

Vote 7

National Treasury

Adjusted budget summary

		2016/17		
R thousand	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated of which:	28 471 417	28 471 417	-	-
Current payments	2 092 311	2 490 964	-	398 653
Transfers and subsidies	22 188 980	21 922 325	(266 655)	-
Payments for capital assets	37 976	56 893	-	18 917
Payments for financial assets	4 152 150	4 001 235	(150 915)	-
Direct charge against the National Revenue Fund	569 787 416	570 833 034	-	1 045 618
Executive authority	Minister of Finance			
Accounting officer	Director-General of the National Treasury			
Website address	www.treasury.gov.za			

Vote purpose

Support economic growth and development, good governance, social progress and rising living standards through the accountable, economical, efficient, equitable and sustainable management of public finances, maintenance of macroeconomic and financial sector stability, and effective financial regulation of the economy.

Mid-year performance status

Indicator	Programme	Outcome	Annual performance		
			Projected for 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Net loan debt as a percentage of GDP	Asset and Liability Management	Outcome 4: Decent employment through inclusive economic growth	45.7% (R2tr)	44.6% (R1.9tr)	45.8% (R2tr)
Value of government gross annual borrowing	Asset and Liability Management		R229.5bn	R183.6bn	R237.8bn
Cost to service debt as a percentage of GDP	Asset and Liability Management		3.4% (R147.7bn)	1.6% (R71.7bn)	3.4% (R147.7bn)
Number of active training providers delivering the municipal regulated minimum competency levels programme per year	Financial Accounting and Supply Chain Management Systems	Outcome 12: An efficient, effective and development oriented public service	43	40	-
Percentage of identified transversal contracts with strategic sourcing principles introduced per year	Financial Accounting and Supply Chain Management Systems		100% (14)	85% (12)	-
Number of individuals trained per year to assist with the implementation of financial management reforms	Financial Accounting and Supply Chain Management Systems		750	1 358	-
Number of neighbourhood development partnership grant projects under construction per year	Technical Support and Development Finance	Outcome 9: Responsive, accountable, effective and efficient developmental local government system	40	- ¹	-
Total estimated third party investment leveraged	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	R3.5bn	R4.5bn	-

Indicator	Programme	Outcome	Annual performance		
			Projected for 2016/17 as published in the 2016 ENE	Achieved in the first six months of 2016/17 (April to September)	Changed target for 2016/17
Total number of new jobs contracted for approved and active projects in the Jobs Fund	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	150 000	122 048	–
Number of long term urban regeneration programmes registered per year	Technical Support and Development Finance	Outcome 8: Sustainable human settlements and improved quality of household life	18	– ¹	–
Number of training placements contracted with active private companies in the Jobs Fund per year	Technical Support and Development Finance	Outcome 4: Decent employment through inclusive economic growth	160 000	220 501	–
Number of placements contracted with project partners on the Jobs Fund (cumulative inception to date and still active) per year	Technical Support and Development Finance		70 000	88 997	–

1. Indicators will no longer be measured due to realignment with the 2016/17 annual performance plan where they are no longer included. The annual performance plan has been changed to measure precinct plans instead.

Changes to indicators and targets published in the 2016 ENE

Government's gross borrowing requirement for 2016/17 is estimated to increase in line with the now projected higher budget deficit. A decrease in debt-service costs is expected due to changes to macroeconomic variables, such as interest and foreign exchange rates.

Mid-year progress

It was planned that in 2016/17, 750 individuals would be trained to assist with the implementation of financial management reforms. The actual number in the first six months of 2016/17 was 1 358, a clear over-achievement of the target. This can be attributed to the variety of funding models that were employed and the fact that procurement processes for the appointment of training providers were initiated before the start of the financial year. This resulted in the earlier engagement of service providers.

The number of accredited training providers delivering the municipal regulated minimum competency levels programme was targeted at 43 service providers for 2016/17. The process of accreditation went more quickly than anticipated, with 40, or 93 per cent, of service providers being appointed in the first six months of 2016/17. The annual target of 43 will remain unchanged and is clearly attainable for the remainder of 2016/17.

In the first six months of 2016/17, 12 transversal contracts containing strategic sourcing principles were finalised. This represents 86 per cent of the initial annual target of 14 transversal contracts, and due to more requests for transversal contracts received than anticipated.

In the first six months of 2016/17, the Jobs Fund registered a cumulative total of 122 048 or 81 per cent of new jobs contracted between the Jobs Fund and project partners against the target of 150 000 jobs. The higher than anticipated registration of new jobs contracted between the Jobs Fund and project partners led to an over-achievement in training numbers, with a cumulative total of 220 501 training opportunities against the cumulative annual target of 160 000. In addition, in the first six months, the Jobs Fund exceeded the target on the number of previously placed individuals who are still contracted with the Jobs Fund project partners. The target is set at 70 000 and the number of individuals still in the employ of the project partners since the inception of the Jobs Fund was 88 997.

Adjusted Estimates of National Expenditure 2016

Programme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Administration	412 661	-	-	54 755	-	-	54 755	467 416
Economic Policy, Tax, Financial Regulation and Research	146 070	-	-	4 091	-	-	4 091	150 161
Public Finance and Budget Management	286 955	-	-	7 528	-	-	7 528	294 483
Asset and Liability Management	107 211	-	-	5 918	-	-	5 918	113 129
Financial Accounting and Supply Chain Management Systems	849 854	-	-	366 904	-	-	366 904	1 216 758
International Financial Relations	5 039 068	-	-	(61 091)	-	-	(61 091)	4 977 977
Civil and Military Pensions, Contributions to Funds and Other Benefits	4 173 242	-	-	289 400	-	-	289 400	4 462 642
Technical Support and Development Finance	2 634 718	-	-	(22 030)	-	-	(22 030)	2 612 688
Revenue Administration	10 009 151	-	-	(645 475)	-	-	(645 475)	9 363 676
Financial Intelligence and State Security	4 812 487	-	-	-	-	-	-	4 812 487
Subtotal	28 471 417	-	-	-	-	-	-	28 471 417
Direct charge against the National Revenue Fund	569 787 416	-	-	-	-	1 045 618	1 045 618	570 833 034
Provincial equitable share	410 698 585	-	-	-	-	-	-	410 698 585
Debt-service costs	147 720 000	-	-	-	-	(30 775)	(30 775)	147 689 225
General fuel levy sharing with metropolitan municipalities	11 223 831	-	-	-	-	-	-	11 223 831
National Revenue Fund payments	145 000	-	-	-	-	1 076 393	1 076 393	1 221 393
Total	598 258 833	-	-	-	-	1 045 618	1 045 618	599 304 451
Economic classification								
Current payments	149 812 311	-	-	398 653	-	(30 775)	367 878	150 180 189
Compensation of employees	817 558	-	-	(1 842)	-	-	(1 842)	815 716
Goods and services	1 274 753	-	-	400 495	-	-	400 495	1 675 248
Interest and rent on land	147 720 000	-	-	-	-	(30 775)	(30 775)	147 689 225
Transfers and subsidies	444 111 396	-	-	(266 655)	-	-	(266 655)	443 844 741
Provinces and municipalities	423 408 956	-	-	-	-	-	-	423 408 956
Departmental agencies and accounts	15 741 513	-	-	(645 475)	-	-	(645 475)	15 096 038
Foreign governments and international organisations	837 977	-	-	87 545	-	-	87 545	925 522
Public corporations and private enterprises	11 999	-	-	-	-	-	-	11 999
Households	4 110 951	-	-	291 275	-	-	291 275	4 402 226
Payments for capital assets	37 976	-	-	18 917	-	-	18 917	56 893
Buildings and other fixed structures	-	-	-	200	-	-	200	200
Machinery and equipment	37 946	-	-	18 717	-	-	18 717	56 663
Software and other intangible assets	30	-	-	-	-	-	-	30
Payments for financial assets	4 297 150	-	-	(150 915)	-	1 076 393	925 478	5 222 628
Total	598 258 833	-	-	-	-	1 045 618	1 045 618	599 304 451

Programme 1: Administration

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
R thousand								
Ministry	4 509	-	-	(472)	-	-	(472)	4 037
Departmental Management	49 597	-	-	2 656	-	-	2 656	52 253
Corporate Services	135 463	-	-	20 216	-	-	20 216	155 679
Enterprise Wide Risk Management	25 709	-	-	1 381	-	-	1 381	27 090
Financial Administration	41 224	-	-	10 570	-	-	10 570	51 794
Legal Services	19 668	-	-	356	-	-	356	20 024
Internal Audit	22 835	-	-	504	-	-	504	23 339
Communications	11 865	-	-	1 478	-	-	1 478	13 343
Office Accommodation	101 791	-	-	18 066	-	-	18 066	119 857
Total	412 661	-	-	54 755	-	-	54 755	467 416

Programme 1: Administration (continued)

Economic classification	2016/17								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Current payments	379 340	–	–	37 824	–	–	37 824	417 164	
Compensation of employees	196 878	–	–	13 294	–	–	13 294	210 172	
Goods and services	182 462	–	–	24 530	–	–	24 530	206 992	
Transfers and subsidies	3 696	–	–	928	–	–	928	4 624	
Departmental agencies and accounts	2 116	–	–	–	–	–	–	2 116	
Households	1 580	–	–	928	–	–	928	2 508	
Payments for capital assets	29 625	–	–	16 003	–	–	16 003	45 628	
Machinery and equipment	29 625	–	–	16 003	–	–	16 003	45 628	
Total	412 661	–	–	54 755	–	–	54 755	467 416	

Programme 2: Economic Policy, Tax, Financial Regulation and Research

Subprogramme	2016/17								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Programme Management for Economic Policy, Tax, Financial Regulation and Research	23 337	–	–	1 130	–	–	1 130	24 467	
Research	11 708	–	–	235	–	–	235	11 943	
Financial Sector Policy	30 827	–	–	3 577	–	–	3 577	34 404	
Tax Policy	32 474	–	–	(450)	–	–	(450)	32 024	
Economic Policy	31 252	–	–	(401)	–	–	(401)	30 851	
Cooperative Banks Development Agency	16 472	–	–	–	–	–	–	16 472	
Total	146 070	–	–	4 091	–	–	4 091	150 161	
Economic classification	116 797	–	–	3 795	–	–	3 795	120 592	
Current payments	90 895	–	–	(7 022)	–	–	(7 022)	83 873	
Compensation of employees	90 895	–	–	(7 022)	–	–	(7 022)	83 873	
Goods and services	25 902	–	–	10 817	–	–	10 817	36 719	
Transfers and subsidies	28 471	–	–	147	–	–	147	28 618	
Departmental agencies and accounts	16 472	–	–	–	–	–	–	16 472	
Public corporations and private enterprises	11 999	–	–	–	–	–	–	11 999	
Households	–	–	–	147	–	–	147	147	
Payments for capital assets	802	–	–	149	–	–	149	951	
Machinery and equipment	802	–	–	149	–	–	149	951	
Total	146 070	–	–	4 091	–	–	4 091	150 161	

Programme 3: Public Finance and Budget Management

Subprogramme	2016/17								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Programme Management for Public Finance and Budget Management	23 431	–	–	(452)	–	–	(452)	22 979	
Public Finance	62 295	–	–	(3 872)	–	–	(3 872)	58 423	
Budget Office and Coordination	60 971	–	–	(2 175)	–	–	(2 175)	58 796	
Intergovernmental Relations	95 419	–	–	14 027	–	–	14 027	109 446	
Financial and Fiscal Commission	44 839	–	–	–	–	–	–	44 839	
Total	286 955	–	–	7 528	–	–	7 528	294 483	
Economic classification	240 568	–	–	6 888	–	–	6 888	247 456	
Current payments	213 822	–	–	(6 212)	–	–	(6 212)	207 610	
Compensation of employees	213 822	–	–	(6 212)	–	–	(6 212)	207 610	
Goods and services	26 746	–	–	13 100	–	–	13 100	39 846	
Transfers and subsidies	44 839	–	–	140	–	–	140	44 979	
Departmental agencies and accounts	44 839	–	–	–	–	–	–	44 839	
Households	–	–	–	140	–	–	140	140	
Payments for capital assets	1 548	–	–	500	–	–	500	2 048	
Machinery and equipment	1 548	–	–	500	–	–	500	2 048	
Total	286 955	–	–	7 528	–	–	7 528	294 483	

Programme 4: Asset and Liability Management

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Programme Management for Asset and Liability Management	21 916	-	-	4 951	-	-	4 951	26 867
State Owned Entity Financial Management and Governance	33 435	-	-	482	-	-	482	33 917
Government Debt Management	19 839	-	-	(909)	-	-	(909)	18 930
Financial Operations	21 376	-	-	923	-	-	923	22 299
Strategy and Risk Management	10 645	-	-	471	-	-	471	11 116
Total	107 211	-	-	5 918	-	-	5 918	113 129
Economic classification								
Current payments	106 569	-	-	5 458	-	-	5 458	112 027
Compensation of employees	76 828	-	-	549	-	-	549	77 377
Goods and services	29 741	-	-	4 909	-	-	4 909	34 650
Transfers and subsidies	-	-	-	369	-	-	369	369
Households	-	-	-	369	-	-	369	369
Payments for capital assets	642	-	-	91	-	-	91	733
Machinery and equipment	642	-	-	91	-	-	91	733
Total	107 211	-	-	5 918	-	-	5 918	113 129

Programme 5: Financial Accounting and Supply Chain Management Systems

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Programme Management for Financial Accounting and Supply Chain Management Systems	39 301	-	-	18 308	-	-	18 308	57 609
Office of the Chief Procurement Officer	72 016	-	-	(3 770)	-	-	(3 770)	68 246
Financial Systems	480 817	-	-	348 165	-	-	348 165	828 982
Financial Reporting for National Accounts	88 399	-	-	(423)	-	-	(423)	87 976
Financial Management Policy and Compliance Improvement	124 988	-	-	4 624	-	-	4 624	129 612
Audit Statutory Bodies	44 075	-	-	-	-	-	-	44 075
Service Charges: Commercial Banks	258	-	-	-	-	-	-	258
Total	849 854	-	-	366 904	-	-	366 904	1 216 758
Economic classification								
Current payments	759 205	-	-	365 808	-	-	365 808	1 125 013
Compensation of employees	204 165	-	-	(763)	-	-	(763)	203 402
Goods and services	555 040	-	-	366 571	-	-	366 571	921 611
Transfers and subsidies	85 570	-	-	291	-	-	291	85 861
Departmental agencies and accounts	85 570	-	-	-	-	-	-	85 570
Households	-	-	-	291	-	-	291	291
Payments for capital assets	5 079	-	-	805	-	-	805	5 884
Machinery and equipment	5 049	-	-	805	-	-	805	5 854
Software and other intangible assets	30	-	-	-	-	-	-	30
Total	849 854	-	-	366 904	-	-	366 904	1 216 758

Programme 6: International Financial Relations

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Programme Management for International Financial Relations	11 693	-	-	945	-	-	945	12 638
International Economic Cooperation	39 693	-	-	1 334	-	-	1 334	41 027
African Integration and Support	726 351	-	-	85 720	-	-	85 720	812 071
International Development Funding Institutions	4 242 830	-	-	(150 915)	-	-	(150 915)	4 091 915
International Projects	18 501	-	-	1 825	-	-	1 825	20 326
Total	5 039 068	-	-	(61 091)	-	-	(61 091)	4 977 977

Programme 6: International Financial Relations (continued)

Economic classification	2016/17								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Current payments	51 106	–	–	910	–	–	910	52 016	
Compensation of employees	34 970	–	–	(1 688)	–	–	(1 688)	33 282	
Goods and services	16 136	–	–	2 598	–	–	2 598	18 734	
Transfers and subsidies	835 532	–	–	87 545	–	–	87 545	923 077	
Foreign governments and international organisations	835 532	–	–	87 545	–	–	87 545	923 077	
Payments for capital assets	280	–	–	1 369	–	–	1 369	1 649	
Buildings and other fixed structures	–	–	–	200	–	–	200	200	
Machinery and equipment	280	–	–	1 169	–	–	1 169	1 449	
Payments for financial assets	4 152 150	–	–	(150 915)	–	–	(150 915)	4 001 235	
Total	5 039 068	–	–	(61 091)	–	–	(61 091)	4 977 977	

Programme 7: Civil and Military Pensions, Contributions to Funds and Other Benefits

Subprogramme	2016/17								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Government Pensions Administration Agency	61 426	–	–	–	–	–	–	61 426	
Civil Pensions and Contributions to Funds	3 146 372	–	–	127 100	–	–	127 100	3 273 472	
Military Pensions and Other Benefits	965 444	–	–	162 300	–	–	162 300	1 127 744	
Total	4 173 242	–	–	289 400	–	–	289 400	4 462 642	
Economic classification									
Current payments	61 426	–	–	–	–	–	–	61 426	
Goods and services	61 426	–	–	–	–	–	–	61 426	
Transfers and subsidies	4 111 816	–	–	289 400	–	–	289 400	4 401 216	
Foreign governments and international organisations	2 445	–	–	–	–	–	–	2 445	
Households	4 109 371	–	–	289 400	–	–	289 400	4 398 771	
Total	4 173 242	–	–	289 400	–	–	289 400	4 462 642	

Programme 8: Technical Support and Development Finance

Subprogramme	2016/17								
	Main appropriation	Adjustments appropriation						Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand									
Local Government Financial Management Support	591 935	–	–	(4 000)	–	–	(4 000)	587 935	
Urban Development and Support	913 014	–	–	–	–	–	–	913 014	
Employment Creation Facilitation	782 883	–	–	(13 030)	–	–	(13 030)	769 853	
Government Technical Advisory Centre	88 006	–	–	–	–	–	–	88 006	
Infrastructure Development Support	258 880	–	–	(5 000)	–	–	(5 000)	253 880	
Total	2 634 718	–	–	(22 030)	–	–	(22 030)	2 612 688	
Economic classification									
Current payments	377 300	–	–	(22 030)	–	–	(22 030)	355 270	
Goods and services	377 300	–	–	(22 030)	–	–	(22 030)	355 270	
Transfers and subsidies	2 257 418	–	–	–	–	–	–	2 257 418	
Provinces and municipalities	1 486 540	–	–	–	–	–	–	1 486 540	
Departmental agencies and accounts	770 878	–	–	–	–	–	–	770 878	
Total	2 634 718	–	–	(22 030)	–	–	(22 030)	2 612 688	

Programme 9: Revenue Administration

Subprogramme	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
South African Revenue Service	10 009 151	–	–	(645 475)	–	–	(645 475)	9 363 676
Total	10 009 151	–	–	(645 475)	–	–	(645 475)	9 363 676
Economic classification								
Transfers and subsidies	10 009 151	–	–	(645 475)	–	–	(645 475)	9 363 676
Departmental agencies and accounts	10 009 151	–	–	(645 475)	–	–	(645 475)	9 363 676
Total	10 009 151	–	–	(645 475)	–	–	(645 475)	9 363 676

Direct charge against the National Revenue Fund

	2016/17							
	Main appropriation	Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
Roll-overs		Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments			
R thousand								
Provincial equitable share	410 698 585	–	–	–	–	–	–	410 698 585
Debt-service costs	147 720 000	–	–	–	–	(30 775)	(30 775)	147 689 225
General fuel levy sharing with metropolitan municipalities	11 223 831	–	–	–	–	–	–	11 223 831
National Revenue Fund payments	145 000	–	–	–	–	1 076 393	1 076 393	1 221 393
Total	569 787 416	–	–	–	–	1 045 618	1 045 618	570 833 034
Economic classification								
Current payments	147 720 000	–	–	–	–	(30 775)	(30 775)	147 689 225
Interest and rent on land	147 720 000	–	–	–	–	(30 775)	(30 775)	147 689 225
Transfers and subsidies	421 922 416	–	–	–	–	–	–	421 922 416
Provinces and municipalities	421 922 416	–	–	–	–	–	–	421 922 416
Payments for financial assets	145 000	–	–	–	–	1 076 393	1 076 393	1 221 393
Total	569 787 416	–	–	–	–	1 045 618	1 045 618	570 833 034

Details of adjustments to the Estimates of National Expenditure 2016**Virements and shifts within votes**

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 1		(926)	Programme 1		604
Goods and services	Reclassification of cell phone contracts due to changes to the standard chart of accounts	(604)	Machinery and equipment	Reclassification of cell phone contracts due to changes to the standard chart of accounts	604
	Cost containment measures and efficiencies effected, mainly on catering, consultants and communications	(284)	Programme 2		322
			Goods and services	Consultancy services for the e-commerce project and the annual payment for the Organisation for Economic Cooperation Development	284
Machinery and equipment	Cost containment measures effected on the procurement of equipment, such as bulk buying and improved governance on the procurement of ICT equipment	(38)	Machinery and equipment	Reclassification of cell phone contracts due to changes to the standard chart of accounts	38
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.1%			

2016 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
Programme 2		(7 132)	Programme 2		110
Goods and services	Reclassification of cell phone contracts due to changes to the standard chart of accounts	(110)	Machinery and equipment	Reclassification of cell phone contracts due to changes to the standard chart of accounts	110
Compensation of employees	Vacant posts and staff attrition	(6 875)	Programme 1		6 875
			Compensation of employees	Increase in personnel remuneration and provision for the upgrading of posts in line with the 2009 resolution of the Public Service Co-ordinating Bargaining Council	6 875
	Vacant posts and staff attrition ¹	(147)	Programme 2		147
			Households	Leave gratuities	147
Shifts within the programme as a percentage of the programme budget		0.2%			
Virements to other programmes as a percentage of the programme budget		4.7%			
Programme 3		(6 712)	Programme 3		500
Goods and services	Reclassification of cell phone contracts due to changes to the standard chart of accounts	(500)	Machinery and equipment	Reclassification of cell phone contracts due to changes to the standard chart of accounts	500
Compensation of employees	Vacant posts and staff attrition	(5 560)	Programme 1		6 072
			Compensation of employees	Increase in personnel remuneration and provision for the upgrading of posts in line with the 2009 resolution of the Public Service Co-ordinating Bargaining Council	5 560
	Vacant posts and staff attrition ¹	(512)	Households	Leave gratuities	512
	Vacant posts and staff attrition ¹	(140)	Programme 3		140
			Households	Leave gratuities	140
Shifts within the programme as a percentage of the programme budget		0.2%			
Virements to other programmes as a percentage of the programme budget		2.1%			
Programme 4		(91)	Programme 4		91
Goods and services	Reclassification of cell phone contracts due to changes to the standard chart of accounts	(91)	Machinery and equipment	Reclassification of cell phone contracts due to changes to the standard chart of accounts	91
Shifts within the programme as a percentage of the programme budget		0.1%			
Virements to other programmes as a percentage of the programme budget		0.0%			
Programme 5		(6 052)	Programme 1		2 907
Goods and services	Lower than anticipated expenditure, mainly on consultants for transversal systems such as PERSAL and Vulindlela	(2 907)	Goods and services	Redesigning of the department's website and intranet in line with the guidelines of the Government Communication and Information System	2 907
	Reclassification of cell phone contracts due to changes to the standard chart of accounts	(1)	Programme 2		126
	Cost containment measures and efficiencies effected on advertising, catering, bursaries and stationery	(125)	Machinery and equipment	Reclassification of cell phone contracts due to changes to the standard chart of accounts	1
	Reclassification of cell phone contracts due to changes to the standard chart of accounts	(613)	Goods and services	Annual payment for the Organisation for Economic Cooperation Development	125
Machinery and equipment	Cost containment measures and efficiencies effected on the procurement of equipment, such as bulk buying and improved governance on the procurement of ICT equipment ¹	(598)	Programme 5		1 211
			Machinery and equipment	Reclassification of cell phone contracts due to changes to the standard chart of accounts	613
			Goods and services	Training venues at the State Information and Technology Agency	598

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
			Programme 1		599
Compensation of employees	Vacant posts and staff attrition	(183)	Compensation of employees	Increase in personnel remuneration and provision for the upgrading of posts in line with the 2009 resolution of the Public Service Co-ordinating Bargaining Council	183
	Vacant posts and staff attrition ¹	(416)	Households	Leave gratuities	416
	Vacant posts and staff attrition	(549)	Programme 4		918
	Vacant posts and staff attrition ¹	(369)	Compensation of employees	Adjustments to personnel remuneration	549
	Vacant posts and staff attrition ¹	(291)	Households	Leave gratuities	369
			Programme 5		291
			Households	Leave gratuities	291
Shifts within the programme as a percentage of the programme budget		0.2%			
Virements to other programmes as a percentage of the programme budget		0.5%			
Programme 6		(234 929)	Programme 6		47
Goods and services	Reclassification of cell phone contracts due to changes to the standard chart of accounts	(14)	Machinery and equipment	Reclassification of cell phone contracts due to changes to the standard chart of accounts	14
	Cost containment measures and efficiencies effected on advertising, catering, bursaries and stationery	(33)	Compensation of employees	Adjustments to personnel remuneration ²	33
			Programme 1		676
Compensation of employees	Vacant posts and staff attrition	(676)	Compensation of employees	Foreign allowances and adjustments to personnel remuneration	676
	Vacant posts and staff attrition	(1 045)	Programme 5		1 045
			Compensation of employees	Adjustments to personnel remuneration	1 045
			Programme 1		37 948
Payments for financial assets	Reduced spending due to the lower than anticipated transfer payment to the New Development Bank	(15 437)	Machinery and equipment	Procurement of ICT infrastructure for disaster recovery and a generator	15 437
	Reduced spending due to the lower than anticipated transfer payment to the New Development Bank	(22 511)	Goods and services	Renewal of software licences	22 511
	Reduced spending due to the lower than anticipated transfer payment to the New Development Bank	(10 518)	Programme 2		10 518
	Reduced spending due to the lower than anticipated transfer payment to the New Development Bank	(17 538)	Goods and services	Consultancy fees for investigations into the abuse of emolument attachment orders	10 518
	Reduced spending due to the lower than anticipated transfer payment to the New Development Bank	(1 155)	Programme 5		17 538
	Reduced spending due to the lower than anticipated transfer payment to the New Development Bank	(1 677)	Goods and services	Shortfall in funding for a range of projects within the Office of the Chief Procurement Officer	17 538
	Reduced spending due to the lower than anticipated transfer payment to the New Development Bank	(1 825)	Programme 6		4 857
			Machinery and equipment	Procurement of office equipment and assets for the new Africa Regional Centre office based in Johannesburg	1 155
			Goods and services	Intensification of operations of the newly established Africa Regional Centre office based in Johannesburg	1 677
			Foreign governments and international organisations	Transfer to the International Funding Facility for Immunisation for the difference between exchange rate projections when the department compiled its budget, and the prevailing foreign exchange rate when payments are processed ¹	1 825

2016 Adjusted Estimates of National Expenditure

FROM:			TO:		
Programme by economic classification	Motivation	R thousand	Programme by economic classification	Motivation	R thousand
	Reduced spending due to the lower than anticipated transfer payment to the New Development Bank	(200)	Buildings and other fixed structures	Refurbishment of the office of the African regional centre of the New Development Bank, in Johannesburg	200
	Reduced spending due to the lower than anticipated transfer payment to the New Development Bank	(162 300)	Programme 7		162 300
			Households	Shortfall in funding for the pension dispensation of the non- statutory forces	162 300
Shifts within the programme as a percentage of the programme budget		0.2%			
Virements to other programmes as a percentage of the programme budget		4.6%			
Programme 8		(22 030)	Programme 3		13 600
Goods and services	Reduced spending on consultancy services for the Employment Creation Facilitation Fund ¹	(13 600)	Goods and services	Consultancy services for projects related to the standard chart of accounts	13 600
	Reduced spending on consultancy services for the municipal finance improvement programme				
	Reduced spending on consultancy services for the infrastructure delivery improvement programme due to efficiencies effected ¹	(5 000)	Programme 4		5 000
			Goods and services	System development and maintenance fees to cater for the government employee housing scheme investments	5 000
				Risk calculation software due to exchange rate fluctuations	
	Reduced spending on consultancy services for the municipal finance improvement programme	(790)	Programme 5		2 462
	Reclassification of cell phone contracts due to changes to the standard chart of accounts		Machinery and equipment	Replacement of obsolete equipment	790
	Reduced spending on consultancy services for the municipal finance improvement programme	(1 672)		Reclassification of cell phone contracts due to changes to the standard chart of accounts	
			Goods and services	A range of projects within the Office of the Chief Procurement Officer	1 672
	Reduced spending on consultancy services for the municipal finance improvement programme	(968)	Programme 6		968
			Goods and services	For the preparation and hosting of the World Economic Forum	968
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		0.8%			
Programme 9		(645 475)	Programme 5		350 409
Departmental agencies and accounts	Reduced spending on the transfer to the South African Revenue Service ²	(350 409)	Goods and services	Software licence for the integrated financial management system project	350 409
	Reduced spending on the transfer to the South African Revenue Service ²	(85 720)	Programme 6		167 966
			Foreign governments and international organisations	Transfer to the SADC common monetary area due to economic conditions affecting the circulation of the Rand in member countries; higher interest rates and for the difference between exchange rate projections when the department compiled its budget, and the prevailing foreign exchange rate when payments are processed ¹	85 720
	Reduced spending on the transfer to the South African Revenue Service ²	(82 246)	Payments for financial assets	Subscription of shares to the African Development Bank ¹	82 246
	Reduced spending on the transfer to the South African Revenue Service ²	(127 100)	Programme 7		127 100
			Households	Post-retirement medical benefits	127 100
Shifts within the programme as a percentage of the programme budget		0.0%			
Virements to other programmes as a percentage of the programme budget		6.4%			
Total		(923 347)			923 347

1. National Treasury approval has been obtained.

2. Only the legislature may approve this virement in terms of the Public Finance Management Act (1999).

Direct charges against the National Revenue Fund – R1.046 billion

Adjustments due to significant and unforeseeable economic and financial events – R1.046 billion

Debt-service costs

Debt-service costs have decreased by R30.775 million due to changes in macroeconomic variables such as interest and foreign exchange rates.

National Revenue Fund payments

National Revenue Fund payments have increased by R1.076 billion to pay premiums on the restructuring of the debt portfolio.

Expenditure outcome for 2015/16 and actual expenditure for 2016/17

Programme	2015/16					2016/17				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16 % of adjusted appropriation	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16 % of adjusted appropriation	Apr 16 - Sep 16 % of adjusted appropriation	Apr 16 - Sep 16 % of adjusted appropriation	
Administration	363 629	169 653	46.7	375 582	103.3	467 416	0.1	182 139	39.0	
Economic Policy, Tax, Financial Regulation and Research	135 387	61 842	45.7	131 290	97.0	150 161	–	75 174	50.1	
Public Finance and Budget Management	266 104	130 997	49.2	262 577	98.7	294 483	–	141 862	48.2	
Asset and Liability Management	3 264 890	1 044 148	32.0	3 264 294	100.0	113 129	–	44 546	39.4	
Financial Accounting and Supply Chain Management Systems	807 090	346 719	43.0	774 494	96.0	1 216 758	0.2	757 746	62.3	
International Financial Relations	3 254 926	26 454	0.8	3 546 134	108.9	4 977 977	0.8	4 001 957	80.4	
Civil and Military Pensions, Contributions to Funds and Other Benefits	3 962 941	1 497 961	37.8	3 967 698	100.1	4 462 642	0.7	1 686 650	37.8	
Technical Support and Development Finance	2 774 593	1 095 661	39.5	2 472 246	89.1	2 612 688	0.4	1 392 801	53.3	
Revenue Administration	9 334 439	4 717 220	50.5	9 334 439	100.0	9 363 676	1.6	5 004 576	53.4	
Financial Intelligence and State Security	4 562 062	2 261 849	49.6	4 562 062	100.0	4 812 487	0.8	2 332 387	48.5	
Subtotal	28 726 061	11 352 504	39.5	28 690 816	99.9	28 471 417	4.8	15 619 838	54.9	
Direct charge against the National Revenue Fund	525 742 590	258 047 260	49.1	526 636 137	100.2	570 862 926	95.2	281 006 072	49.2	
Provincial equitable share	386 500 009	191 336 757	49.5	386 500 009	100.0	410 698 585	68.5	205 349 310	50.0	
Debt-service costs	127 902 018	62 645 110	49.0	128 795 565	100.7	147 762 578	24.7	71 684 052	48.5	
General fuel levy sharing with metropolitan municipalities	10 658 909	3 552 969	33.3	10 658 909	100.0	11 223 831	1.9	3 741 276	33.3	
National Revenue Fund payments	681 654	512 424	75.2	681 654	100.0	1 177 932	0.2	231 434	19.6	
Total	554 468 651	269 399 764	48.6	555 326 953	100.2	599 334 343	100.0	296 625 910	49.5	
Economic classification										
Current payments	129 824 490	63 504 106	48.9	130 621 473	100.6	150 253 542	25.1	72 985 890	48.6	
Compensation of employees	733 419	373 251	50.9	732 742	99.9	815 716	0.1	404 708	49.6	
Goods and services	1 189 053	485 745	40.9	1 093 166	91.9	1 675 248	0.3	897 130	53.6	
Interest and rent on land	127 902 018	62 645 110	49.0	128 795 565	100.7	147 762 578	24.7	71 684 052	48.5	

2016 Adjusted Estimates of National Expenditure

Economic classification	2015/16					2016/17				
	Audited outcome					Actual expenditure				
R thousand	Adjusted appropriation	Apr 15 - Sep 15	Apr 15 - Sep 15 % of adjusted appropriation	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted appropriation	
Transfers and subsidies	418 329 026	204 377 861	48.9	418 144 343	100.0	443 844 741	74.1	219 419 201	49.4	
Provinces and municipalities	398 594 174	195 647 844	49.1	398 570 749	100.0	423 408 956	70.6	209 982 683	49.6	
Departmental agencies and accounts	15 042 057	7 244 689	48.2	14 816 595	98.5	15 096 038	2.5	7 764 385	51.4	
Foreign governments and international organisations	777 892	2 095	0.3	831 304	106.9	925 522	0.2	1 939	0.2	
Public corporations and private enterprises	11 384	4 000	35.1	11 384	100.0	11 999	-	8 000	66.7	
Households	3 903 519	1 479 233	37.9	3 914 311	100.3	4 402 226	0.7	1 662 194	37.8	
Payments for capital assets	26 101	4 662	17.9	33 210	127.2	56 893	-	12 079	21.2	
Buildings and other fixed structures	440	-	-	-	-	200	-	-	-	
Machinery and equipment	25 661	4 662	18.2	33 210	129.4	56 663	-	12 079	21.3	
Payments for financial assets	6 289 034	1 513 135	24.1	6 527 927	103.8	5 179 167	0.9	4 208 740	81.3	
Total	554 468 651	269 399 764	48.6	555 326 953	100.2	599 334 343	100.0	296 625 910	49.5	

Expenditure trends for the first six months of 2016/17

Total expenditure in 2015/16 was 100.2 per cent of the 2015/16 adjusted appropriation. Expenditure in the first six months of 2016/17 was R296.6 billion or 49.5 per cent of the adjusted appropriation of R599.3 billion for the year. In comparison, mid-year expenditure in 2015/16 was R269.4 billion or 48.6 per cent of the 2015/16 adjusted appropriation. Compared to the first six months of 2015/16, expenditure over the same period in 2016/17 increased by R27.2 billion or 10.1 per cent. This was mainly due to increased direct charges against the National Revenue Fund, which includes: debt-service cost payments; equitable share payments to provinces and municipalities; general fuel levies; increased spending on the integrated financial management systems and the capital investment payment for the New Development Bank.

Departmental receipts

	2015/16					2016/17				
	Adjusted estimate	Audited outcome			Actual receipts					
Apr 15 - Sep 15		Apr 15 - Sep 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - Mar 16 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Apr 16 - Sep 16	Apr 16 - Sep 16 % of adjusted estimate	
Departmental receipts	4 990 385	2 563 211	51.4	5 602 331	112.3	4 225 199	5 187 759	26.1	2 417 448	46.6
Sales of goods and services produced by department	22 150	12 203	55.1	38 619	174.4	20 806	29 933	0.2	4 719	15.8
Sales of scrap, waste, arms and other used current goods	28	16	57.1	20	71.4	13	24	-	21	87.5
Interest, dividends and rent on land	3 867 929	1 491 309	38.6	4 640 219	120.0	3 114 050	4 067 002	20.5	1 497 469	36.8
Sales of capital assets	-	-	-	17	-	-	-	-	-	-
Transactions in financial assets and liabilities	1 100 278	1 059 683	96.3	923 456	83.9	1 090 330	1 090 800	5.5	915 239	83.9

R thousand	2015/16					2016/17				
	Adjusted estimate	Audited outcome				Budget estimate	Actual receipts			Apr 16 - Sep 16 % of Apr 16 - adjusted Sep 16 estimate
		Apr 15 – Sep 15	Sep 15 - Apr 15 % of adjusted estimate	Apr 15 - Mar 16	Apr 15 - adjusted Mar 16 estimate		Adjusted estimate	Adjusted receipts estimate/ Total (%)		
National Revenue Fund receipts	8 167 034	4 438 236	54.3	14 377 522	176.0	12 165 000	14 665 000	73.9	12 924 751	88.1
Revaluation of profits on foreign currency transactions	2 600 000	1 442 730	55.5	8 869 128	341.1	12 165 000	11 154 808	56.2	10 405 610	93.3
Premiums on loan transactions	3 000 000	1 560 697	52.0	2 873 818	95.8	–	2 752 807	13.9	1 761 756	64.0
Refund on Hermes fees	–	–	–	56 579	–	–	–	–	–	–
Premiums on debt portfolio restructuring (switches)	2 564 903	1 432 678	55.9	2 564 903	100.0	–	747 193	3.8	747 193	100.0
Profit on script lending	–	–	–	10 127	–	–	–	–	–	–
Other (mainly penalties on retail bonds)	2 131	2 131	100.0	2 967	139.2	–	10 192	0.1	10 192	100.0
Total	13 157 419	7 001 447	53.2	19 979 853	151.9	16 390 199	19 852 759	100.0	15 342 199	77.3

Revenue trends for the first six months of 2016/17

Excluding national revenue fund receipts, the revenue in the first six months of 2016/17 is R2.4 billion, or 46.6 per cent of the adjusted revenue estimate of R5.2 billion for the year. In comparison, mid-year revenue in 2015/16 was R2.6 billion, or 51.4 per cent of the 2015/16 adjusted estimates. Compared to the first six months of 2015/16, revenue over the same period in 2016/17 decreased by R145.8 million or 5.7 per cent. This was mainly due to lower than expected interest received on guarantee fees and other receipts under financial assets and liabilities.

In 2016/17, National Revenue Fund receipts will amount to R14.7 billion, comprising of the revaluation profits on foreign currency transactions (R11.2 billion), premiums on loan transactions (R2.8 billion), premiums on debt portfolio restructuring (R747.2 million) and other receipts (R10.2 million). Compared to the estimate in the main Budget, the increase of R2.5 billion or 20.6 per cent was mainly due to premiums on loan transactions relating to inflation linked bonds and bond switch transactions.

Changes to transfers and subsidies

Summary of changes to transfers and subsidies per programme

R thousand	Main appropriation	2016/17						
		Adjustments appropriation					Total adjustments appropriation	Adjusted appropriation
		Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments		
Administration								
Households								
Social benefits								
Current	–	–	–	928	–	–	928	928
Employee social benefits	–	–	–	928	–	–	928	928
Economic Policy, Tax, Financial Regulation and Research								
Households								
Social benefits								
Current	–	–	–	147	–	–	147	147
Employee social benefits	–	–	–	147	–	–	147	147
Public Finance and Budget Management								
Households								
Social benefits								
Current	–	–	–	140	–	–	140	140
Employee social benefits	–	–	–	140	–	–	140	140

Summary of changes to transfers and subsidies per programme (continued)

R thousand	2016/17							Adjusted appropriation
	Main appropriation	Roll-overs	Unforeseeable/unavoidable	Virements and shifts	Declared unspent funds	Other adjustments	Total adjustments appropriation	
Asset and Liability Management								
Households								
Social benefits								
Current	-	-	-	369	-	-	369	369
Employee social benefits	-	-	-	369	-	-	369	369
Financial Accounting and Supply Chain Management Systems								
Households								
Social benefits								
Current	-	-	-	291	-	-	291	291
Employee social benefits	-	-	-	278	-	-	278	278
Employee social benefits	-	-	-	13	-	-	13	13
International Financial Relations								
Foreign governments and international organisations								
Current	729 096	-	-	87 545	-	-	87 545	816 641
Common Monetary Area Compensation	716 421	-	-	85 720	-	-	85 720	802 141
International Finance Facility for Immunisation	12 675	-	-	1 825	-	-	1 825	14 500
Civil and Military Pensions, Contributions to Funds and Other Benefits								
Households								
Social benefits								
Current	2 917 675	-	-	289 400	-	-	289 400	3 207 075
Post-Retirement Medical Scheme	1 975 060	-	-	127 100	-	-	127 100	2 102 160
Military pensions: Ex-servicemen	30 870	-	-	(27 300)	-	-	(27 300)	3 570
South African citizen force	174 554	-	-	27 300	-	-	27 300	201 854
Non-statutory forces	737 191	-	-	162 300	-	-	162 300	899 491
Revenue Administration								
Departmental agencies and accounts								
Departmental agencies (non-business entities)								
Current	8 965 796	-	-	(645 475)	-	-	(645 475)	8 320 321
South African Revenue Service	8 965 796	-	-	(645 475)	-	-	(645 475)	8 320 321