2 143	378	161	351	370	882
South African National Roads Agency Limited new and refurbishment runways, taxiways and aprons	1 394	188	306	144	152	602
<b>Total</b>	<b>893 816</b>	<b>150 609</b>	<b>154 286</b>	<b>160 907</b>	<b>169 647</b>	<b>484 939</b>

Source: National Treasury