

# 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.

**November:** The Minister of Finance tables the Adjustments 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) period. Through an accompanying Appropriation Bill, the executive seeks Parliament's approval and the 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 to by the President of South Africa. Allocations made in the Appropriation Act are shown by vote. A vote specifies the total amount appropriated per department. The Estimates of National Expenditure (ENE) details the planned spending of all national government votes over the MTEF period.

The Budget also provides for contingencies that accommodate expenditure related to unforeseeable circumstances and/or rollovers from the previous financial year. It may contain provisional allocations not assigned to votes that would be assigned to votes in the adjustments budget process later in the year.

## The adjustments budget process

The adjustments budget process provides an opportunity to make permissible revisions to the Budget during a financial year in response to changes that have affected planned government spending. The adjusted estimates, accompanied by an Adjustments Appropriation Bill, are tabled in the National Assembly by the Minister of Finance. The Adjustments Budget may allocate amounts that were provided for as contingencies in the Budget and additional amounts that have been approved for different types of spending. The permissible adjustments are reflected as part of the adjusted appropriation, which includes the amounts initially allocated in the Appropriation Act (2023) and the Adjustments Appropriation Bill. A Division of Revenue Amendment Bill is also tabled, which sets out how the adjustments affect the Division of Revenue Act (2023).

The Adjusted Estimates of National Expenditure (AENE) details 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, any revisions to performance projections emanating from downward or upward adjustments and technical financial amendments tabled in the AENE.

## The 2023 Adjustments Budget

Due to significant and unforeseeable economic and financial events that affected the fiscal targets set out in the 2023 Budget, the adjustments contained in the AENE provide for baseline budget reductions and reprioritisations between economic classifications within votes. The fiscal challenges in 2023/24 originate mainly from considerable decreases in revenue collection and demand for government debt instruments. These constraints were further exacerbated by costs related to the 2023/24 public service wage agreement, which was signed in March 2023 and was not part of the 2023 Budget.

Additional allocations are also made mainly to fund the reconstruction of damaged municipal infrastructure caused by severe flooding in Eastern Cape, KwaZulu-Natal, Limpopo and Mpumalanga; replenish the *municipal disaster response grant*; fund school infrastructure; provide for political parties' costs in preparation for the 2024 national and provincial elections; and provide for spending pressures related to compensation of

employees.

The 2023 Adjustments Budget includes adjustments in the budget cycle supported by relevant legislation. It makes provision for:

- **Significant and unforeseeable economic and financial events:** When unforeseeable economic and financial events affect the fiscal targets set in the main budget, adjustments might need to be made. This may include upward and/or downward adjustments.
- **Unforeseeable and unavoidable expenditure:** This is expenditure that could not be anticipated at the time of tabling the main budget. National Treasury regulations<sup>1</sup> specify that the following may not be regarded as unforeseeable and unavoidable expenditure: spending that was known when the main budget was being finalised but could not be accommodated in the allocations at the time, spending increases due to tariff adjustments and price increases, and spending to extend existing services or create new services that are not unforeseeable and unavoidable.
- **Section 16 of the Public Finance Management Act (1999):** The Minister of Finance may approve the use of funds from the National Revenue Fund 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 report to Parliament and the Auditor-General of South Africa.
- **Appropriation of expenditure already announced and earmarked for future allocation by the minister during the tabling of the 2023 Budget:** In certain instances, an amount to be allocated for a specific purpose will be announced by the Minister of Finance during the tabling of the budget, with the details of the annual allocations to be decided later. This usually occurs when plans have not been finalised in time to decide on the specific allocation amounts.
- **Virements:** The use of unspent funds from amounts appropriated under one main division<sup>2</sup> (programme) to defray excess expenditure under another main division (programme) within the same vote. Legislation<sup>3</sup> and National Treasury regulations<sup>4</sup> set the parameters in which virements may take place.
- **Shifts within votes:** The use of unspent funds to defray increased expenditure within a main division (programme) of a vote by shifting funds between different segments (subprogrammes and economic classifications) of the main division (programme). Shifts may include the reallocation of funds incorrectly allocated in the ENE process. Legislation<sup>3</sup> and National Treasury regulations<sup>4</sup> set the parameters in which shifts may take place.
- **Shifts between votes<sup>5</sup>:** The use of unspent funds in a vote to defray increased expenditure in another vote. Such shifts include functions 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.
- **Rollovers:** 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. National Treasury regulations<sup>6</sup> restrict rollovers as follows: funding for compensation of employees may not be rolled over, a maximum of 5 per cent of a vote'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 for the acquisition of assets already in progress.
- **Self-financing expenditure:** Spending financed from revenue derived from a vote's specific activities. This revenue is paid into the National Revenue Fund. If self-financing expenditure is approved by the Minister of Finance, these funds are allocated to the vote.

<sup>1</sup> Section 6.6.

<sup>2</sup> "Main division" refers to a budget programme within a vote. It is the formal term used in the Public Finance Management Act (1999) and appropriation acts. The term "programme" is used in this publication because it is commonly used in practice.

<sup>3</sup> Section 43 of the Public Finance Management Act (1999) and section 5 of the Appropriation Act (2023).

<sup>4</sup> Section 6.3.

<sup>5</sup> Sections 33 and 42 of the Public Finance Management Act (1999).

<sup>6</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's allocation.
- **Direct charges against the National Revenue Fund:** An amount spent in terms of section 213(2)b of the Constitution, other than appropriation legislation, and that is not budgeted for in any programme in a particular vote and is not included in any appropriation act. These amounts are shown as separate items, such as spending on debt-service costs, the provincial equitable share and payments to the National Revenue Fund.
- **Gifts, donations and sponsorships<sup>7</sup>:** Cash amounts exceeding R100 000 per beneficiary are included in the Adjustments Appropriation Bill.

## Summary of adjustments for 2023/24

Adjustments to vote appropriations amount to a decrease of R12 396.113 million, of which:

• significant and unforeseeable economic and financial events (reductions to vote allocations)	(R	21 725.955 million)
• significant and unforeseeable economic and financial events (additions to vote allocations for the 2023/24 wage agreement)	R	6 000.000 million
• unforeseeable and unavoidable expenditure	R	1 748.065 million
• expenditure earmarked in the 2023 Budget	R	1 000.000 million
• rollovers	R	578.389 million
• self-financing expenditure	R	1 962.905 million
• declared unspent funds (reductions to vote allocations)	(R	1 959.517 million)

Adjustments to estimates of direct charges against the National Revenue Fund amount to R32 188.866 million more than anticipated at the time of the main budget, of which:

• president and deputy president salaries	R	6.227 million
• debt-service costs	R	14 055.770 million
• provincial equitable share (additions to provincial health and education departments for the 2023/24 wage agreement)	R	17 558.206 million
• National Revenue Fund payments	R	266.663 million
• section 70 of the Public Finance Management Act (1999) payment: Land and Agricultural Development Bank of South Africa	R	502.000 million
• skills levy and sector education and training authorities (less than anticipated)	(R	314.000 million)
• judges' salaries	R	114.000 million

These adjustments are offset against the contingencies set aside in the 2023 Budget. In addition, the revised budget framework makes provision for about R797.3 million in projected underspending at the national government level, and R2.5 billion in local government repayments to the National Revenue Fund.

Adjustments to the expenditure estimates in the 2023 Budget also include a contingency reserve of R357.517 million not assigned to votes at the time of tabling the 2023 Adjustments Budget. This is intended to fund responses to emergencies and disasters.

As detailed in Table 1, total estimated expenditure in 2023/24 increases by R10.3 billion, from R2 034.58 billion to R2 044.928 billion.

<sup>7</sup> National Treasury Regulation 21.

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**Table 1: 2023/24 Adjusted National Budget**

	Appropriation (ENE)	Adjustments appropriation (AENE)	Adjusted appropriation
R thousand			
<b>Appropriation by vote</b>	<b>1 077 437 771</b>	<b>(12 396 113)</b>	<b>1 065 041 658</b>
Significant and unforeseeable economic and financial events		(15 725 955)	
Unforeseeable and unavoidable expenditure		1 748 065	
Expenditure earmarked in the 2023 Budget for future allocation		1 000 000	
Rollovers		578 389	
Self-financing		1 962 905	
Declared unspent funds		(1 959 517)	
<b>Direct charges against the National Revenue Fund</b>	<b>950 637 631</b>	<b>32 188 866</b>	<b>982 826 497</b>
<i>Of which:</i>			
President and deputy president salaries	7 864	6 227	14 091
Debt-service costs	340 460 294	14 055 770	354 516 064
Provincial equitable share:	567 527 713	17 558 206	585 085 919
<i>Significant and unforeseeable economic and financial events</i>		17 558 206	17 558 206
National Revenue Fund payments	50 528	266 663	317 191
Section 70 of the Public Finance Management Act (1999) payment: Land and Agricultural Development Bank of South Africa	–	502 000	502 000
Skills levy and sector education and training authorities	23 026 959	(314 000)	22 712 959
Judges' salaries	1 124 704	114 000	1 238 704
<b>Subtotal</b>	<b>2 028 075 402</b>	<b>19 792 753</b>	<b>2 047 868 155</b>
Provisional allocations not assigned to votes	1 504 658	(1 504 658)	–
Contingency reserve	5 000 000	(4 642 483)	357 517
National government projected underspending	–	(797 300)	(797 300)
Local government repayment to the National Revenue Fund	–	(2 500 000)	(2 500 000)
<b>Total adjustments expenditure estimate</b>	<b>2 034 580 060</b>	<b>10 348 312</b>	<b>2 044 928 372</b>
<b>Total estimate expenditure</b>	<b>2 034 580 060</b>	<b>10 348 312</b>	<b>2 044 928 372</b>
<b>Main budget revenue</b>	<b>1 759 228 847</b>	<b>(44 382 873)</b>	<b>1 714 845 974</b>
Tax revenue	1 787 456 472	(56 783 838)	1 730 672 634
Non-tax revenue	51 583 356	12 400 965	63 984 321
Less: Estimate of Southern Africa Customs Union payments	(79 810 981)	–	(79 810 981)
<b>Budget balance</b>	<b>(275 351 213)</b>	<b>(54 731 185)</b>	<b>(330 082 398)</b>

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

Vote number and title		2023/24						Adjusted appropriation	Value of virements and shifts
		Adjustments appropriation				Total adjustments appropriation			
R thousand	Appropriation	Amounts announced in the budget	Unforeseeable /Unavoidable	Unforeseeable economic and financial events	Other adjustments				
1	The Presidency	617 192	–	–	(10 939)	–	(10 939)	606 253	9 050
2	Parliament <sup>1</sup>	3 423 486	–	–	(214 670)	–	(214 670)	3 208 816	–
3	Cooperative Governance	121 698 251	–	1 556 472	(1 523 464)	(1 357 517)	(1 324 509)	120 373 742	103 708
4	Government Communication and Information System	750 746	–	–	(8 000)	800	(7 200)	743 546	2 507
5	Home Affairs	10 863 343	–	–	(68 861)	1 385 472	1 316 611	12 179 954	1 390 255
6	International Relations and Cooperation	6 694 073	–	191 593	(55 030)	–	136 563	6 830 636	105 987
7	National School of Government	229 018	–	–	(7 878)	–	(7 878)	221 140	–
8	National Treasury	34 889 373	1 000 000	–	(1 037 095)	(502 000)	(539 095)	34 350 278	342 272
9	Planning, Monitoring and Evaluation	475 848	–	–	(10 365)	–	(10 365)	465 483	14 397
10	Public Enterprises	302 912	–	–	(27 635)	–	(27 635)	275 277	2 188
11	Public Service and Administration	553 460	–	–	(11 833)	–	(11 833)	541 627	4 618
12	Public Service Commission	292 119	–	–	(3 366)	–	(3 366)	288 753	2 203
13	Public Works and Infrastructure	8 782 105	–	–	(306 139)	–	(306 139)	8 475 966	118 958
14	Statistics South Africa	2 691 746	–	–	(48 744)	–	(48 744)	2 643 002	92 934
15	Traditional Affairs	193 121	–	–	–	–	–	193 121	316
16	Basic Education	31 782 713	–	–	(1 990 097)	235 979	(1 754 118)	30 028 595	84 042
17	Higher Education and Training	110 781 585	–	–	(2 951 245)	–	(2 951 245)	107 830 340	226 956
18	Health	60 111 434	–	–	(1 645 440)	84 000	(1 561 440)	58 549 994	123 123
19	Social Development	263 029 199	–	–	(2 135 224)	–	(2 135 224)	260 893 975	48 835
20	Women, Youth and Persons with Disabilities	1 036 444	–	–	(42 500)	–	(42 500)	993 944	7 321
21	Civilian Secretariat for the Police Service	154 152	–	–	–	–	–	154 152	450
22	Correctional Services	26 026 672	–	–	543 246	1 048	544 294	26 570 966	221 589
23	Defence	51 124 429	–	–	592 720	751 035	1 343 755	52 468 184	660 638
24	Independent Police Investigative Directorate	364 386	–	–	–	–	–	364 386	2 620
25	Justice and Constitutional Development	20 793 904	–	–	(285 601)	–	(285 601)	20 508 303	658 761
26	Military Veterans	894 704	–	–	(48 419)	–	(48 419)	846 285	149 892
27	Office of the Chief Justice	1 304 530	–	–	(10 000)	–	(10 000)	1 294 530	12 197
28	Police	102 137 656	–	–	3 337 979	–	3 337 979	105 475 635	389 000
29	Agriculture, Land Reform and Rural Development	17 254 348	–	–	(496 651)	–	(496 651)	16 757 697	2 117 464
30	Communications and Digital Technologies	3 512 185	–	–	(200 000)	–	(200 000)	3 312 185	2 831
31	Employment and Labour	4 092 225	–	–	(79 449)	3 938	(75 511)	4 016 714	72 008
32	Forestry, Fisheries and the Environment	9 873 566	–	–	(234 598)	(100 000)	(334 598)	9 538 968	1 190 181
33	Human Settlements	34 942 401	–	–	(3 184 421)	–	(3 184 421)	31 757 980	30 621
34	Mineral Resources and Energy	10 701 218	–	–	(430 000)	–	(430 000)	10 271 218	68 300
35	Science and Innovation	10 874 221	–	–	(311 230)	–	(311 230)	10 562 991	166 553
36	Small Business Development	2 574 779	–	–	(45 471)	–	(45 471)	2 529 308	600 627
37	Sport, Arts and Culture	6 357 683	–	–	(268 396)	–	(268 396)	6 089 287	97 752
38	Tourism	2 524 244	–	–	(63 699)	–	(63 699)	2 460 545	26 278
39	Trade, Industry and Competition	10 922 547	–	–	(292 050)	79 022	(213 028)	10 709 519	772 838
40	Transport	79 552 447	–	–	(1 270 000)	–	(1 270 000)	78 282 447	663 399
41	Water and Sanitation	22 257 306	–	–	(881 390)	–	(881 390)	21 375 916	1 076 408
<b>Total appropriation by vote</b>		<b>1 077 437 771</b>	<b>1 000 000</b>	<b>1 748 065</b>	<b>(15 725 955)</b>	<b>581 777</b>	<b>(12 396 113)</b>	<b>1 065 041 658</b>	<b>11 660 077</b>

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

R thousand	2023/24						Adjusted appropriation
	Appropriation	Adjustments appropriation				Total adjustments appropriation	
		Amounts announced in the budget	Unforeseeable /Unavoidable	Unforeseeable economic and financial events	Other adjustments		
<b>Plus:</b>							
<b>Total direct charges against the National Revenue Fund</b>	<b>950 637 631</b>	–	–	<b>17 558 206</b>	<b>14 630 660</b>	<b>32 188 866</b>	<b>982 826 497</b>
President and deputy president salaries (The Presidency)	7 864	–	–	–	6 227	6 227	14 091
Members' remuneration (Parliament)	471 709	–	–	–	–	–	471 709
Debt-service costs (National Treasury)	340 460 294	–	–	–	14 055 770	14 055 770	354 516 064
Provincial equitable share (National Treasury)	567 527 713	–	–	17 558 206	–	17 558 206	585 085 919
General fuel levy sharing with metropolitan municipalities (National Treasury)	15 433 498	–	–	–	–	–	15 433 498
National Revenue Fund payments (National Treasury)	50 528	–	–	–	266 663	266 663	317 191
Auditor-General of South Africa (National Treasury)	123 052	–	–	–	–	–	123 052
Section 70 of the Public Finance Management Act (1999) payment: Land and Agricultural Development Bank of South Africa	–	–	–	–	502 000	502 000	502 000
Skills levy and sector education and training authorities (Higher Education and Training)	23 026 959	–	–	–	(314 000)	(314 000)	22 712 959
Magistrates' salaries (Justice and Constitutional Development)	2 398 746	–	–	–	–	–	2 398 746
Judges' salaries (Office of the Chief Justice)	1 124 704	–	–	–	114 000	114 000	1 238 704
International Oil Pollution Compensation Fund (Transport)	12 564	–	–	–	–	–	12 564
<b>Subtotal</b>	<b>2 028 075 402</b>	<b>1 000 000</b>	<b>1 748 065</b>	<b>1 832 251</b>	<b>15 212 437</b>	<b>19 792 753</b>	<b>2 047 868 155</b>
Provisional allocations not assigned to votes	1 504 658	–	–	–	(1 504 658)	(1 504 658)	–
Contingency reserve	5 000 000	–	–	–	(4 642 483)	(4 642 483)	357 517
National government projected underspending	–	–	–	–	(797 300)	(797 300)	(797 300)
Local government repayment to the National Revenue Fund	–	–	–	–	(2 500 000)	(2 500 000)	(2 500 000)
<b>Total estimated expenditure</b>	<b>2 034 580 060</b>	<b>1 000 000</b>	<b>1 748 065</b>	<b>1 832 251</b>	<b>5 767 996</b>	<b>10 348 312</b>	<b>2 044 928 372</b>

1. Amendments to Parliament's budget are determined independently of 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		2023/24						Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation	
R thousand	Appropriation	Amounts announced in the budget	Unforeseeable /Unavoidable expenditure	Virements and shifts	Unforeseeable economic and financial events	Other adjustments		
<b>Current payments</b>								
Compensation of employees	183 566 058	–	66 693	1 101 266	5 843 316	114 000	7 125 275	190 691 333
Goods and services	83 276 042	–	–	(980 635)	(3 485 879)	1 151 526	(3 314 988)	79 961 054
Interest and rent on land	340 693 779	–	–	1 609	–	14 055 770	14 057 379	354 751 158
<b>Total current payments</b>	<b>607 535 879</b>	<b>–</b>	<b>66 693</b>	<b>122 240</b>	<b>2 357 437</b>	<b>15 321 296</b>	<b>17 867 666</b>	<b>625 403 545</b>
<b>Transfers and subsidies</b>								
Provinces and municipalities	859 216 471	–	1 556 472	(67 905)	7 898 963	(1 356 767)	8 030 763	867 247 234
Departmental agencies and accounts	171 505 403	1 000 000	–	1 075 896	(3 683 341)	589 035	(1 018 410)	170 486 993
Higher education institutions	49 943 961	–	–	5 000	(567 717)	–	(562 717)	49 381 244
Foreign governments and international organisations	3 089 438	–	124 900	141 288	(215 185)	148 000	199 003	3 288 441
Public corporations and private enterprises	42 634 428	–	–	(581 374)	(506 842)	15 000	(1 073 216)	41 561 212
Non-profit institutions	3 534 933	–	–	(1 605)	(12 800)	–	(14 405)	3 520 528
Households	270 246 079	–	–	(638 402)	(2 109 194)	7 275	(2 740 321)	267 505 758
<b>Total transfers and subsidies</b>	<b>1 400 170 713</b>	<b>1 000 000</b>	<b>1 681 372</b>	<b>(67 102)</b>	<b>803 884</b>	<b>(597 457)</b>	<b>2 820 697</b>	<b>1 402 991 410</b>
<b>Payments for capital assets</b>								
Buildings and other fixed structures	12 776 753	–	–	(719 723)	(745 565)	152 491	(1 312 797)	11 463 956
Machinery and equipment	5 193 989	–	–	301 526	(482 331)	69 380	(111 425)	5 082 564
Heritage assets	222 688	–	–	(33 686)	(80 974)	–	(114 660)	108 028
Specialised military assets	6 555	–	–	–	–	–	–	6 555
Biological assets	10 225	–	–	1 010	–	–	1 010	11 235
Land and subsoil assets	–	–	–	296 806	–	–	296 806	296 806
Software and other intangible assets	190 952	–	–	34 614	(20 200)	64	14 478	205 430
<b>Total payments for capital assets</b>	<b>18 401 162</b>	<b>–</b>	<b>–</b>	<b>(119 453)</b>	<b>(1 329 070)</b>	<b>221 935</b>	<b>(1 226 588)</b>	<b>17 174 574</b>
<b>Total payments for financial assets</b>	<b>1 967 648</b>	<b>–</b>	<b>–</b>	<b>64 315</b>	<b>–</b>	<b>266 663</b>	<b>330 978</b>	<b>2 298 626</b>
<b>Subtotal</b>	<b>2 028 075 402</b>	<b>1 000 000</b>	<b>1 748 065</b>	<b>–</b>	<b>1 832 251</b>	<b>15 212 437</b>	<b>19 792 753</b>	<b>2 047 868 155</b>
Provisional allocations not assigned to votes	1 504 658	–	–	–	–	(1 504 658)	(1 504 658)	–
Contingency reserve	5 000 000	–	–	–	–	(4 642 483)	(4 642 483)	357 517
National government projected underspending	–	–	–	–	–	(797 300)	(797 300)	(797 300)
Local government repayment to the National Revenue Fund	–	–	–	–	–	(2 500 000)	(2 500 000)	(2 500 000)
<b>Total estimated expenditure</b>	<b>2 034 580 060</b>	<b>1 000 000</b>	<b>1 748 065</b>	<b>–</b>	<b>1 832 251</b>	<b>5 767 996</b>	<b>10 348 312</b>	<b>2 044 928 372</b>



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

Vote and description of expenditure		R thousand
<b>Reductions</b>		
<b>National government:</b>		
1	The Presidency	( 10 939 )
2	Parliament	( 214 670 )
3	Cooperative Governance	( 1 523 464 )
4	Government Communication and Information System	( 8 000 )
5	Home Affairs	( 68 861 )
6	International Relations and Cooperation	( 55 030 )
7	National School of Government	( 7 878 )
8	National Treasury	( 1 037 095 )
9	Planning, Monitoring and Evaluation	( 10 365 )
10	Public Enterprises	( 27 635 )
11	Public Service and Administration	( 11 833 )
12	Public Service Commission	( 3 366 )
13	Public Works and Infrastructure	( 306 139 )
14	Statistics South Africa	( 48 744 )
16	Basic Education	( 1 990 097 )
17	Higher Education and Training	( 2 951 245 )
18	Health	( 1 645 440 )
19	Social Development	( 2 135 224 )
20	Women, Youth and Persons with Disabilities	( 42 500 )
22	Correctional Services	( 256 754 )
23	Defence	( 607 280 )
25	Justice and Constitutional Development	( 285 601 )
26	Military Veterans	( 48 419 )
27	Office of the Chief Justice	( 10 000 )
28	Police	( 662 021 )
29	Agriculture, Land Reform and Rural Development	( 496 651 )
30	Communications and Digital Technologies	( 200 000 )
31	Employment and Labour	( 79 449 )
32	Forestry, Fisheries and the Environment	( 234 598 )
33	Human Settlements	( 3 184 421 )
34	Mineral Resources and Energy	( 430 000 )
35	Science and Innovation	( 311 230 )
36	Small Business Development	( 45 471 )
37	Sport, Arts and Culture	( 268 396 )
38	Tourism	( 63 699 )
39	Trade, Industry and Competition	( 292 050 )
40	Transport	( 1 270 000 )
41	Water and Sanitation	( 881 390 )
<b>Total</b>		<b>( 21 725 955 )</b>

**Table 3.1: Adjustments due to significant and unforeseeable economic and financial events**

Vote and description of expenditure	R thousand
<b>Additions for budget pressures emanating from the 2023 wage agreement</b>	
<b>National government:</b>	
	<b>6 000 000</b>
22 Correctional Services	800 000
23 Defence	1 200 000
28 Police	4 000 000
<b>Provincial government:</b>	
	<b>17 558 206</b>
8 National Treasury	
<i>Provincial equitable share</i>	17 558 206
R10.753 billion to provincial education departments and R6.805 billion to provincial health departments	
<b>Total</b>	<b>23 558 206</b>

**Table 4: Unforeseeable and unavoidable expenditure**

Vote and description of expenditure		R thousand
<b>3</b>	<b>Cooperative Governance</b> R1 184.472 million to the municipal disaster recovery grant for the reconstruction and rehabilitation of municipal infrastructure damaged by floods in Eastern Cape, KwaZulu-Natal, Mpumalanga and Limpopo. R372 million to replenish the municipal disaster response grant	<b>1 556 472</b>
<b>6</b>	<b>International Relations and Cooperation</b> Additional funding for foreign exchange fluctuations	<b>191 593</b>
<b>Total</b>		<b>1 748 065</b>

**Table 5: Appropriation of expenditure earmarked in the 2023 Budget for future allocation**

Vote and description of expenditure		R thousand
<b>8</b>	<b>National Treasury</b> South African Revenue Service to improve revenue-raising capabilities	<b>1 000 000</b>
<b>Total</b>		<b>1 000 000</b>

**Table 6: Rollovers**

Vote and description of expenditure		R thousand
<b>5</b>	<b>Home Affairs</b> R300 million to the Represented Political Parties' Fund and R38.472 million for the digitisation of records	<b>338 472</b>
<b>16</b>	<b>Basic Education</b> R119.183 million for payments for capital assets for the accelerated school infrastructure delivery initiative and sanitation appropriate for education initiatives within the school infrastructure backlogs grant, R99.245 million for workbooks and R17.551 million for a management fee paid to the implementing agent for the school infrastructure backlogs grant	<b>235 979</b>
<b>31</b>	<b>Employment and Labour</b> Refurbishment of existing buildings	<b>3 938</b>
<b>Total</b>		<b>578 389</b>

**Table 7: Self-financing expenditure**

Vote and description of expenditure		R thousand
<b>4</b>	<b>Government Communication and Information System</b> Expenditure to produce Vuk'uzenzele newspaper, which is funded from revenue generated through advertising in the newspaper	<b>800</b>
<b>5</b>	<b>Home Affairs</b> Expenditure incurred by issuing official documents, which is defrayed by revenue generated through issuing the documents	<b>1 047 000</b>
<b>18</b>	<b>Health</b> Expenditure related to the COVID-19 vaccination programme, which is funded from revenue collected from costs recuperated from the COVID-19 vaccine programme	<b>84 000</b>
<b>22</b>	<b>Correctional Services</b> Expenditure for offender gratuities, which is funded from revenue generated through the hiring out of offender labour	<b>1 048</b>
<b>23</b>	<b>Defence</b> Expenditure for defence activities, of which R717.508 million is defrayed from reimbursements from the United Nations, and R33.527 million from the sale of equipment and spares procured through the special defence account	<b>751 035</b>
<b>39</b>	<b>Trade Industry and Competition</b> R64.022 million for unitary payments in respect of the public-private partnership for shared campus accommodation, which is funded through unitary payments received from public entities and R15 million for expenditure towards the Industrial Development Corporation: Tirisano Construction Fund for projects that form part of the annual plan under the settlement agreement for the voluntary rebuild programme	<b>79 022</b>
<b>Total</b>		<b>1 962 905</b>

**Table 8: Declared unspent funds and projected underspending**

<b>Vote and description of expenditure</b>	<b>R thousand</b>
<b>3 Cooperative Governance</b>	<b>(1 357 517)</b>
Local government equitable share allocation due to lower than projected bulk electricity costs	
<b>8 National Treasury</b>	<b>(502 000)</b>
Payments for financial assets	
<b>32 Forestry, Fisheries and the Environment</b>	<b>(100 000)</b>
Agency and outsourced services due to the cancellation of contracts	
<b>Total declared unspent funds</b>	<b>(1 959 517)</b>
<b>National government projected underspending</b>	<b>(797 300)</b>
<b>Local government repayment to the National Revenue Fund</b>	<b>(2 500 000)</b>
<b>Total</b>	<b>(5 256 817)</b>

**Table 9: Expenditure outcome for 2022/23 and mid-year expenditure for 2023/24**

Vote number and title		2022/23				2023/24			
		Outcome				Actual expenditure			
R thousand		Adjusted appropriation	Apr 22 - Sep 22 % of adjusted appropriation	Apr 22 - Mar 23	Apr 22 - Mar 23 % of adjusted appropriation	Adjusted appropriation	Apr 23 - Sep 23	Apr 23 - Sep 23 % of adjusted appropriation	
1	The Presidency	618 283	223 991	36.2	542 694	87.8	606 253	284 435	46.9
2	Parliament <sup>1</sup>	2 367 311	–	–	2 367 311	100.0	3 208 816	–	–
3	Cooperative Governance	115 027 438	42 180 652	36.7	110 709 081	96.2	120 373 742	49 251 203	40.9
4	Government Communication and Information System	729 664	359 891	49.3	723 905	99.2	743 546	367 380	49.4
5	Home Affairs	11 096 232	4 478 784	40.4	10 398 031	93.7	12 179 954	5 694 023	46.7
6	International Relations and Cooperation	6 784 318	3 217 135	47.4	6 707 557	98.9	6 830 636	3 751 151	54.9
7	National School of Government	231 097	106 396	46.0	220 051	95.2	221 140	109 688	49.6
8	National Treasury	38 837 684	15 442 368	39.8	37 491 427	96.5	34 350 278	16 071 035	46.8
9	Planning, Monitoring and Evaluation	481 394	199 715	41.5	442 599	91.9	465 483	197 829	42.5
10	Public Enterprises	34 145 398	5 683 982	16.6	33 888 457	99.2	275 277	126 467	45.9
11	Public Service and Administration	550 123	244 160	44.4	515 722	93.7	541 627	241 162	44.5
12	Public Service Commission	295 541	129 553	43.8	278 926	94.4	288 753	157 580	54.6
13	Public Works and Infrastructure	8 152 729	3 930 804	48.2	7 910 167	97.0	8 475 966	4 329 196	51.1
14	Statistics South Africa	2 999 427	2 215 686	73.9	3 797 648	126.6	2 643 002	1 390 750	52.6
15	Traditional Affairs	180 143	79 973	44.4	174 452	96.8	193 121	94 541	49.0
16	Basic Education	29 693 160	16 735 595	56.4	29 426 659	99.1	30 028 595	18 638 047	62.1
17	Higher Education and Training	109 737 633	75 715 635	69.0	109 274 717	99.6	107 830 340	80 917 449	75.0
18	Health	64 555 731	30 540 209	47.3	62 896 041	97.4	58 549 994	29 520 911	50.4
19	Social Development	247 854 892	115 079 717	46.4	241 721 864	97.5	260 893 975	128 804 327	49.4
20	Women, Youth and Persons with Disabilities	991 714	651 870	65.7	983 259	99.1	993 944	550 925	55.4
21	Civilian Secretariat for the Police Service	155 920	75 648	48.5	152 641	97.9	154 152	76 412	49.6
22	Correctional Services	26 535 984	12 781 204	48.2	26 429 240	99.6	26 570 966	13 860 156	52.2
23	Defence	51 601 612	24 238 486	47.0	54 596 749	105.8	52 468 184	26 168 603	49.9
24	Independent Police Investigative Directorate	363 529	160 447	44.1	359 010	98.8	364 386	173 899	47.7
25	Justice and Constitutional Development	20 482 024	9 055 613	44.2	20 356 493	99.4	20 508 303	10 173 035	49.6
26	Military Veterans	670 032	256 388	38.3	615 608	91.9	846 285	212 041	25.1
27	Office of the Chief Justice	1 362 878	598 339	43.9	1 294 864	95.0	1 294 530	659 704	51.0
28	Police	102 554 962	47 641 618	46.5	102 499 884	99.9	105 475 635	52 513 204	49.8
29	Agriculture, Land Reform and Rural Development	17 533 643	7 125 479	40.6	17 105 760	97.6	16 757 697	8 068 215	48.1
30	Communications and Digital Technologies	5 327 777	1 621 416	30.4	5 221 342	98.0	3 312 185	1 555 111	47.0
31	Employment and Labour	4 107 776	1 864 622	45.4	3 897 118	94.9	4 016 714	1 884 617	46.9
32	Forestry, Fisheries and the Environment	8 994 839	4 151 297	46.2	8 826 817	98.1	9 538 968	4 726 339	49.5
33	Human Settlements	33 478 474	14 136 520	42.2	32 857 505	98.1	31 757 980	13 596 983	42.8
34	Mineral Resources and Energy	10 447 537	4 060 466	38.9	10 118 584	96.9	10 271 218	4 685 886	45.6
35	Science and Innovation	9 145 262	4 561 584	49.9	9 120 855	99.7	10 562 991	5 517 057	52.2
36	Small Business Development	2 532 889	1 299 787	51.3	2 513 921	99.3	2 529 308	1 451 109	57.4
37	Sport, Arts and Culture	6 305 453	2 780 205	44.1	6 236 666	98.9	6 089 287	3 054 813	50.2
38	Tourism	2 502 357	1 005 558	40.2	2 473 720	98.9	2 460 545	931 205	37.8
39	Trade, Industry and Competition	10 913 553	5 603 737	51.3	10 798 432	98.9	10 709 519	6 793 197	63.4
40	Transport	95 134 237	34 254 114	36.0	94 543 211	99.4	78 282 447	39 319 384	50.2
41	Water and Sanitation	18 555 010	7 009 897	37.8	17 693 416	95.4	21 375 916	9 788 578	45.8
<b>Total</b>		<b>1 104 035 660</b>	<b>501 498 541</b>	<b>45.4</b>	<b>1 088 182 404</b>	<b>98.6</b>	<b>1 065 041 658</b>	<b>545 707 647</b>	<b>51.2</b>

Table 9: Expenditure outcome for 2022/23 and mid-year expenditure for 2023/24 (continued)

R thousand	2022/23					2023/24		
	Outcome					Actual expenditure		
	Adjusted appropriation	Apr 22 - Sep 22	Apr 22 - Sep 22 % of adjusted appropriation	Apr 22 - Mar 23	Apr 22 - Mar 23 % of adjusted appropriation	Adjusted appropriation	Apr 23 - Sep 23	Apr 23 - Sep 23 % of adjusted appropriation
Plus:								
<b>Total direct charges against the National Revenue Fund</b>	<b>919 377 163</b>	<b>445 734 762</b>	<b>48.5</b>	<b>920 974 361</b>	<b>100.2</b>	<b>982 826 497</b>	<b>488 509 913</b>	<b>49.7</b>
President and deputy president salaries (The Presidency)	7 704	2 977	38.6	5 870	76.2	14 091	9 443	67.0
Members' remuneration (Parliament)	471 709	–	–	538 247	114.1	471 709	–	–
Debt-service costs (National Treasury)	307 156 884	147 793 094	48.1	308 459 149	100.4	354 516 064	172 545 238	48.7
Provincial equitable share (National Treasury)	570 868 206	280 378 398	49.1	570 868 206	100.0	585 085 919	297 239 928	50.8
General fuel levy sharing with metropolitan municipalities (National Treasury)	15 334 823	5 111 607	33.3	15 334 823	100.0	15 433 498	5 144 499	33.3
National Revenue Fund payments (National Treasury)	263 203	263 112	100.0	263 279	100.0	317 191	317 191	100.0
Auditor-General of South Africa (National Treasury)	72 582	72 582	100.0	148 582	204.7	123 052	123 052	100.0
Section 70 of the Public Finance Management Act (1999) payment: Land and Agricultural Development Bank of South Africa	101 557	–	–	889 130	875.5	502 000	502 003	100.0
Section 70 of the Public Finance Management Act (1999) payment: Denel (Public Enterprises)	204 700	200 659	98.0	204 700	100.0	–	–	–
Skills levy and sector education and training authorities (Higher Education and Training)	21 238 137	10 150 162	47.8	20 808 850	98.0	22 712 959	10 947 497	48.2
Magistrates' salaries (Justice and Constitutional Development)	2 398 506	1 184 838	49.4	2 297 402	95.8	2 398 746	1 108 389	46.2
Judges' salaries (Office of the Chief Justice and Judicial Administration)	1 247 118	577 333	46.3	1 154 581	92.6	1 238 704	572 673	46.2
International Oil Pollution Compensation Fund (Transport)	12 034	–	–	1 542	12.8	12 564	–	–
<b>Total</b>	<b>2 023 412 823</b>	<b>947 233 303</b>	<b>46.8</b>	<b>2 009 156 765</b>	<b>99.3</b>	<b>2 047 868 155</b>	<b>1 034 217 560</b>	<b>50.5</b>
<b>Economic classification</b>								
<b>Current payments</b>								
Compensation of employees	187 904 840	89 873 981	47.8	188 554 326	100.3	190 691 333	96 200 098	50.4
Goods and services	83 522 168	32 233 408	38.6	78 203 850	93.6	79 961 054	36 939 723	46.2
Interest and rent on land	307 368 577	147 902 245	48.1	308 731 603	100.4	354 751 158	172 661 258	48.7
<b>Total current payments</b>	<b>578 795 585</b>	<b>270 009 634</b>	<b>46.7</b>	<b>575 489 779</b>	<b>99.4</b>	<b>625 403 545</b>	<b>305 801 079</b>	<b>48.9</b>
<b>Transfers and subsidies</b>								
Provinces and municipalities	849 090 047	398 692 862	47.0	845 213 756	99.5	867 247 234	425 425 288	49.1
Departmental agencies and accounts	157 812 322	90 389 344	57.3	157 375 789	99.7	170 486 993	100 039 001	58.7
Higher education institutions	51 873 236	37 085 302	71.5	52 122 583	100.5	49 381 244	39 028 628	79.0
Foreign governments and international organisations	3 318 471	1 051 286	31.7	3 253 506	98.0	3 288 441	695 880	21.2
Public corporations and private enterprises	40 188 154	19 570 377	48.7	40 928 290	101.8	41 561 212	21 464 453	51.6
Non-profit institutions	3 542 362	1 137 633	32.1	3 296 123	93.0	3 520 528	1 464 922	41.6
Households	253 971 176	117 392 150	46.2	247 260 433	97.4	267 505 758	132 516 637	49.5
<b>Total transfers and subsidies</b>	<b>1 359 795 768</b>	<b>665 318 954</b>	<b>48.9</b>	<b>1 349 450 480</b>	<b>99.2</b>	<b>1 402 991 410</b>	<b>720 634 809</b>	<b>51.4</b>
<b>Payments for capital assets</b>								
Buildings and other fixed structures	10 486 966	3 320 652	31.7	9 135 940	87.1	11 463 956	4 288 983	37.4
Machinery and equipment	5 256 577	1 424 700	27.1	5 211 206	99.1	5 082 564	1 534 249	30.2
Heritage assets	144 640	170	0.1	57 844	40.0	108 028	2 346	2.2
Specialised military assets	1 096	490	44.7	–	–	6 555	6 080	92.8
Biological assets	10 655	3 195	30.0	7 631	71.6	11 235	6 915	61.5
Land and subsoil assets	742 692	144 021	19.4	1 302 808	175.4	296 806	82 180	27.7
Software and other intangible assets	226 643	104 083	45.9	719 983	317.7	205 430	115 720	56.3
<b>Total payments for capital assets</b>	<b>16 869 269</b>	<b>4 997 311</b>	<b>29.6</b>	<b>16 435 412</b>	<b>97.4</b>	<b>17 174 574</b>	<b>6 036 473</b>	<b>35.1</b>
<b>Total payments for financial assets</b>	<b>67 952 201</b>	<b>6 907 404</b>	<b>10.2</b>	<b>67 781 094</b>	<b>99.7</b>	<b>2 298 626</b>	<b>1 745 199</b>	<b>75.9</b>
<b>Total</b>	<b>2 023 412 823</b>	<b>947 233 303</b>	<b>46.8</b>	<b>2 009 156 765</b>	<b>99.3</b>	<b>2 047 868 155</b>	<b>1 034 217 560</b>	<b>50.5</b>

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

**Table 10: Departmental receipts per vote**

Vote number and title		2022/23				2023/24				
		Adjusted estimate	Outcome		Budget estimate	Adjusted estimate	Actual receipts			
			Apr 22 - Sep 22 % of adjusted estimate	Apr 22 - Mar 23 adjusted estimate			Apr 23 - Sep 23	Apr 23 - Sep 23 % of adjusted estimate		
R thousand										
1	The Presidency	969	529	54.6	743	76.7	665	792	415	52.4
2	Parliament <sup>1</sup>	–	–	–	–	–	–	–	–	–
3	Cooperative Governance	4 241	3 352	79.0	9 449	222.8	2 674	8 062	1 771	22.0
4	Government Communication and Information System	1 488	541	36.4	1 262	84.8	2 655	1 797	1 120	62.3
5	Home Affairs	798 120	357 341	44.8	1 029 107	128.9	845 975	1 047 453	425 302	40.6
6	International Relations and Cooperation	63 139	48 148	76.3	186 154	294.8	45 910	57 720	29 887	51.8
7	National School of Government	346	132	38.2	258	74.6	331	350	210	60.0
8	National Treasury	12 348 302	4 636 172	37.5	14 039 184	113.7	22 693 120	30 826 386	8 990 999	29.2
9	Planning, Monitoring and Evaluation	2 272	1 920	84.5	2 472	108.8	793	2 251	1 813	80.5
10	Public Enterprises	315	39	12.4	1 514	480.6	315	246	160	65.0
11	Public Service and Administration	959	192	20.0	299	31.2	658	772	323	41.8
12	Public Service Commission	298	216	72.5	362	121.5	235	385	214	55.6
13	Public Works and Infrastructure	7 633	6 297	82.5	33 315	436.5	1 459	1 816	626	34.5
14	Statistics South Africa	2 402	1 895	78.9	2 696	112.2	1 060	1 153	828	71.8
15	Traditional Affairs	52	24	46.2	51	98.1	54	138	45	32.6
16	Basic Education	11 334	5 628	49.7	12 055	106.4	7 937	21 387	4 982	23.3
17	Higher Education and Training	27 913	9 882	35.4	47 058	168.6	28 151	28 151	8 088	28.7
18	Health	3 010 783	831 047	27.6	1 165 733	38.7	18 879	190 090	103 271	54.3
19	Social Development	24 379	374	1.5	332 075	1 362.1	31 427	23 219	319	1.4
20	Women, Youth and Persons with Disabilities	78	24	30.8	387	496.2	61	394	367	93.1
21	Civilian Secretariat for the Police Service	75	37	49.3	238	317.3	81	74	10	13.5
22	Correctional Services	163 017	57 718	35.4	148 142	90.9	155 467	196 817	122 235	62.1
23	Defence	1 200 782	495 289	41.2	1 263 531	105.2	1 256 490	1 256 490	578 069	46.0
24	Independent Police Investigative Directorate	268	167	62.3	278	103.7	287	1 694	1 598	94.3
25	Justice and Constitutional Development	518 470	264 106	50.9	503 042	97.0	530 024	529 393	272 269	51.4
26	Military Veterans	523	148	28.3	350	66.9	564	1 195	1 140	95.4
27	Office of the Chief Justice	4 088	1 978	48.4	3 909	95.6	4 206	4 206	1 823	43.3
28	Police	596 729	373 556	62.6	762 036	127.7	522 129	607 894	378 208	62.2
29	Agriculture, Land Reform and Rural Development	281 535	167 392	59.5	364 131	129.3	296 176	356 541	180 908	50.7
30	Communications and Digital Technologies	5 744	5 577	97.1	6 020	104.8	2 358	2 456	898	36.6
31	Employment and Labour	15 841	7 276	45.9	19 008	120.0	18 429	18 720	9 903	52.9
32	Forestry, Fisheries and the Environment	88 626	53 889	60.8	86 861	98.0	131 686	87 829	35 003	39.9
33	Human Settlements	646	474	73.4	1 842	285.1	335	1 092	546	50.0
34	Mineral Resources and Energy	48 978	19 688	40.2	36 742	75.0	51 354	43 477	22 511	51.8
35	Science and Innovation	726	156	21.5	688	94.8	683	2 111	1 741	82.5
36	Small Business Development	129	32	24.8	61	47.3	120	116	75	64.7
37	Sport, Arts and Culture	1 121	517	46.1	4 838	431.6	758	11 059	6 636	60.0
38	Tourism	2 882	625	21.7	66 334	2 301.7	2 933	63 962	51 477	80.5
39	Trade, Industry and Competition	246 811	81 439	33.0	151 942	61.6	242 947	244 147	93 147	38.2
40	Transport	187 356	186 548	99.6	204 263	109.0	1 455	2 471	1 983	80.3
41	Water and Sanitation	5 264	2 296	43.6	26 709	507.4	6 829	6 697	2 276	34.0
<b>Total departmental receipts as per Adjusted Estimates of National Expenditure</b>		<b>19 674 634</b>	<b>7 622 661</b>	<b>38.7</b>	<b>20 515 139</b>	<b>104.3</b>	<b>26 907 670</b>	<b>35 651 003</b>	<b>11 333 196</b>	<b>31.8</b>
Plus: Sale of non-core assets		–	–	–	–	–	–	6 000 000	–	–
Strategic oil reserves		–	–	–	–	–	–	6 000 000	–	–
Plus: Public entities conduit <sup>2</sup> receipts		10 701 101	9 340 944	87.3	10 351 799	96.7	2 207 079	8 030 015	1 061 618	13.2
Independent Communications Authority of South Africa		10 632 707	9 340 944	87.9	10 179 509	95.7	2 121 609	7 897 446	1 061 618	13.4
Competition Commission		68 394	–	–	172 290	251.9	85 470	132 569	–	–
Plus: South African Revenue Service departmental receipts collection		25 916 151	14 214 633	54.8	25 337 636	97.8	22 468 607	14 303 303	8 112 076	56.7
<b>Total departmental and other receipts</b>		<b>56 291 886</b>	<b>31 178 238</b>	<b>55.4</b>	<b>56 204 574</b>	<b>99.8</b>	<b>51 583 356</b>	<b>63 984 321</b>	<b>20 506 890</b>	<b>32.0</b>

1. Amendments to Parliament's budget are determined independently of 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. These are included as other receipts for consolidation purposes, but are accordingly excluded from departmental financial statements.

**Table 10.1: Departmental receipts per economic classification**

Economic classification	2022/23					2023/24			
	Adjusted estimate	Outcome			Budget estimate	Adjusted estimate	Actual receipts		
		Apr 22 – Sep 22	Apr 22 – Sep 22 % of adjusted estimate	Apr 22 – Mar 23			Apr 22 – Mar 23 % of adjusted estimate	Apr 23 – Sep 23	Apr 23 – Sep 23 % of adjusted estimate
<b>R thousand</b>									
<b>Departmental receipts</b>									
Tax receipts	6 500	2 817	43.3	7 488	115.2	6 500	7 700	3 368	43.7
Sales of goods and services produced by department	5 449 404	1 956 461	35.9	3 742 586	68.7	2 329 729	2 767 225	1 481 992	53.6
Sales of scrap, waste, arms and other used current goods	10 410	4 252	40.8	14 321	137.6	9 999	8 555	3 896	45.5
Transfers received	646 229	221 511	34.3	639 964	99.0	660 393	661 065	186 916	28.3
Fines, penalties and forfeits	389 990	207 997	53.3	371 237	95.2	377 333	405 402	224 708	55.4
Interest, dividends and rent on land	8 046 868	2 781 600	34.6	8 977 399	111.6	11 492 535	8 361 374	4 848 696	58.0
Sales of capital assets	127 168	77 413	60.9	187 257	147.3	131 285	162 760	78 269	48.1
Transactions in financial assets and liabilities	4 998 065	2 370 610	47.4	6 574 887	131.5	11 899 896	23 276 922	4 505 351	19.4
<b>Total departmental receipts as per Adjusted Estimates of National Expenditure</b>	<b>19 674 634</b>	<b>7 622 661</b>	<b>38.7</b>	<b>20 515 139</b>	<b>104.3</b>	<b>26 907 670</b>	<b>35 651 003</b>	<b>11 333 196</b>	<b>31.8</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	2023/24			Adjusted appropriation
	Appropriation	Adjustments appropriation		
		Decrease	Increase	
<b>Amount to be appropriated</b>				
<i>of which:</i>				
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				

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 (2023).

**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 and the total adjustments appropriation.

**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 for which such payments have been budgeted. 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 appear in the historical information only once they are known.

**Direct charge against the National Revenue Fund** is an amount spent in terms of section 213 (2)b of the Constitution, other than an appropriation legislation, and that is not budgeted for in any programme in a particular vote and is not included in any appropriation act. As such, it is shown as a separate item.

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

## Vote purpose

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

## Performance

Indicator	Programme	MTSF priority	Annual performance		
			Projected for 2023/24	Achieved in the first half of 2023/24 (April to September)	Changed target for 2023/24

To improve service delivery, it is integral to manage, monitor and measure performance. The table<sup>1</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 priority** links the indicator to one or more of the 7 priorities targeted in government’s 2019-2024 medium-term strategic framework.

**Projected for 2023/24** shows what the department projected it would achieve for the current financial year, as published in the 2023 ENE.

**Achieved in the first half of 2023/24** shows what the department has achieved in the first half of the current financial year.

**Changed target for 2023/24** 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 Public Finance Management Act (1999) and sections 5 and 6 of Appropriation Act (2023), as well as changes to align the target and indicator with the department’s annual performance plan.

Changes to indicators and/or targets are strictly confined to those arising from technical financial amendments made to a vote’s estimates of expenditure.

<sup>1</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. It contains key indicators linked to strategic and annual performance plans, as informed by government’s 2019-2024 medium-term strategic framework and ministerial delivery agreements.

## Adjusted estimates

Programme		2023/24							Adjusted appropriation
		Adjustments appropriation					Total adjustments appropriation		
R thousand	Appropriation	Amounts announced in the budget	Unforeseeable/unavoidable	Virements and shifts	Shifting of funds between votes	Unforeseeable economic and financial events		Other adjustments <sup>1</sup>	
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>									

1. Other adjustments include rollovers, the shifting of funds following a function shift within a vote, self-financing expenditure, declared unspent funds and expenditure in terms of section 16 of the Public Finance Management Act (1999).

This table sets out a vote’s adjusted estimates of expenditure by the type of expenditure adjustment, vote programme, direct charges against the National Revenue Fund and 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 main economic classification for the current financial year in the Appropriation Act (2023).

**Adjustments appropriation** shows the amounts of the adjustments for each type of expenditure adjustment by programme and economic classification, and in aggregate.

**Amounts announced in the budget** shows expenditure earmarked in the 2023 Budget for future allocation.

**Unforeseeable and unavoidable** shows expenditure that could not be anticipated and avoided at the time of the main budget.

**Virements and shifts within votes:**

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

- **Significant and unforeseeable economic and financial events** are upward and/or downward adjustments required due to unforeseeable economic and financial events affecting the fiscal targets set in the main budget.
- **Other adjustments** include rollovers, funds shifted within a vote following a function shift, self-financing expenditure, declared unspent funds and the use of funds in terms of section 16 of the Public Finance Management Act (1999).

**Total adjustments appropriation** shows the sum of all expenditure adjustments by programme and economic classification. This number may be negative due to downward adjustments, a virement of funds out of the programme or economic classification or funds shifted within votes.

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

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

## Details of adjustments to the 2023 Estimates of National Expenditure

This section gives explanations by programme for:

- amounts announced in the budget
- unforeseeable and unavoidable expenditure
- virements and shifts within the vote.

### Virements and shifts within the vote

#### 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					
<b>Total</b>					

1. National Treasury approval has been obtained.

2. Only Parliament may approve this virement.

**From** specifies where funds have been reduced by programme and 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 economic classification item. These funds, which increase expenditure, offset funding reductions.

**R thousand** shows the monetary amounts.

Certain types of virements and shifts require approval either from National Treasury or Parliament before they can be effected. All virements and shifts that have approvals are footnoted in this table.

In terms of the Public Finance Management Act (1999)<sup>2</sup>, National Treasury regulations<sup>2</sup> and the Appropriation Act (2023)<sup>2</sup>, the following virements and shifts require approval from National Treasury:

Shifts between main divisions within a vote:

- the use of funds appropriated for goods and services for compensation of employees within the same vote
- the use of funds that were earmarked by National Treasury in an allocation letter for a specific purpose
- the use of funds appropriated for payments for capital assets elsewhere within the same vote except for compensation of employees
- an increase in funds appropriated for transfers and subsidies to other institutions, excluding transfers and subsidies to other levels of government for purposes of paying levies and taxes imposed by legislation
- the introduction of a new transfer and subsidy to another institution.

Shifts within the main division of a vote:

- the use of funds appropriated for transfers and subsidies to other institutions elsewhere within the same main division, except for compensation of employees
- the use of funds appropriated for payments for financial assets elsewhere within the same main division except for compensation of employees
- the use of funds appropriated for goods and services for compensation of employees within the same vote
- the use of funds that were earmarked by National Treasury in the allocation letter for a specific purpose
- the use of more than 8 per cent of unspent funds under a classification within a main division for another classification within the same main division in terms of section 5(5)a of the Appropriation Act (2023)
- an increase in funds appropriated for transfers and subsidies to other institutions, excluding transfers and subsidies, to other levels of government for purposes of paying levies and taxes imposed by legislation
- the introduction of a new transfer and subsidy to another institution.

The following virements and shifts can be approved only by Parliament<sup>2</sup>:

- the use of funds appropriated for items specifically and exclusively earmarked in an appropriation act that cannot be approved by National Treasury
- the use of funds totalling more than 8 per cent of the amount appropriated in a main division for use in another main division
- the use of funds appropriated as transfers and subsidies that cannot be approved by National Treasury
- the use of funds appropriated for payments for capital assets that cannot be approved by National Treasury
- the use of funds appropriated for payments for financial assets that cannot be approved by National Treasury.

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

- the shifting of funds between votes
- unforeseeable economic and financial events
- other adjustments, which include rollovers, funds shifted within a vote following a function shift, self-financing expenditure, declared unspent funds and expenditure in terms of section 16 of the Public Finance Management Act (1999).
- gifts, donations and sponsorships
- direct charges against the National Revenue Fund (these are not linked to a programme within a vote).

<sup>2</sup> Section 43 of the Public Finance Management Act (1999), read in conjunction with Treasury Regulation 6.3 and section 5 of the Appropriation Act (2023).

## Expenditure outcome for 2022/23 and mid-year expenditure for 2023/24

Programme	2022/23					2023/24			
	Adjusted appropriation	Outcome		Apr 22 - Mar 23	Apr 22 - Sep 22 % of adjusted appropriation	Adjusted appropriation	Adjusted appropriation/ Total (%)	Actual expenditure	
Apr 22 - Sep 22		Apr 22 - Mar 23	Apr 23 - Sep 23					Apr 23 - Sep 23 % of adjusted appropriation	
R thousand									
1. 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 economic classification.

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

**2022/23 Outcome** shows the outcome for the previous financial year.

**Apr 22-Sep 22** shows the expenditure outcome for the first half of the previous financial year.

**Apr 22-Sep 22 % 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 22-Mar 23** shows the expenditure outcome for the previous financial year.

**Apr 22-Mar 23 % 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.

**2023/24 Actual expenditure** shows the mid-year preliminary actual expenditure for the current financial year.

**Apr 23-Sep 23** shows actual expenditure for the first half of the current financial year.

**Apr 23-Sep 23 % of adjusted appropriation** shows actual expenditure for the first half of the current financial year as a percentage of the adjusted appropriation for the year.

**Expenditure trends**

The focus of this paragraph is on explaining whether expenditure is in line with the 2023 Budget. Mid-year preliminary actual expenditure for the current financial year is compared to 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 main budget.

Where functions have shifted between votes after the publication of the 2022 AENE, the information in this publication may not be strictly comparable with information published last year.

**Departmental receipts**

	2022/23					2023/24				
	Adjusted estimate	Outcome		Apr 22 - Sep 22 % of adjusted estimate	Apr 22 - Mar 23 % of adjusted estimate	Budget estimate	Adjusted estimate	Adjusted receipts estimate/ Total (%)	Actual receipts	
		Apr 22 - Sep 22	Apr 22 - Mar 23						Apr 23 - Sep 23	Apr 23 - Sep 23 % of adjusted estimate
R thousand										
<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.

**2022/23 Adjusted estimate** shows the adjusted total amount of receipts in the previous financial year’s adjustments budget.

**2022/23 Outcome** shows the departmental receipts outcome for the previous financial year.

**Apr 22-Sep 22** shows the receipts outcome for the first half of the previous financial year.

**Apr 22-Sep 22 % 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 22-Mar 23** shows the receipts outcome for the previous financial year.

**Apr 22-Mar 23 % of adjusted estimate** shows the receipts outcome for the previous financial year as a percentage of the adjusted estimate for that year.

**2023/24 Budget estimate** shows the total amount of receipts anticipated for the current financial year in the budget.

**2023/24 Adjusted estimate** shows the adjusted total amount of receipts anticipated in the adjustments budget for the current financial year.

**2023/24 Adjusted receipts estimate/Total (%)** shows the proportion of adjusted receipts 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.

**2023/24 Actual receipts** show the mid-year preliminary receipts outcome for the current financial year.

**Apr 23-Sep 23** shows the preliminary receipts outcome for the first half of the current financial year.

**Apr 23-Sep 23 % 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**

The focus of this paragraph is on explaining whether revenue is in line with the budget. Mid-year actual revenue for the current financial year is compared to 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 revenue outcome in the current financial year is also compared and explained in relation to projected revenue for the full year, as tabled in the main budget.

Where functions have shifted between votes after the publication of the 2022 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**

		2023/24								
		Adjustments appropriation								
R thousand	Appropriation	Amounts announced in the budget	Unforeseeable and unavoidable	Virements and shifts	Shifting of funds between votes	Unforeseeable economic and financial events	Other adjustments	Total adjustments appropriation	Adjusted appropriation	
	Programme name									
	Economic sphere									
	Current									
	Economic classification item									
	Programme name									
	Economic sphere									
	Capital									
	Economic classification item									

**Summary of changes to conditional grants: Provinces**

		2023/24								
		Adjustments appropriation								
R thousand	Appropriation	Amounts announced in the budget	Unforeseeable and unavoidable	Virements and shifts	Shifting of funds between votes	Unforeseeable economic and financial events	Other adjustments	Total adjustments appropriation	Adjusted appropriation	
	Programme name									
	Conditional grant name									



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

		2023/24								
		Adjustments appropriation								
R thousand	Appropriation	Amounts announced in the budget	Unforeseeable and unavoidable	Virements and shifts	Shifting of funds between votes	Unforeseeable economic and financial events	Other adjustments	Total adjustments appropriation	Adjusted appropriation	
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 main economic classification for the current financial year in the Appropriation Act (2023).

**Adjustments appropriation** shows the amounts of the adjustments for each type of expenditure adjustment by programme and economic classification, and in aggregate.

**Amounts announced in the budget** shows expenditure earmarked in the 2023 Budget for future allocation.

**Unforeseeable and unavoidable** shows expenditure that could not be anticipated and avoided at the time of the main budget.

**Virements and shifts within votes:**

- **Virements** are the use of unspent funds from amounts appropriated under one programme to defray excess expenditure in another programme within the same vote.
- **Shifts** are the use of unspent funds to defray increased expenditure within a programme of a vote by shifting funds between the different segments (subprogramme and economic classification) of the programme.
- **Significant and unforeseeable economic and financial events** are upward and/or downward adjustments required due to unforeseeable economic and financial events affecting the fiscal targets set in the main budget.
- **Other adjustments** include rollovers, the shifting of funds within a vote following a function shift, self-financing expenditure, declared unspent funds and expenditure in terms of section 16 of the Public Finance Management Act (1999).

**Total adjustments appropriation** shows the sum of all the expenditure adjustments by programme and economic classification. This number may be negative due to downward adjustments, a virement of funds out of the programme or economic classification, or funds shifted within votes.

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

