

# **Adjusted Estimates of National Expenditure**

**2019**

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## **2019**

**National Treasury**

**Republic of South Africa**

October 2019





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# Introduction

## The budget cycle timeline

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

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

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

## The budget process

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

The budget also provides for a contingency reserve, which accommodates expenditure related to unforeseeable circumstances and may contain provisional allocations to be assigned to votes in the adjustments budget process later in the financial year.

## The adjustments budget process

In the middle of each year, the adjustments process provides an opportunity to make permissible revisions to the budget, in response to changes that have affected 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. The adjusted budget estimates are tabled in the National Assembly by the Minister of Finance, accompanied by an Adjustments Appropriation Bill. The permissible adjustments are reflected as part of the adjusted budget, which also includes the amounts initially allocated in the Appropriation Act and in any subsequent special appropriations. A Division of Revenue Amendment Bill that sets out how the adjustments affect the Division of Revenue Act is also tabled.

The Estimates of National Expenditure (ENE) publication describes in detail the planned spending of all national government votes over the MTEF period. The Adjusted Estimates of National Expenditure (AENE) describes in detail the revisions to spending plans for the first year of the MTEF period: the current financial year. It also includes revised spending and departmental revenue projections for the current financial year, and any revisions to performance projections emanating from the technical financial amendments tabled in the AENE.

## The adjustments

The Public Finance Management Act (1999) (PFMA)<sup>1</sup> specifies the type of spending permissible as an adjustment that the adjusted budget may provide for. The Treasury Regulations, issued by National Treasury in terms of the PFMA<sup>2</sup>, provide instructions on how to comply with the act.

The adjustments appropriation makes provision for:

- **Adjustments due to significant and unforeseeable economic and financial events:** When unforeseeable economic and financial events affect the fiscal targets set by the budget, adjustments

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

<sup>2</sup> Section 76.

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.

- **Unforeseeable and unavoidable expenditure:** This is expenditure that could not be anticipated at the time of the budget. The Treasury Regulations<sup>3</sup> specify that the following may not be regarded as unforeseeable and unavoidable expenditure: spending that was known when the budget was being finalised but could not be accommodated in the allocations at the time; spending increases due to tariff adjustments and price increases; and spending to extend existing services or create new services that are not unforeseeable and unavoidable. An example of unforeseeable and unavoidable expenditure is spending that is necessary to deal with the effects of adverse weather conditions.
- **Section 16 of the PFMA:** The Minister of Finance may approve the use of unappropriated funds if it is for spending of an exceptional nature. This happens if postponing the spending to a future parliamentary appropriation would seriously prejudice the public interest. The Minister of Finance must subsequently provide a report to Parliament and to the Auditor-General.
- **Appropriation of expenditure earmarked in the budget speech for future allocation:** In certain instances, an amount to be allocated for a specific purpose will be announced by the Minister of Finance in the budget speech, with the details of the annual allocations to be decided later. This is usually when plans have not been finalised in time to decide on the specific allocation amounts for the budget.
- **Virements:** The use of unspent funds from amounts appropriated under one main division (programme)<sup>4</sup> to defray excess expenditure under another main division (programme) within the same vote/department. Legislation<sup>5</sup> and the Treasury Regulations<sup>6</sup> set the parameters within which virements may take place.
- **Shifts within votes/departments:** The use of unspent funds to defray increased expenditure within a main division (programme) of a vote/department by shifting funds between different segments (subprogrammes and economic classifications) of the main division (programme). Shifts may include the reallocation of funds incorrectly allocated in the ENE process. Legislation<sup>5</sup> and the Treasury Regulations<sup>6</sup> set the parameters within which shifts may take place.
- **Shifts between votes/departments<sup>7</sup>:** The use of unspent funds in a vote to defray increased expenditure in another vote/department. Such shifts include functions being shifted to another vote or institution in terms of legislation and/or following the reassignment of responsibility for the functions. The associated assets, including personnel, and liabilities also need to be shifted.
- **Roll-overs:** Unspent funds from the previous financial year may be rolled over into the current financial year when activities planned to be completed by the end of the previous year have not been completed but are close to completion. The Treasury Regulations<sup>8</sup> restrict roll-overs as follows: compensation of employees funding may not be rolled over; a maximum of 5 per cent of a department's budget for goods and services may be rolled over; funding for transfers and subsidies may not be rolled over for any purpose other than what the funds were originally allocated for; and unspent funds on payments for capital assets may be rolled over only to finalise projects or the acquisition of assets already in progress.
- **Self-financing expenditure:** Spending financed from revenue derived from a vote/department's specific activities. This revenue is paid into the National Revenue Fund. If self-financing expenditure is approved, these funds are allocated to the vote/department.

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<sup>3</sup> Section 6.6.

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

<sup>5</sup> Section 43 of the PFMA, section 5 of the Appropriation Act (2019) and section 5 of the Adjustments Appropriation Bill (2019).

<sup>6</sup> Section 6.3.

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

<sup>8</sup> Section 6.4.

- **Declared unspent funds:** Unspent amounts that will not be spent in the current financial year, explicitly indicated as a reduction to the vote allocation.
- **Direct charges against the National Revenue Fund:** An amount spent in terms of a statute and that is not budgeted for in any programme in a particular vote. These amounts are shown as separate items, such as expenditure on debt-service costs.
- **Gifts, donations and sponsorships:**<sup>9</sup> Cash amounts exceeding R100 000 per beneficiary are included in the Adjustments Appropriation Bill.

## Summary of adjustments for 2019/20

Adjustments to vote appropriations amount to an increase of R14 868.7 million, of which:

- |   |                     |
|---|---------------------|
| • expenditure earmarked in the 2019 Budget speech for future allocation | R 16 777.8 million  |
| • roll-overs  | R 344.9 million     |
| • self-financing expenditure  | R 1 655.3 million   |
| • declared unspent funds (reductions to vote allocations)               | (R 3 909.3 million) |

Adjustments to estimates of direct charges against the National Revenue Fund amount to R1 517.9 million more than anticipated at the time of the budget, of which:

- |   |                   |
|---|-------------------|
| • debt-service costs  | R 1 522.9 million |
| • National Revenue Fund payments  | R 224.2 million   |
| • Members' remuneration   | R 73.0 million    |
| • skills levy and sector education and training authorities (reduction) | (R 182.2 million) |
| • magistrates' salaries (reduction)                                     | (R 120.0 million) |

These adjustments are offset against the provisional allocations and contingency reserve set aside in the 2019 Budget. In addition, the revised budget framework makes provision for approximately R1 183.8 million in projected underspending at national government level, and R2 billion in local government repayment to the National Revenue Fund. As shown in Table 1, after taking into account the R26 billion special appropriation to Eskom, total estimated expenditure increases from R1 658.7 billion to R1 683.4 in 2019/20.

## Summary tables

Table 1: 2019/20 adjusted national budget

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

Table 2.1: Adjusted appropriations per economic classification

Table 3: Expenditure earmarked in the 2019 Budget speech for future allocation

Table 4: Roll-overs

Table 5: Self-financing expenditure

Table 6: Declared unspent funds and projected underspending

Table 7: Expenditure outcome for 2018/19 and actual expenditure for 2019/20

Table 8: Departmental receipts per vote

Table 8.1: Departmental receipts per economic classification

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

**Table 1: 2019/20 adjusted national budget**

R thousand	Appropriation (ENE)	Special appropriation	Adjustments appropriation (AENE)	Adjusted appropriation
<b>Appropriation by vote</b>	<b>900 299 777</b>		<b>14 868 725</b>	<b>915 168 502</b>
Roll-overs			344 927	
Expenditure earmarked in the 2019 Budget speech for future allocation			16 777 800	
Self-financing			1 655 284	
Declared unspent funds			(3 909 286)	
<b>Direct charges against the National Revenue Fund</b>	<b>743 849 648</b>		<b>1 517 925</b>	<b>745 367 573</b>
<i>Of which:</i>				
Members' remuneration	527 518		73 000	600 518
Debt-service costs	202 207 844		1 522 906	203 730 750
National Revenue Fund payments	135 311		224 224	359 535
Skills levy and sector education and training authorities	18 758 510		(182 205)	18 576 305
Magistrates' salaries	2 383 695		(120 000)	2 263 695
<b>Subtotal</b>	<b>1 644 149 425</b>		<b>16 386 650</b>	<b>1 660 536 075</b>
Provisional allocation not assigned to votes	10 000		(10 000)	–
Infrastructure fund not assigned to votes	1 000 000		(1 000 000)	–
Provisional allocation for Eskom restructuring	5 348 000		(5 348 000)	–
Compensation of employees and other baseline adjustments	(4 800 000)		4 800 000	–
Contingency reserve	13 000 000		(13 000 000)	–
National government projected underspending	–		(1 183 766)	(1 183 766)
Local government repayment to the National Revenue Fund	–		(2 000 000)	(2 000 000)
<b>Total adjustments expenditure estimate</b>	<b>1 658 707 425</b>		<b>( 1 355 116 )</b>	<b>1 657 352 309</b>
Special Appropriation Bill, 2019		26 000 000		26 000 000
<b>Total estimated expenditure</b>	<b>1 658 707 425</b>	<b>26 000 000</b>	<b>( 1 355 116 )</b>	<b>1 683 352 309</b>
<b>Budget revenue</b>	<b>1 403 464 376</b>		<b>(44 379 926)</b>	<b>1 359 084 450</b>
Tax revenue	1 422 207 998		( 52 529 754 )	1 369 678 244
Non-tax revenue	31 536 691		8 149 828	39 686 519
Less: Estimate of Southern Africa Customs Union payments	( 50 280 313 )		–	(50 280 313)
<b>Budget balance</b>	<b>( 255 243 049 )</b>	<b>( 26 000 000 )</b>	<b>( 43 024 810 )</b>	<b>( 324 267 859 )</b>

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

Vote number and title		2019/20							Value of Virement and shifts	
		Special appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation		
			Roll- overs	Shifts between votes	Declared unspent funds	Other adjustments				
R thousand	Appropriation									
1	The Presidency	691 354	-	-	-	-	-	691 354	10 500	
2	Parliament <sup>1</sup>	1 993 460	-	-	-	-	-	1 993 460	-	
3	Communications	1 576 091	-	-	(5 000)	3 202 000	3 197 000	4 773 091	16 005	
4	Cooperative Governance and Traditional Affairs	90 717 787	-	-	(60 733)	(310 500)	(371 233)	90 346 554	95 470	
5	Home Affairs	8 339 704	-	-	-	1 188 000	1 188 000	9 527 704	-	
6	International Relations and Cooperation	6 508 515	-	-	-	-	-	6 508 515	59 080	
7	National Treasury	30 771 079	-	-	(179 359)	100 000	(79 359)	30 691 720	153 863	
8	Planning, Monitoring and Evaluation	956 939	-	-	-	-	-	956 939	18 679	
9	Public Enterprises	17 945 030	26 000 000	-	(10 000)	12 948 000	12 938 000	56 883 030	17 657 435	
10	Public Service and Administration	1 002 143	-	-	(8 800)	-	(8 800)	993 343	8 273	
11	Public Works	7 808 988	-	-	(1 943)	100 000	98 057	7 907 045	9 044	
12	Statistics South Africa	2 514 368	-	-	-	-	-	2 514 368	10 941	
13	Women	244 398	-	-	-	-	-	244 398	10 844	
14	Basic Education	24 504 531	-	-	(40 000)	-	(40 000)	24 464 531	140 672	
15	Higher Education and Training	89 498 183	-	-	8 827	(897 100)	429 800	(458 473)	89 039 710	82 360
16	Health	51 460 690	-	89 300	(8 827)	(346 000)	-	(265 527)	51 195 163	789 776
17	Social Development	184 791 972	-	-	(70 000)	-	(70 000)	184 721 972	348 682	
18	Correctional Services	25 407 638	-	8 800	(100 000)	444	(90 756)	25 316 882	529 119	
19	Defence and Military Veterans	50 512 992	-	-	(10 000)	385 140	375 140	50 888 132	1 575	
20	Independent Police Investigative Directorate	336 653	-	-	-	-	-	336 653	22 422	
21	Justice and Constitutional Development	18 717 077	-	-	64 429	-	64 429	18 781 506	548 980	
22	Office of the Chief Justice and Judicial Administration	1 197 692	-	-	-	-	-	1 197 692	8 944	
23	Police	97 595 308	-	-	(64 429)	(703 618)	(768 047)	96 827 261	-	
24	Agriculture, Forestry and Fisheries	7 664 889	-	4 900	-	(57 700)	(52 800)	7 612 089	91 415	
25	Economic Development	1 045 393	-	-	-	(55 750)	(55 750)	989 643	4 750	
26	Energy	7 440 021	-	-	-	(256 464)	(256 464)	7 183 557	-	
27	Environmental Affairs	7 529 671	-	-	(50 000)	4 000	(46 000)	7 483 671	-	
28	Labour	3 435 133	-	-	(1 934)	-	(1 934)	3 433 199	35 248	
29	Mineral Resources	2 005 220	-	-	(3 000)	-	(3 000)	2 002 220	4 200	
30	Science and Technology	8 150 969	-	-	(4 793)	-	(4 793)	8 146 176	61 980	
31	Small Business Development	2 568 552	-	-	(300 000)	-	(300 000)	2 268 552	18 875	
32	Telecommunications and Postal Services	1 684 574	-	-	-	-	-	1 684 574	32 430	
33	Tourism	2 392 670	-	-	-	-	-	2 392 670	253 216	
34	Trade and Industry	10 059 027	-	-	(50 000)	75 700	25 700	10 084 727	138 283	
35	Transport	64 194 177	-	-	60 733	(49 779)	10 954	64 205 131	4 010	
36	Water and Sanitation	16 440 372	-	241 927	-	(215 000)	26 927	16 467 299	117 100	
37	Arts and Culture	4 617 485	-	-	(45 400)	-	(45 400)	4 572 085	-	
38	Human Settlements	33 879 166	-	-	(17 252)	-	(17 252)	33 861 914	10 051	
39	Rural Development and Land Reform	10 946 208	-	-	(117 294)	-	(117 294)	10 828 914	1 092 371	
40	Sport and Recreation South Africa	1 153 658	-	-	(2 600)	-	(2 600)	1 151 058	7 200	
<b>Total appropriation by vote</b>		<b>900 299 777</b>	<b>26 000 000</b>	<b>344 927</b>	<b>(3 909 286)</b>	<b>18 433 084</b>	<b>14 868 725</b>	<b>941 168 502</b>	<b>22 393 793</b>	

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

R thousand	2019/20							
	Appropriation	Special appropriation	Adjustments appropriation				Total adjustments appropriation	Adjusted appropriation
			Roll-overs	Shifts between votes	Declared unspent funds	Other adjustments		
Plus:								
<b>Total direct charges against the National Revenue Fund</b>	<b>743 849 648</b>	–	–	–	(120 000)	1 637 925	1 517 925	<b>745 367 573</b>
President and deputy president salaries (The Presidency)	7 254	–	–	–	–	–	–	7 254
Members' remuneration (Parliament)	527 518	–	–	–	–	73 000	73 000	600 518
Debt-service costs (National Treasury)	202 207 844	–	–	–	–	1 522 906	1 522 906	203 730 750
Provincial equitable share (National Treasury)	505 553 753	–	–	–	–	–	–	505 553 753
General fuel levy sharing with metropolitan municipalities (National Treasury)	13 166 793	–	–	–	–	–	–	13 166 793
National Revenue Fund payments (National Treasury)	135 311	–	–	–	–	224 224	224 224	359 535
Skills levy and sector education and training authorities (Higher Education and Training)	18 758 510	–	–	–	–	(182 205)	(182 205)	18 576 305
Magistrates' salaries (Justice and Constitutional Development)	2 383 695	–	–	–	(120 000)	–	(120 000)	2 263 695
Judges' salaries (Office of the Chief Justice and Judicial Administration)	1 098 546	–	–	–	–	–	–	1 098 546
International Oil Pollution Compensation Fund (Transport)	10 424	–	–	–	–	–	–	10 424
<b>Subtotal</b>	<b>1 644 149 425</b>	<b>26 000 000</b>	<b>344 927</b>	<b>–</b>	<b>(4 029 286)</b>	<b>20 071 009</b>	<b>16 386 650</b>	<b>1 686 536 075</b>
Provisional allocation not assigned to votes	10 000					(10 000)	(10 000)	–
Infrastructure fund not assigned to votes	1 000 000					(1 000 000)	(1 000 000)	–
Provisional allocation for Eskom restructuring	5 348 000					(5 348 000)	(5 348 000)	–
Compensation of employees and other baseline adjustments	(4 800 000)					4 800 000	4 800 000	–
Contingency reserve	13 000 000					(13 000 000)	(13 000 000)	–
National government projected underspending	–					(1 183 766)	(1 183 766)	(1 183 766)
Local government repayment to the National Revenue Fund	–					(2 000 000)	(2 000 000)	(2 000 000)
<b>Total estimated expenditure</b>	<b>1 658 707 425</b>	<b>26 000 000</b>	<b>344 927</b>	<b>–</b>	<b>(4 029 286)</b>	<b>2 329 243</b>	<b>(1 355 116)</b>	<b>1 683 352 309</b>

1. Amendments to Parliament's 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	2019/20								Adjusted appropriation
	Appropriation	Special appropriation	Adjustments appropriation					Total adjustments appropriation	
			Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
R thousand									
<b>Current payments</b>									
Compensation of employees	175 642 501	–	–	(532 029)	25 737	(547 666)	73 000	(980 958)	174 661 543
Goods and services	74 874 673	–	80 000	546 777	(34 564)	(1 362 603)	1 267 700	497 310	75 371 983
Interest and rent on land	202 354 362	–	–	13 202	–	–	1 522 906	1 536 108	203 890 470
<b>Total current payments</b>	<b>452 871 536</b>	<b>–</b>	<b>80 000</b>	<b>27 950</b>	<b>(8 827)</b>	<b>(1 910 269)</b>	<b>2 863 606</b>	<b>1 052 460</b>	<b>453 923 996</b>
<b>Transfers and subsidies</b>									
Provinces and municipalities	739 695 919	–	–	587 046	–	(11 000)	–	576 046	740 271 965
Departmental agencies and accounts	135 813 451	–	–	2 393	–	(185 843)	404 935	221 485	136 034 936
Higher education institutions	42 319 013	–	–	–	8 827	(350 000)	393 500	52 327	42 371 340
Foreign governments and international organisations	2 361 434	–	–	(24 058)	–	(1 943)	–	(26 001)	2 335 433
Public corporations and private enterprises	36 452 320	–	–	(35 771)	–	(764 950)	–	(800 721)	35 651 599
Non-profit institutions	8 607 210	–	–	(14 253)	–	(400 000)	36 300	(377 953)	8 229 257
Households	188 109 178	–	–	(187 027)	–	(120 000)	444	(306 583)	187 802 595
<b>Total transfers and subsidies</b>	<b>1 153 358 525</b>	<b>–</b>	<b>–</b>	<b>328 330</b>	<b>8 827</b>	<b>(1 833 736)</b>	<b>835 179</b>	<b>(661 400)</b>	<b>1 152 697 125</b>
<b>Payments for capital assets</b>									
Buildings and other fixed structures	10 360 186	–	161 927	(401 034)	–	(225 000)	–	(464 107)	9 896 079
Machinery and equipment	4 555 423	–	103 000	(303 128)	–	(30 281)	–	(230 409)	4 325 014
Heritage assets	236 637	–	–	2 154	–	(30 000)	–	(27 846)	208 791
Specialised military assets	1 794	–	–	–	–	–	–	–	1 794
Biological assets	8 670	–	–	3 000	–	–	–	3 000	11 670
Land and subsoil assets	–	–	–	436	–	–	–	436	436
Software and other intangible assets	261 443	–	–	(847)	–	–	–	(847)	260 596
<b>Total payments for capital assets</b>	<b>15 424 153</b>	<b>–</b>	<b>264 927</b>	<b>(699 419)</b>	<b>–</b>	<b>(285 281)</b>	<b>–</b>	<b>(719 773)</b>	<b>14 704 380</b>
<b>Total payments for financial assets</b>	<b>22 495 211</b>	<b>26 000 000</b>	<b>–</b>	<b>343 139</b>	<b>–</b>	<b>–</b>	<b>16 372 224</b>	<b>16 715 363</b>	<b>65 210 574</b>
<b>Subtotal</b>	<b>1 644 149 425</b>	<b>26 000 000</b>	<b>344 927</b>	<b>–</b>	<b>–</b>	<b>(4 029 286)</b>	<b>20 071 009</b>	<b>16 386 650</b>	<b>1 686 536 075</b>
Provisional allocation not assigned to votes	10 000	–	–	–	–	–	(10 000)	(10 000)	–
Infrastructure fund not assigned to votes	1 000 000	–	–	–	–	–	(1 000 000)	(1 000 000)	–
Provisional allocation for Eskom restructuring	5 348 000	–	–	–	–	–	(5 348 000)	(5 348 000)	–
Compensation of employees and other baseline adjustments	(4 800 000)	–	–	–	–	–	4 800 000	4 800 000	–
Contingency reserve	13 000 000	–	–	–	–	–	(13 000 000)	(13 000 000)	–
National government projected underspending	–	–	–	–	–	–	(1 183 766)	(1 183 766)	(1 183 766)
Local government repayment to the National Revenue Fund	–	–	–	–	–	–	(2 000 000)	(2 000 000)	(2 000 000)
<b>Total estimated expenditure</b>	<b>1 658 707 425</b>	<b>26 000 000</b>	<b>344 927</b>	<b>–</b>	<b>–</b>	<b>(4 029 286)</b>	<b>2 329 243</b>	<b>(1 355 116)</b>	<b>1 683 352 309</b>

**Table 3: Expenditure earmarked in the 2019 Budget speech for future allocation**

Vote and description of expenditure	R thousand
<b>3 Communications</b> R3.2 billion for the South African Broadcasting Corporation	<b>3 200 000</b>
<b>7 National Treasury</b> R100 million for project preparation for the Infrastructure Fund implementation unit to assist public sector institutions with project planning and appraisal	<b>100 000</b>
<b>9 Public Enterprises</b> R5.348 billion for Eskom, R5.5 billion for South African Airways, R1.8 billion for Denel and R300 million for South African Express Airways	<b>12 948 000</b>
<b>11 Public Works</b> R100 million for the small harbours programme	<b>100 000</b>
<b>15 Higher Education and Training</b> R429.8 million for the student housing infrastructure programme	<b>429 800</b>
<b>Total</b>	<b>16 777 800</b>

**Table 4: Roll-overs**

Vote and description of expenditure	R thousand
<b>16 Health</b> R89.3 million for medical equipment in Limpopo	<b>89 300</b>
<b>18 Correctional Services</b> R8.8 million for vehicles	<b>8 800</b>
<b>24 Agriculture, Forestry and Fisheries</b> R4.9 million for upgrading laboratory infrastructure and equipment	<b>4 900</b>
<b>36 Water and Sanitation</b> R241.927 million for the emergency Vaal River system pollution remediation intervention project in the Emfuleni municipality, Gauteng	<b>241 927</b>
<b>Total</b>	<b>344 927</b>

**Table 5: Self-financing expenditure**

Vote and description of expenditure	R thousand
<b>3 Communications</b> Expenditure by the Government Communication and Information System to produce the Vuk'uzenzele newspaper, which is funded from revenue generated through the sale of advertising space in the newspaper	<b>2 000</b>
<b>5 Home Affairs</b> Expenditure incurred issuing official documents, which is defrayed by revenue generated from issuing the documents	<b>1 188 000</b>
<b>18 Correctional Services</b> Expenditure for offender gratuities, which is funded from revenue generated from the hiring out of offender labour	<b>444</b>
<b>19 Defence and Military Veterans</b> Expenditure for defence activities, which is defrayed from reimbursements from the United Nations for South Africa's contribution towards peace support operations, and the sale of equipment and spares procured through the special defence account	<b>385 140</b>
<b>27 Environmental Affairs</b> Expenditure for the South African Elephant Research Project, which is funded from revenue generated from the sale of ivory	<b>4 000</b>
<b>34 Trade and Industry</b> Unitary payment in respect of the public-private partnership for shared campus accommodation, which is funded from unitary payments received from public entities	<b>75 700</b>
<b>Total</b>	<b>1 655 284</b>

**Table 6: Declared unspent funds and projected underspending**

<b>Vote and description of expenditure</b>	<b>R thousand</b>
<b>3 Communications</b> R5 million from compensation of employees (Government Communication and Information System)	<b>5 000</b>
<b>4 Cooperative Governance and Traditional Affairs</b> R300 million from the Community Work Programme programme and R10.5 million from the municipal systems improvement grant	<b>310 500</b>
<b>7 National Treasury</b> R157.225 million from the Jobs Fund and R22.134 million from compensation of employees	<b>179 359</b>
<b>9 Public Enterprises</b> R10 million from compensation of employees	<b>10 000</b>
<b>10 Public Service and Administration</b> R6 million from compensation of employees, and R2.8 million from goods and services	<b>8 800</b>
<b>11 Public Works</b> R1.943 million from organisations for the preservation of national memorials	<b>1 943</b>
<b>14 Basic Education</b> R40 million from the school infrastructure backlogs grant	<b>40 000</b>
<b>15 Higher Education and Training</b> R400 million from the infrastructure efficiency grant, R350 million from higher education institutions, R145.4 million from compensation of employees, and R1.7 million from goods and services	<b>897 100</b>
<b>16 Health</b> R230 million from the national health insurance indirect grant: personal services component, R45 million from goods and services, R30 million from the national health insurance indirect grant: health facility revitalisation component, R20 million from compensation of employees, R11 million from the human papillomavirus vaccine grant, and R10 million from the national health insurance indirect grant: non-personal services component (goods and services)	<b>346 000</b>
<b>17 Social Development</b> R70 million from the national student financial aid scheme: social worker scholarships	<b>70 000</b>
<b>18 Correctional Services</b> R100 million from compensation of employees	<b>100 000</b>
<b>19 Defence and Military Veterans</b> R10 million from the Department of Military Veterans	<b>10 000</b>
<b>23 Police</b> R700 million from the implementation of the criminal justice system seven-point plan and R3.618 million from compensation of employees for the Civilian Secretariat for the Police Service	<b>703 618</b>
<b>24 Agriculture, Forestry and Fisheries</b> R57.7 million from the Land and Agricultural Development Bank of South Africa	<b>57 700</b>
<b>25 Economic Development</b> R54.25 million from the Tirisano Construction Fund Trust and R1.5 million from compensation of employees	<b>55 750</b>
<b>26 Energy</b> R250 million from Eskom's integrated national electrification programme, R3.914 million from compensation of employees, R2.269 million from goods and services, and R281 000 from payments for capital assets	<b>256 464</b>
<b>27 Environmental Affairs</b> R50 million from the Development Bank of Southern Africa's Green Fund	<b>50 000</b>
<b>28 Labour</b> R1.934 million from compensation of employees	<b>1 934</b>
<b>29 Mineral Resources</b> R3 million from the Industrial Development Corporation	<b>3 000</b>
<b>30 Science and Technology</b> R4.793 million from compensation of employees	<b>4 793</b>
<b>31 Small Business Development</b> R300 million from the Small Enterprise Finance Agency's Small Business and Innovation Fund	<b>300 000</b>
<b>34 Trade and Industry</b> R50 million from manufacturing development incentives	<b>50 000</b>
<b>35 Transport</b> R29.779 million from compensation of employees and R20 million from other transfers to households	<b>49 779</b>
<b>36 Water and Sanitation</b> R30 million from compensation of employees and R185 million from the regional bulk infrastructure indirect grant	<b>215 000</b>
<b>37 Arts and Culture</b> R40 million from capital works projects and R5.4 million from compensation of employees	<b>45 400</b>
<b>38 Human Settlements</b> R17.252 million from goods and services	<b>17 252</b>
<b>39 Rural Development and Land Reform</b> R74.212 million from compensation of employees, and R43.082 million from goods and services	<b>117 294</b>
<b>40 Sport and Recreation South Africa</b> R2.6 million from compensation of employees	<b>2 600</b>
<b>Total declared unspent funds</b>	<b>3 909 286</b>
<b>Projected underspending</b>	<b>1 183 766</b>
<b>Local government repayment to the National Revenue Fund</b>	<b>2 000 000</b>
<b>Total</b>	<b>7 093 052</b>

**Table 7: Expenditure outcome for 2018/19 and actual expenditure for 2019/20**

Vote number and title		2018/19					2019/20		
		Outcome			Actual expenditure				
R thousand	Adjusted appropriation	Apr 18 - Sep 18	% of adjusted appropriation	Apr 18 - Mar 19	% of adjusted appropriation	Adjusted appropriation	Apr 19 - Sep 19	% of adjusted appropriation	
		1	The Presidency	505 580	214 579	42.4	459 305	90.8	691 354
2	Parliament <sup>1</sup>	1 872 694	–	–	1 872 694	100.0	1 993 460	–	–
3	Communications	1 516 246	702 860	46.4	1 488 121	98.1	4 773 091	697 622	14.6
4	Cooperative Governance and Traditional Affairs	85 037 011	33 819 723	39.8	81 918 384	96.3	90 346 554	35 383 673	39.2
5	Home Affairs	9 047 439	4 259 967	47.1	9 047 239	100.0	9 527 704	4 727 560	49.6
6	International Relations and Cooperation	6 552 768	3 162 680	48.3	6 370 239	97.2	6 508 515	3 382 925	52.0
7	National Treasury	29 710 233	11 132 209	37.5	28 652 292	96.4	30 691 720	11 528 541	37.6
8	Planning, Monitoring and Evaluation	958 035	388 710	40.6	874 754	91.3	956 939	442 000	46.2
9	Public Enterprises	6 522 914	101 824	1.6	6 474 793	99.3	56 883 030	21 214 539	37.3
10	Public Service and Administration	950 656	422 694	44.5	926 014	97.4	993 343	448 717	45.2
11	Public Works	7 483 326	3 657 915	48.9	7 448 549	99.5	7 907 045	3 777 528	47.8
12	Statistics South Africa	2 271 699	1 038 032	45.7	2 311 135	101.7	2 514 368	1 140 803	45.4
13	Women	230 207	103 255	44.9	222 352	96.6	244 398	119 462	48.9
14	Basic Education	23 699 583	13 591 217	57.3	23 414 767	98.8	24 464 531	14 316 671	58.5
15	Higher Education and Training	73 124 073	53 309 151	72.9	72 923 738	99.7	89 039 710	63 506 854	71.3
16	Health	47 508 374	22 780 428	48.0	46 594 585	98.1	51 195 163	24 997 271	48.8
17	Social Development	172 822 233	84 981 563	49.2	172 579 918	99.9	184 721 972	91 076 757	49.3
18	Correctional Services	23 848 973	10 902 106	45.7	23 776 916	99.7	25 316 882	11 383 958	45.0
19	Defence and Military Veterans	48 496 235	22 157 267	45.7	48 492 073	100.0	50 888 132	24 274 278	47.7
20	Independent Police Investigative Directorate	315 113	137 184	43.5	314 831	99.9	336 653	145 062	43.1
21	Justice and Constitutional Development	17 458 829	7 921 169	45.4	17 182 107	98.4	18 781 506	8 348 869	44.5
22	Office of the Chief Justice and Judicial Administration	1 119 747	467 929	41.8	1 092 019	97.5	1 197 692	517 080	43.2
23	Police	91 684 161	44 028 867	48.0	90 428 742	98.6	96 827 261	46 396 418	47.9
24	Agriculture, Forestry and Fisheries	7 732 803	3 754 050	48.5	7 574 089	97.9	7 612 089	3 878 938	51.0
25	Economic Development	1 072 597	500 162	46.6	1 044 010	97.3	989 643	549 802	55.6
26	Energy	7 163 532	3 053 711	42.6	7 090 239	99.0	7 183 557	3 095 834	43.1
27	Environmental Affairs	7 430 532	2 785 026	37.5	6 736 971	90.7	7 483 671	2 711 258	36.2
28	Labour	3 282 870	1 401 814	42.7	3 086 691	94.0	3 433 199	1 537 288	44.8
29	Mineral Resources	1 890 661	1 011 416	53.5	1 880 123	99.4	2 002 220	1 115 228	55.7
30	Science and Technology	7 958 388	4 600 992	57.8	7 891 926	99.2	8 146 176	4 098 259	50.3
31	Small Business Development	1 488 453	731 314	49.1	1 419 518	95.4	2 268 552	906 581	40.0
32	Telecommunications and Postal Services	4 006 936	557 624	13.9	3 994 414	99.7	1 684 574	761 821	45.2
33	Tourism	2 261 817	1 456 029	64.4	2 234 802	98.8	2 392 670	1 484 528	62.0
34	Trade and Industry	9 531 758	3 413 990	35.8	9 490 244	99.6	10 084 727	4 357 297	43.2
35	Transport	59 831 294	22 146 824	37.0	59 193 454	98.9	64 205 131	30 072 905	46.8
36	Water and Sanitation	16 873 729	7 142 402	42.3	16 619 434	98.5	16 467 299	6 120 899	37.2
37	Arts and Culture	4 338 737	2 048 471	47.2	4 237 985	97.7	4 572 085	2 032 433	44.5
38	Human Settlements	32 455 843	12 200 936	37.6	32 195 384	99.2	33 861 914	12 957 870	38.3
39	Rural Development and Land Reform	10 425 243	4 182 718	40.1	10 281 100	98.6	10 828 914	4 383 681	40.5
40	Sport and Recreation South Africa	1 090 777	463 225	42.5	1 076 013	98.6	1 151 058	503 217	43.7
<b>Total</b>	<b>831 572 099</b>	<b>390 732 033</b>	<b>47.0</b>	<b>820 911 964</b>	<b>98.7</b>	<b>941 168 502</b>	<b>448 658 664</b>	<b>47.7</b>	

**Table 7: Expenditure outcome for 2018/19 and actual expenditure for 2019/20 (continued)**

	2018/19					2019/20		
	Adjusted appropriation	Outcome			Adjusted appropriation	Actual expenditure		
		Apr 18 - Sep 18	% of adjusted appropriation	Apr 18 - Mar 19		% of adjusted appropriation	Apr 19 - Sep 19	% of adjusted appropriation
R thousand								
Plus:								
<b>Total direct charges against the National Revenue Fund</b>	<b>685 063 925</b>	<b>336 678 669</b>	<b>49.1</b>	<b>685 817 050</b>	<b>100.1</b>	<b>745 367 573</b>	<b>367 404 051</b>	<b>49.3</b>
President and deputy president salaries (The Presidency)	6 742	2 830	42.0	5 681	84.3	7 254	2 858	39.4
Members' remuneration (Parliament)	493 161	–	–	493 161	100.0	600 518	–	–
Debt-service costs (National Treasury)	181 099 034	87 284 619	48.2	181 849 082	100.4	203 730 750	99 516 713	48.8
Provincial equitable share (National Treasury)	470 286 510	235 143 271	50.0	470 286 510	100.0	505 553 753	252 776 890	50.0
General fuel levy sharing with metropolitan municipalities (National Treasury)	12 468 554	4 156 184	33.3	12 468 554	100.0	13 166 793	4 388 928	33.3
National Revenue Fund payments (National Treasury)	149 934	149 934	100.0	161 616	107.8	359 535	359 213	99.9
Skills levy and sector education and training authorities (Higher Education and Training)	17 312 161	8 439 874	48.8	17 479 896	101.0	18 576 305	8 805 545	47.4
Magistrates' salaries (Justice and Constitutional Development)	2 215 538	995 452	44.9	2 047 385	92.4	2 263 695	1 025 562	45.3
Judges' salaries (Office of the Chief Justice and Judicial Administration)	1 022 091	506 505	49.6	1 022 189	100.0	1 098 546	528 342	48.1
International Oil Pollution Compensation Fund (Transport)	10 200	–	–	2 976	29.2	10 424	–	–
<b>Total</b>	<b>1 516 636 024</b>	<b>727 410 702</b>	<b>48.0</b>	<b>1 506 729 014</b>	<b>99.3</b>	<b>1 686 536 075</b>	<b>816 062 715</b>	<b>48.4</b>
<b>Economic classification</b>								
<b>Current payments</b>								
Compensation of employees	163 563 379	80 196 673	49.0	164 773 149	100.7	174 661 543	85 574 416	49.0
Goods and services	68 927 954	27 028 730	39.2	65 433 183	94.9	75 371 983	28 923 945	38.4
Interest and rent on land	181 247 200	87 370 009	48.2	182 025 713	100.4	203 890 470	99 616 715	48.9
<b>Total current payments</b>	<b>413 738 533</b>	<b>194 595 412</b>	<b>47.0</b>	<b>412 232 045</b>	<b>99.6</b>	<b>453 923 996</b>	<b>214 115 076</b>	<b>47.2</b>
<b>Transfers and subsidies</b>								
Provinces and municipalities	692 475 951	330 312 022	47.7	690 729 998	99.7	740 271 965	353 122 779	47.7
Departmental agencies and accounts	121 203 483	67 871 116	56.0	119 649 165	98.7	136 034 936	77 308 961	56.8
Higher education institutions	38 680 393	27 335 596	70.7	36 910 818	95.4	42 371 340	32 638 025	77.0
Foreign governments and international organisations	2 359 492	671 577	28.5	2 345 537	99.4	2 335 433	801 685	34.3
Public corporations and private enterprises	31 604 788	10 987 584	34.8	32 909 812	104.1	35 651 599	16 491 933	46.3
Non-profit institutions	7 394 200	3 375 414	45.6	7 350 198	99.4	8 229 257	3 597 576	43.7
Households	179 171 789	86 986 104	48.5	175 640 877	98.0	187 802 595	92 565 921	49.3
<b>Total transfers and subsidies</b>	<b>1 072 890 096</b>	<b>527 539 413</b>	<b>49.2</b>	<b>1 065 536 405</b>	<b>99.3</b>	<b>1 152 697 125</b>	<b>576 526 880</b>	<b>50.0</b>
<b>Payments for capital assets</b>								
Buildings and other fixed structures	11 095 812	3 607 757	32.5	9 648 311	87.0	9 896 079	2 628 565	26.6
Machinery and equipment	4 669 521	1 192 970	25.5	4 250 394	91.0	4 325 014	1 004 691	23.2
Heritage assets	139 984	5 714	4.1	32 827	23.5	208 791	33 552	16.1
Specialised military assets	2 758	1 736	62.9	27	1.0	1 794	–	–
Biological assets	9 467	4 666	49.3	10 075	106.4	11 670	1 188	10.2
Land and subsoil assets	25 259	21 641	85.7	25 258	100.0	436	588	134.9
Software and other intangible assets	267 464	182 003	68.0	468 334	175.1	260 596	196 098	75.2
<b>Total payments for capital assets</b>	<b>16 210 265</b>	<b>5 016 488</b>	<b>30.9</b>	<b>14 435 226</b>	<b>89.0</b>	<b>14 704 380</b>	<b>3 864 682</b>	<b>26.3</b>
<b>Total payments for financial assets</b>	<b>13 797 130</b>	<b>259 390</b>	<b>1.9</b>	<b>14 525 338</b>	<b>105.3</b>	<b>65 210 574</b>	<b>21 556 077</b>	<b>33.1</b>
<b>Total</b>	<b>1 516 636 024</b>	<b>727 410 702</b>	<b>48.0</b>	<b>1 506 729 014</b>	<b>99.3</b>	<b>1 686 536 075</b>	<b>816 062 715</b>	<b>48.4</b>

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

**Table 8: Departmental receipts per vote**

Vote number and title		2018/19				2019/20				
		Outcome		Actual receipts		Budget estimate	Adjusted estimate	Apr 19 – Sep 19	adjusted estimate	
R thousand	Adjusted estimate	Apr 18 – Sep 18	adjusted estimate	Apr 18 – Mar 19	adjusted estimate					Apr 18 – Sep 18
1	The Presidency	636	280	44.0	1 374	216.0	562	583	388	66.6
2	Parliament <sup>1</sup>	–	–	–	–	–	–	–	–	–
3	Communications	6 065	2 717	44.8	5 220	86.1	3 679	5 457	2 091	38.3
4	Cooperative Governance and Traditional Affairs	43 895	43 594	99.3	44 720	101.9	2 013	2 097	1 003	47.8
5	Home Affairs	1 132 000	327 785	29.0	1 130 466	99.9	1 183 296	1 192 423	366 034	30.7
6	International Relations and Cooperation	40 388	16 152	40.0	34 561	85.6	34 468	34 468	32 930	95.5
7	National Treasury	14 008 032	6 252 910	44.6	19 113 097	136.4	8 649 122	14 147 359	9 539 579	67.4
8	Planning, Monitoring and Evaluation	1 582	1 278	80.8	1 461	92.4	1 009	7 234	1 134	15.7
9	Public Enterprises	217	164	75.6	366	168.7	214	214	62	29.0
10	Public Service and Administration	1 398	737	52.7	1 517	108.5	1 419	1 287	963	74.8
11	Public Works	3 374	909	26.9	3 478	103.1	1 949	14 620	11 877	81.2
12	Statistics South Africa	3 149	2 539	80.6	3 473	110.3	1 683	1 524	994	65.2
13	Women	55	35	63.6	120	218.2	59	120	98	81.7
14	Basic Education	14 933	1 634	10.9	10 301	69.0	10 882	14 882	11 913	80.0
15	Higher Education and Training	29 877	10 051	33.6	27 674	92.6	30 416	30 943	12 382	40.0
16	Health	7 821	2 219	28.4	6 013	76.9	4 044	5 788	3 999	69.1
17	Social Development	16 583	1 675	10.1	50 678	305.6	12 834	27 342	653	2.4
18	Correctional Services	144 106	65 198	45.2	128 231	89.0	156 231	176 006	63 952	36.3
19	Defence and Military Veterans	1 085 803	327 811	30.2	814 444	75.0	1 145 359	1 145 584	320 902	28.0
20	Independent Police Investigative Directorate	291	186	63.9	285	97.9	221	373	215	57.6
21	Justice and Constitutional Development	355 651	174 571	49.1	376 168	105.8	430 352	388 462	206 055	53.0
22	Office of the Chief Justice and Judicial Administration	1 178	932	79.1	1 495	126.9	891	2 570	2 204	85.8
23	Police	540 546	297 248	55.0	563 345.00	104.2	530 578	530 542	276 681	52.2
24	Agriculture, Forestry and Fisheries	251 092	109 467	43.6	209 425	83.4	262 140	216 117	108 856	50.4
25	Economic Development	284 964	104 439	36.6	146 755	51.5	173 397	119 297	61 652	51.7
26	Energy	6 170	3 054	49.5	54 680	886.2	6 309	5 993	2 239.00	37.4
27	Environmental Affairs	8 205	4 225	51.5	29 387	358.2	21 142	70 450	63 328	89.9
28	Labour	10 521	5 777	54.9	10 781	102.5	12 414	19 561	7 984	40.8
29	Mineral Resources	43 027	22 141	51.5	33 693	78.3	41 072	42 090	21 034	50.0
30	Science and Technology	9 644	6 376	66.1	32 749	339.6	545	20 081	16 856	83.9
31	Small Business Development	112	72	64.3	1 329	1 186.6	70	23 234	23 199	99.8
32	Telecommunications and Postal Services	517 828	516 156	99.7	749 642	144.8	600 635	598 385	514 721	86.0
33	Tourism	3 863	1 939	50.2	2 482	64.3	3 928	1 510	744	49.3
34	Trade and Industry	73 728	35 984	48.8	73 305	99.4	77 865	76 567	42 634	55.7
35	Transport	281 801	895	0.3	230 295	81.7	326 822	112 119	1 176	1.0
36	Water and Sanitation	18 237	13 296	72.9	66 410	364.1	8 031	15 285	11 503	75.3
37	Arts and Culture	573	310	54.1	966	168.6	758	940	481	51.2
38	Human Settlements	850	599	70.5	1 564	184.0	242	728	350	48.1
39	Rural Development and Land Reform	86 594	38 366	44.3	114 509	132.2	83 478	119 254	66 480	55.7
40	Sport and Recreation South Africa	152	56	36.8	139	91.4	242	242	95	39.3
<b>Subtotal departmental receipts as per Adjusted Estimates of National Expenditure</b>		<b>19 034 941</b>	<b>8 393 777</b>	<b>44.1</b>	<b>24 076 598</b>	<b>126.5</b>	<b>13 820 371</b>	<b>19 171 731</b>	<b>11 799 441</b>	<b>61.5</b>
Plus: Sale of non-core assets		–	–	–	–	–	7 000 000	7 000 000	–	–
Plus: Public entities conduit <sup>2</sup> receipts		1 935 655	1 413 215	73.0	2 234 468	115.4	1 732 598	1 958 777	953 766	48.7
<i>of which:</i>										
<i>Independent Communications Authority of South Africa</i>		1 308 600	880 810	67.3	1 397 633	106.8	1 380 573	1 584 558	953 766	60.2
<i>Competition Commission</i>		627 055	532 405	84.9	836 835	133.5	352 025	374 219	–	–
Plus: South African Revenue Services		7 990 061	3 902 528	48.8	9 025 257	113.0	8 983 722	11 556 011	5 410 107	46.8
<i>of which:</i>										
<i>Mineral and petroleum royalties</i>		7 445 220	3 490 814	46.9	8 611 781	115.7	8 766 175	11 338 464	5 432 038	47.9
<i>Mining leases and ownership</i>		544 841	411 714	75.6	413 477	75.9	217 547	217 547	(21 931)	(10.1)
<b>Total departmental and other receipts</b>		<b>28 960 657</b>	<b>13 709 520</b>	<b>47.3</b>	<b>35 336 323</b>	<b>122.0</b>	<b>31 536 691</b>	<b>39 686 519</b>	<b>18 163 314</b>	<b>45.8</b>

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

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

Table 8.1: Departmental receipts per economic classification

	2018/19					2019/20			
	Adjusted estimate	Outcome				Budget estimate	Adjusted estimate	Actual receipts	
		Apr 18 – Sep 18	Apr 18 – Sep 18 % of adjusted estimate	Apr 18 – Mar 19	Apr 18 – Mar 19 % of adjusted estimate			Apr 19 – Sep 19	Apr 19 – Sep 19 % of adjusted estimate
<b>Departmental receipts</b>									
Tax receipts	4 804	317 814	6 615.6	3 773	78.5	5 500	4 900	2 102	42.9
Sales of goods and services other than capital assets	2 380 705	660 876	27.8	2 352 170	98.8	2 371 905	2 460 956	978 413	39.8
Transfers received	599 722	132 179	22.0	351 664	58.6	602 202	625 094	140 056	22.4
Fines, penalties and forfeits	534 425	244 422	45.7	382 707	71.6	436 800	318 173	185 946	58.4
Interest, dividends and rent on land	4 203 747	1 842 925	43.8	7 818 856	186.0	4 927 922	4 854 375	1 883 123	38.8
Sales of capital assets	119 185	63 572	53.3	111 918	93.9	129 597	111 446	35 079	31.5
Financial transactions in assets and liabilities	11 192 353	5 131 989	45.9	13 055 510	116.6	5 346 445	10 796 787	8 574 722	79.4
<b>Subtotal departmental receipts as per Adjusted Estimates of National Expenditure</b>	<b>19 034 941</b>	<b>8 393 777</b>	<b>44.1</b>	<b>24 076 598</b>	<b>126.5</b>	<b>13 820 371</b>	<b>19 171 731</b>	<b>11 799 441</b>	<b>61.5</b>



# Information contained in each chapter

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

## Adjusted budget summary

R thousand	2019/20				Adjusted appropriation
	Appropriation	Special appropriation	Adjustments appropriation		
			Decrease	Increase	
<b>Amount to be appropriated of which:</b>					
Current payments					
Transfers and subsidies					
Payments for capital assets					
Payments for financial assets					
<b>Direct charge against the National Revenue Fund</b>					
Executive authority					
Accounting officer					
Website address					

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

**Appropriation** shows the total amount voted by main economic classification for the current financial year in the Appropriation Act (2019), in terms of the budget process.

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

**Adjustments appropriation** shows the **decrease** and/or **increase** resulting from the adjustments per classification category.

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

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

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

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

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

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

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

## Vote purpose

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

## 2019 National macro organisation of government

A summary is provided, where applicable, of any organisational changes the vote may be undertaking in terms of the 2019 national macro organisation of government.

## Mid-year performance

Indicator	Programme	MTSF outcome	Annual performance		
			Projected for 2019/20 as published in the 2019 ENE	Achieved in the first half of 2019/20 (April to September)	Changed target for 2019/20

To improve service delivery, it is integral to manage, monitor and measure performance. The table<sup>10</sup> shows what a department has achieved in the first half of the current financial year in relation to what it projected for the year. Only information for the first quarter has been validated. Information reported for the second quarter is based on preliminary data.

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

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

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

**Projected for 2019/20 as published in the 2019 ENE** shows what the department projected it would achieve for the current financial year.

**Achieved in the first half of 2019/20** shows what the department has actually achieved in the first half of the current financial year.

**Changed target for 2019/20** shows any changes to the targets originally published in the ENE due to changes emanating from technical financial amendments made in terms of section 30 of the PFMA and/or changes to align the target and indicator with the department's annual performance plan.

## Changes to indicators and targets published in the 2019 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 and/or to align with the department's annual performance plan.

## Mid-year progress

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

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

## Adjusted estimates

Programme	2019/20								
	Appropriation	Special appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs			Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments			
R thousand									
Programme name									
<b>Subtotal</b>									
<b>Direct charge against the National Revenue Fund</b>									
Item									
<b>Total</b>									
<b>Economic classification</b>									
<b>Current payments</b>									
Economic classification item									
<b>Transfers and subsidies</b>									
Economic classification item									
<b>Payments for capital assets</b>									
Economic classification item									
<b>Payments for financial assets</b>									
<b>Total</b>									

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

**Appropriation** shows the total amount voted per programme and by economic classification for the current financial year in the Appropriation Act (2019), in terms of the budget process.

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

**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.

### Virements and shifts:

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

**Shifts between votes/departments**<sup>11</sup> are the use of unspent funds in a vote/department to defray increased expenditure in another vote/department.

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

**Other adjustments** include funds shifted within votes following a function shift, expenditure earmarked in the 2019 Budget speech for future allocation, and self-financing expenditure.

<sup>11</sup> Section 42 and 33 of the PFMA.

**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 appropriation, any special appropriation and all the adjustments.

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

## Special appropriation

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

## Details of adjustments to the 2019 Estimates of National Expenditure

This section gives explanations by programme for:

- Roll-overs
- Virements and shifts within the vote/department

### Virements and shifts within the vote/department

Programmes					
1. Programme name					
2. Programme name					
From:			To:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1			Programme 1		
Shifts within the programme as a percentage of the programme budget					
Virements to other programmes as a percentage of the programme budget					
Programme 2			Programme 2		
			Programme 3		
Shifts within the programme as a percentage of the programme budget					
Virements to other programmes as a percentage of the programme budget					
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 funding reductions.

**R thousand** shows the monetary amounts.

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

In terms of the PFMA<sup>12</sup>, the Treasury Regulations<sup>12</sup>, the Appropriation Act (2019)<sup>12</sup> and the Adjustments Appropriation Bill (2019)<sup>12</sup>, the following virements and shifts require approval from National Treasury. They are those which:

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

The following virements and shifts can be approved only by the legislature<sup>12</sup>. They are those which:

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

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

- Funds shifted between votes/departments
- Declared unspent funds
- Other adjustments, which include funds shifted within votes following a function shift, expenditure earmarked in the 2019 Budget speech for future allocation, and self-financing expenditure
- Gifts, donations and sponsorships
- Direct charges against the National Revenue Fund (these are not linked to a programme within a vote).

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<sup>12</sup> Section 43 of the PFMA, read in conjunction with Treasury Regulation 6.3, section 5 of the Appropriation Act (2019) and section 5 of the Adjustments Appropriation Bill (2019).

**Expenditure outcome for 2018/19 and actual expenditure for 2019/20**

Programme	2018/19					2019/20		
	Adjusted appropriation	Outcome		Adjusted appropriation	Adjusted appropriation/ Total (%)	Actual expenditure		
		Apr 18 - Sep 18	Apr 18 - Sep 18 % of adjusted appropriation			Apr 18 - Mar 19	Apr 18 - Mar 19 % of adjusted appropriation	Apr 19 - Sep 19
R thousand								
Programme name								
<b>Subtotal</b>								
<b>Direct charge against the National Revenue Fund</b>								
Item								
<b>Total</b>								
<b>Economic classification</b>								
<b>Current payments</b>								
Economic classification item								
<b>Transfers and subsidies</b>								
Economic classification item								
<b>Payments for capital assets</b>								
Economic classification item								
<b>Payments for financial assets</b>								
<b>Total</b>								

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

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

**2018/19 Outcome** shows the outcome for the previous financial year.

**Apr 18 to Sep 18** shows the expenditure outcome for the first half of the previous financial year.

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

**Apr 18 to Mar 19** shows the expenditure outcome for the previous financial year.

**Apr 18 to Mar 19 % of adjusted appropriation** shows the expenditure outcome for the previous financial year as a percentage of the adjusted appropriation for that year.

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

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

**2019/20 Actual expenditure** shows the preliminary actual expenditure for the current financial year.

**Apr 19 to Sep 19** shows the actual expenditure for the first half of the current financial year.

**Apr 19 to Sep 19 % of adjusted appropriation** shows the actual expenditure for the first half of the current financial year as a percentage of the adjusted appropriation for the year.

## Expenditure trends for the first half of 2019/20

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

Where functions have shifted between votes subsequent to the publication of the 2018 AENE, the information in this publication may not be strictly comparable with information published last year.

## Departmental receipts

R thousand	2018/19					2019/20				
	Adjusted estimate	Outcome		Apr 18 - Mar 19	% of adjusted	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts	
		Apr 18 - Sep 18	% of adjusted						Apr 19 - Sep 19	% of adjusted
<b>Departmental receipts</b>										
Economic classification item										
Economic classification item										
<b>Total</b>										

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

**2018/19 Adjusted estimate** shows the adjusted total amount of receipts in the previous year's adjustments budget.

**2018/19 Outcome** shows the departmental receipts outcome for the previous financial year.

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

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

**Apr 18 to Mar 19** shows the receipts outcome for the previous financial year.

**Apr 18 to Mar 19 % of adjusted estimate** shows the receipts outcome for the previous financial year as a percentage of the adjusted estimate for that year.

**2019/20 Budget estimate** shows the total amount of receipts anticipated for the current financial year in the budget.

**2019/20 Adjusted estimate** shows the adjusted total amount of receipts anticipated in the adjustments budget for the current financial year.

**2019/20 Adjusted receipts estimate / Total (%)** shows the proportion of adjusted receipt for a specific item in relation to the total adjusted estimate of vote receipts, as a percentage, for the current financial year. The proportion is shown for each economic classification item relative to the vote's total adjusted receipts estimate.

**2019/20 Actual receipts** shows the preliminary receipts outcome for the current financial year.

**Apr 19 to Sep 19** shows the preliminary receipts outcome for the first half of the current financial year.

**Apr 19 to Sep 19 % of adjusted estimate** shows the preliminary receipts outcome for the first half of the current financial year as a percentage of the adjusted estimate for the year.

## Revenue trends for the first half of 2019/20

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

Where functions have shifted between votes subsequent to the publication of the 2018 AENE, the information in this publication may not be strictly comparable with information published last year.

## Changes to transfers and subsidies, including conditional grants

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

		2019/20							
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Special appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Programme name									
Economic sphere									
Current									
Economic classification item									
Programme name									
Economic sphere									
Capital									
Economic classification item									

### Summary of changes to conditional grants: Provinces

		2019/20							
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Special appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Programme name									
Conditional grant name									

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

		2019/20							
		Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
R thousand	Appropriation	Special appropriation	Roll-overs	Virements and shifts	Shifts between votes	Declared unspent funds	Other adjustments		
Programme name									
Conditional grant name									

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

**Appropriation** shows the total amount voted per programme and by economic classification for the current financial year in the Appropriation Act (2019), in terms of the budget process.

**Special appropriation** shows the amount for the current financial year tabled in a Special Appropriation Bill.

**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.

**Virements and shifts:**

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

**Shifts between votes/departments** are the use of unspent funds in a vote/department to defray increased expenditure in another vote/department.

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

**Other adjustments** include funds shifted within votes following a function shift, expenditure earmarked in the 2019 Budget speech for future allocation, and self-financing expenditure.

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

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

