



**ADJUSTED ESTIMATES OF  
PROVINCIAL REVENUE  
AND EXPENDITURE** 2016

Together, Moving Gauteng City Region Forward



**GAUTENG PROVINCE**  
TREASURY  
REPUBLIC OF SOUTH AFRICA

# ADJUSTED ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

2016/17

Gauteng Provincial Government

November 2016



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The Adjusted Estimates of Provincial Expenditure 2016 is compiled using the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision

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# List of Abbreviations

ACDP	Assistant Community Development Practitioners
ACT	Alternative Construction Technology
AECE	Adjusted Estimates of Capital Expenditure
ARC	Agriculture Research Council
BBBEE	Broad-Based Black Economic Empowerment
BKB	Bontle Ke Botho
BO	Black Owned
BWO	Black Woman Owned
CDW	Community Development Workers
CFI	Cooperative Financial Institution
CFO	Chief Financial Officer
COE	Compensation of Employees
COGTA	Cooperative Governance and Traditional Affairs
CPA	Commonwealth Parliamentary Association
CSIR	Council for Scientific and Industrial Research
CSSL	Committee for the Society of Subordinate Legislature
DAV	Design and Validation
DBSA	Development Bank of Southern Africa
DED	Department of Economic Development
DDG	Deputy- Director General
DID	Department of Infrastructure Development
DMC	Document Management Centre
DLTC	Driving Licence Testing Centre
DPSA	Department of Public Service and Administration
DSACR	Department of Sport, Arts, Culture and Recreation
ECD	Early Childhood Development
ED	Economic Development
EEDBS	Enhanced Extended Discount Benefit Scheme
EIA	Environmental Impact Assessment
EISP	Employees Initiated Severance Package
E-Gov	Electronic Government
EHWP	Employee Health and Wellness Programme
EMS	Emergency Medical Services
EPWP	Expanded Public Works Programme
ERP	Enterprise Resource Planning
ESSP	Extra School Support Programme
EXCO	Executive Council
FET	Further Education and Training
G & S	Goods and Services
GBN	Gauteng Broadband Network
GCR	Gauteng City Region
GCRA	Gauteng City Region Academy
GDARD	Gauteng Department of Agriculture and Rural Development
GEP	Gauteng Enterprise Propeller
GEPP	Government Employees Pension Fund
GDE	Gauteng Department of Education
GGDA	Gauteng Growth and Development Agency
GIFA	Gauteng Infrastructure Funding Agency
GIIC	Gauteng Infrastructure Investment Conference
GIS	Geographic Information Systems

GISP	Gauteng Industrial Symbiosis Programme
GITRA	Gauteng Industry Transformation and Regulation Agency
GLB	Gauteng Liquor Board
GPG	Gauteng Provincial Government
GPL	Gauteng Provincial Legislature
GPLMS	Gauteng Primary Literacy and Mathematics Strategy
GPT	Gauteng Provincial Treasury
GRAP	Generally Recognised Accounting Practice
GTA	Gauteng Tourism Authority
HBC	Home Based Care
HIV and AIDS	Human Immune Virus and Acquired Immune Deficiency Syndrome
HOD	Head of Department
HR	Human Resource
IIA	Institute of Internal Audits
ICS	Improvement of Conditions of Service
ICT	Information and Communication Technology
IDMS	Infrastructure Delivery Management System
IDP	Integrated Development Planning
IDZ	Industrial Development Zone
IT	Information Technology
ITSM	Information Technology Services Management
LAN	Local Area Network
LED	Local Economic Development
LITNUM	Literacy and Numeracy
LM	Local Municipality
LTSM	Learner Teacher Support Materials
MEC	Member of Executive Council
MTK	Mma-Tshepo Khumbane
NAMC	National Agricultural Marketing Council
NCSL	National Council of State Legislature
NDHS	National Department of Human Settlements
NGO	Non-Governmental Organization
NHLS	National Health Laboratory Service
NPI	Non-Profit Institution
NYS	National Youth Service
OOP	Office of the Premier
PA	Personal Assistant
PAEPL	Provincial Allocation Expenditure per Learner
PASA	Population Association of Southern Africa
PDMC	Provincial Disaster Management Centre
PERSAL	Personal and Salary Administration Systems
PMO	Project Management Office
PMS	Performance Management System
PPF	Project Preparation Facility
PSETA	Public Service Sector Education and Training Authority
PTOG	Public Transport Operations Grant
SA SAMS	South African School Administration and Management System
SAICA	South African Institute of Chartered Accountants
SALSA	Secretaries Association of the Legislatures of South Africa
SAP	System Application Programme
SASDC	South African Supplier Diversity Council
SASAE	South African Society for Agricultural Extension

SCM	Supply Chain Management
SCOA	Standard Chart of Accounts
SCOPA	Standing Committee on Public Accounts
SETA	Sector Education and Training Authority
SHAP	Self Help Association of paraplegics
SMME	Small, Medium and Micro Enterprise
SOCATT	Society of Clerks-at-The-Table
TB	Tuberculosis
TER	Township Economy Revitalisation
TMR	Transformation, Modernisation and Re-industrialisation
TOLABS	Transport Operating Licensing Administrative Bodies
UDD	Unlimited During Deployment
VIP	Very Important Person
Wi-Fi	Wireless Fidelity
WITS	University of the Witwatersrand

# SUMMARY OF ADJUSTMENTS FOR 2016/17

## 1. Adjusted Estimates of Provincial Revenue and Expenditure

The 2016/17 adjustment budget process provides departments with an opportunity to make revisions to the main budget in response to changes that have affected government spending. The adjusted budget is crafted through reprioritisation of budgets within the current baseline and approved additional funding allocated from national and provincial governments. The departments reprioritised budgets within the existing baseline and continued with implementation of cost containment measures and redirecting funds from slow performing programmes and projects to areas of priority.

The adjustments budget is prepared in an economic environment where both global and national growth rates are subdued. The International Monetary Fund has projected global economic growth at 3.1 percent in 2016 and the domestic economy at 0.1 percent owing to a range of factors. The National Treasury has projected the domestic economy to grow by 0.5 percent in 2016, and thereafter expects a moderate recovery over the next three years. This implies limited scope for additional fiscal expansion in South Africa to further build on socio-economic development. In his delivery of the 2016 Medium Term Budget Policy Statement, Finance Minister Pravin Gordhan emphasized the need to accelerate fiscal consolidation to limit the budget deficit and slow the pace of debt accumulation while supporting stronger public and private infrastructure investments that will stimulate economic growth.

Due to the interconnectedness of the South African economy, the fragile global recovery and weakening national outlook present challenges for the province's economy. The IHS Global Insight expects the provincial economic outlook to reach 0.8 percent in 2016, down from 1.5 percent recorded in 2015. Despite that, the province continues to be the country's economic hub accounting for an estimated 35.4 percent of the country's GDP in 2015. This high economic standing continues to draw the attention of many job seekers to the province, with over 1.2 million people estimated to have migrated into the province between 2011 and 2016. There is clearly a need to continue to unlock economic growth at both the national and provincial levels. To stimulate economic activity, emphasis should be placed on meeting spending targets, particularly on infrastructure projects and in the economic development space.

The adjustment budget prioritizes the initiatives that aim to improve service delivery and therefore departments fund and address the key issues identified through the Ntirhisano road shows and other provincial priorities. At this point of the current term of governance, the Provincial EXCO is expecting departments to improve their culture of doing business taking into account factors such as resources identified to be reallocated; realization of efficiency (cost, time and quality) in doing the department's business; possible partnerships with the private sector; and promoting collaboration at a cluster level by eliminating silo approach in order to achieve integration that would maximize the impact of government service delivery. Departments should also identify the quick wins in order to deliver on APEX priorities that must be accelerated through Deliverology. Therefore, the adjustment budget is a vehicle for departments to reallocate funds in response to the provincial priorities.

The Public Finance management Act (Act No: 1 of 199) stipulates that; an adjustments budget for a province may provide for the appropriation of funds that have become available to the province; unforeseeable and unavoidable expenditure; the shifting of funds between and within votes; the shifting of funds to follow the transfer of functions; the utilization of a saving under a main division within a vote for the defrayment of excess expenditure under another main division within the same vote; and the rollover of unspent funds from the preceding financial year. The details of the adjustments for 2016/17 financial year are illustrated in the sections below.

## 2. Summary of the 2016 Adjusted Estimates of Provincial Receipts

TABLE 1: SUMMARY OF CHANGES TO RECEIPTS

R'000	Main Appropriation 2016/17	Adjustments			Total Adjustments	Adjusted appropriation
		NATIONAL Rollovers	NATIONAL Other	PROVINCIAL Other		
Equitable Share	79 599 868					79 599 868
Conditional Grants	18 839 208	62 556	( 13 124)		49 432	18 888 640
<b>Transfers from National</b>	<b>98 439 076</b>	<b>62 556</b>	<b>( 13 124)</b>		<b>49 432</b>	<b>98 488 508</b>
Provincial Own Revenue	4 981 714			338 733	338 733	5 320 447
<b>Gross Revenue</b>	<b>103 420 790</b>	<b>62 556</b>	<b>( 13 124)</b>	<b>338 733</b>	<b>388 165</b>	<b>103 808 955</b>
Less: Direct charges - Political Office bearers	( 86 617)					( 86 617)
<b>Total Revenue</b>	<b>103 334 173</b>	<b>62 556</b>	<b>( 13 124)</b>	<b>338 733</b>	<b>388 165</b>	<b>103 722 338</b>
Financing from Province	36 569			1 501 139	1 501 139	1 537 708
<b>Net Revenue</b>	<b>103 370 742</b>	<b>62 556</b>	<b>( 13 124)</b>	<b>1 839 872</b>	<b>1 889 304</b>	<b>105 260 046</b>

During the 2016/17 financial year, provincial receipts increase by R1.9 billion from the main appropriation of R103.4 billion to an adjusted appropriation of R105.3 billion. This represents an increase of 1.8 percent in total revenue. The first increase in the adjusted appropriation is a result of a net national conditional grant rollover amount of R49.4 million which resulted from the correction of an overstated grant allocation that was published in the 2016 Division of Revenue Act and approved rollovers from the 2015/16 financial year to the 2016/17 financial year.

The other increase in receipts is attributable to provincial own revenue of R388.7 million. The main contributors to this revenue are the departments of Community Safety; Provincial Treasury; and Sport, Arts, Culture and Recreation.

### 2.1. Changes to Conditional Grants

TABLE 2: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	Adjustments						Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Health</b>	<b>8 643 260</b>		<b>15 000</b>					<b>15 000</b>	<b>8 658 260</b>
Comprehensive HIV and Aids Grant	3 259 407		15 000					15 000	3 274 407
Health Facility Revitalisation Grant	777 818								777 818
Health Professions Training and Development Grant	865 244								865 244
National Tertiary Services Grant	3 727 048								3 727 048
National Health Insurance	7 543								7 543
Expanded Public Works Programme Incentive Grant for the Social Sector	4 200								4 200
EPWP Integrated Grant	2 000								2 000
<b>Education</b>	<b>2 211 751</b>					<b>4 344</b>		<b>4 344</b>	<b>2 216 095</b>
Education Infrastructure Grant	1 385 737								1 385 737
HIV and Aids (Life Skills Education) Grant	32 449								32 449
National School Nutrition Programme Grant	712 955					4 344		4 344	717 299
Maths, Science and Technology Grant	49 810								49 810

## SUMMARY OF ADJUSTMENTS

EPWP Integrated Grant	2 139							2 139
Social Sector EPWP Incentive Grant	28 661							28 661
<b>Social Development</b>	<b>13 108</b>							<b>13 108</b>
Expanded Public Works Programme Incentive Grant for the Social Sector	13 108							13 108
<b>Cooperative Governance and Traditional Affairs</b>	<b>2 000</b>							<b>2 000</b>
EPWP Integrated Grant	2 000							2 000
<b>Human Settlements</b>	<b>5 046 443</b>				<b>(21 569)</b>		<b>(21 569)</b>	<b>5 024 874</b>
Integrated Housing and Human Settlement Development Grant	5 022 669							5 022 669
EPWP Integrated Grant	2 205							2 205
Housing Disaster Grant Ekurhuleni	21 569				(21 569)		(21 569)	
<b>Roads and Transport</b>	<b>2 537 823</b>		<b>29 743</b>				<b>29 743</b>	<b>2 567 566</b>
Provincial Roads Maintenance Grant	501 784							501 784
Public Transport Operations Grant	2 033 590		29 743				29 743	2 063 333
EPWP Integrated Grant	2 449							2 449
<b>Community Safety</b>	<b>1 800</b>							<b>1 800</b>
Expanded Public Works Programme Incentive Grant for the Social Sector	1 800							1 800
<b>Agriculture and Rural Development</b>	<b>118 778</b>							<b>118 778</b>
Comprehensive Agricultural Support Programme Grant	85 079							85 079
Ilima/Letsema Projects Grant	26 061							26 061
Land care: poverty alleviation	4 802							4 802
EPWP Integrated Grant	2 836							2 836
<b>Sport, Arts, Culture and Recreation</b>	<b>268 647</b>		<b>17 813</b>		<b>(17 468)</b>		<b>345</b>	<b>268 992</b>
Community Library Services Grant	163 339		17 813				17 813	181 152
Mass Sport and Recreation Participation Programme Grant	101 084				(17 468)		(17 468)	83 616
Expanded Public Works Programme Incentive Grant for the Social Sector	2 200							2 200
EPWP Integrated Grant	2 024							2 024
<b>Infrastructure Development</b>	<b>17 167</b>							<b>17 167</b>
EPWP Integrated Grant	17 167							17 167
<b>Total changes in conditional grants</b>	<b>18 860 777</b>		<b>62 556</b>		<b>(34 693)</b>		<b>27 863</b>	<b>18 888 640</b>

## SUMMARY OF ADJUSTMENTS

The 2016/17 adjustments to the total conditional grant allocation of the province is depicted in the table above.

The total allocation for conditional grants increases by R27.9 million from R18.860 billion to R18.888 billion mainly as a result of approved rollovers by the national government in Health; Education; Roads and Transport; and Sport, Arts, Culture and Recreation.

### Health: R15 million

The department receives a rollover of R15 million under the Comprehensive HIV, AIDS and TB Grant for the payment of stipends to community health care workers as payments could not be processed in the 2015/16 financial year.

### Education: R4.3 million

The department receives an additional funding of R4.3 million for the National School Nutrition Programme Grant to cover a shortfall caused by a high food inflation.

### Roads and Transport: R29.7 million

An amount of R29.7 million has been rolled over for the Public Transport Operations Grant to settle commitments in respect of subsidies to public transport operators.

### Human Settlements: (R21.6 million)

The grant funding that was provided for hail storm damage in Ekurhuleni Metropolitan Municipality area through the Housing Disaster Relief Grant is no longer classified as a conditional grant.

### Sport, Arts, Culture and Recreation: R345 000

The Community Library Services Grant amounting to R17.8 million is rolled over for the completion of additional scope of work in community libraries while the allocation for the Mass Participation and Sport Development Grant is reduced by R17.5 million to correct an error that overstated the grant allocation that was published in the 2016 Division of Revenue Act.

## 3. Summary of the 2016 Adjusted Estimates of Provincial Expenditure

### 3.1 Changes to Provincial Payments by Vote

TABLE 3: CHANGES TO PROVINCIAL PAYMENTS BY VOTE

	Main Appropriation	Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial	Total Adjustments	Adjusted Appropriation
<b>R thousand</b>									
Office of the Premier	449 420	2 366					20 000	22 366	471 786
Gauteng Provincial Legislature	641 673						7 884	7 884	649 557
Economic Development	1 331 638			30 561			25 500	56 061	1 387 699
Health	37 408 057		15 000	33 800			200 000	248 800	37 656 857
Education	39 069 226			175 080		4 344	260 000	439 424	39 508 650
Social Development	4 235 362						36 240	36 240	4 271 602
Cooperative Governance and Traditional Affairs	418 763			27 700			70 000	97 700	516 463
Human Settlements	5 871 166			127 500			50 000	177 500	6 048 666
Roads and Transport	7 299 704		29 743				580 000	609 743	7 909 447
Community Safety	652 880			10 000			20 700	30 700	683 580
Agriculture and Rural Development	777 853						53 732	53 732	831 585
Sport, Arts, Culture and Recreation	821 059		17 813	11 597		(17 468)	16 000	27 942	849 001
e-Government	1 216 132	(1 524)		12 578			36 000	47 054	1 263 186
Gauteng Provincial Treasury	607 394	( 842)					35 000	34 158	641 552
Infrastructure Development	2 564 853								2 564 853
<b>Total</b>	<b>103 365 179</b>		<b>62 556</b>	<b>428 816</b>		<b>(13 124)</b>	<b>1 411 056</b>	<b>1 889 304</b>	<b>105 254 483</b>

**Office of the Premier: R22.4 million increase**

The main appropriation increases by R22.4 million from the main appropriation of R449.4 million to an adjusted appropriation of R471.8 million. A function of the Employee Health and Wellness Programme was transferred from the Department of e-Government to the Office of the Premier as from 1<sup>st</sup> October 2016. An amount of R2.4 million for operational requirements of this function is therefore reallocated to the Office of the Premier. The department receives provincial additional funding of R20 million to boost youth employment initiatives in the province through the Tshepo 500 000 programme.

**Provincial Legislature: R7.9 million increase**

An amount of R7.9 million is reallocated to the Legislature from its retained income to fund an increase in constituency allowance for members and parties in order to fulfil their constitutional obligations.

**Economic Development: R56.1 million increase**

The main appropriation increases by R56.1 million from R1.332 billion to R1.388 billion in 2016/17. The increase comprises of R30.6 million approved rollover to fund the 2015/16 commitments in respect of the township industrial hubs and R25.5 million additional funding allocated to the department, of which R10.5 million is made available to Gauteng Tourism Agency to contribute towards the hosting of major events in the Province (i.e. World choir games, Cycling festival and Discorp Africa project) and the remaining R15 million is provided to Gauteng Liquor Board to supplement its personnel budget and to GEP to assist the SMMEs financially and non-financially due to the increased demand for GEP product offerings which have increased over the past two financial years.

**Health: R248.8 million increase**

The departmental main appropriation increases by R248.8 million to an adjusted appropriation of R37.657 billion. R15 million is allocated as an approved national rollover towards payment of stipends to community health care workers that could not be processed in the 2015/16 financial year. A further amount of R33.8 million is approved for infrastructure to fund the incomplete electro-mechanical projects at various hospitals.

An additional amount of R143.7 million is allocated to cover the higher-than-anticipated salary increases for the public sector as per the wage agreement and an amount of R56.3 million is allocated towards ICT for revenue enhancement.

**Education: R439.4 million increase**

The 2016/17 main appropriation of the department increases by R439.4 million to an adjusted appropriation of R39.509 billion. The department receives a rollover amounting to R175 million; of which R157 million is a transfer to Sci-bono Discovery Centre for the expansion of the ICT programme in the province, and R18 million is for the settlement of senior management service conference cost and development courses for middle and foundation managers.

Additional allocation of R264.3 million is received by the department, of which R155 million is allocated for the filling of critical vacant posts and the appointment of teachers in new schools to be opened in the 2017 academic year and R105 million will be used to cover a shortfall in funding for municipal services in schools that results from higher electricity prices. Additional funding received from the national government is R4.3 million that is allocated for the National School Nutrition Programme Grant to cover a shortfall caused by a high food inflation.

**Social Development: R36.2 million increase**

The department's main appropriation is increased by R36.2 million to R4.271 billion. Included in the additional fund is an amount of R15.3 million allocated to fund an increase of bed capacity in Randfontein Life Recovery Treatment Centre and to fund the establishment of a treatment centre in Sedibeng region.

An amount of R12 million is allocated for the establishment of centres of excellence in Sedibeng and Johannesburg regions as a replica to the Father Smangaliso Mkhathshwa Centre of Excellence implemented in Soshanguve. The centres of excellence are established to develop young recovering addicts who completed their rehabilitation programme and to prepare them to participate in the mainstream economy. A further R8.9 million is allocated to fund the appointment of Assistant Community Development Practitioners and nurses in institutions managed by the department.

**Cooperative Governance and Traditional Affairs: R97.7 million increase**

The department's budget is adjusted upwards by R97.7 million to an adjusted appropriation of R516.5 million. The increase relates to an amount of R27.7 million that is rolled over to fund the procurement of premises for the Provincial Disaster Management Centre.

The increase is also attributed to R30 million that is allocated for the interventions to address service delivery challenges identified through Ntirhisano programme. These interventions are directed at Emfuleni Local Municipality for the

## SUMMARY OF ADJUSTMENTS

new pump station in Vereeniging; and Rand West Local Municipality (Mohlakeng extension 5 and 11) for electricity services. R20 million is provided to assist Merafong Local Municipality (Khutsong) with infrastructure replacement and refurbishment as part of the Ntirhisano outreach programme. Another R20 million is provided for the flood disaster relief in the province.

### **Human Settlements: R177.5 million increase**

The main appropriation increase by R177.5 million in 2016/17 due to approved funds rollover and additional funds allocated. The department receives a total rollover amount of R127.5 million, which comprises of R100 million for the bulk infrastructure of Syferfontein phase 2 project in line with department's new strategy of mega human settlements and new cities and the balance of R27.5 million being for the payment of rates and taxes for housing stock and for the procurement of laptops and furniture for new Johannesburg Regional Offices.

The department receives an additional funding totalling R50 million, which comprises of R30 million for municipal services and R20 million for security services.

### **Roads and Transport: R609.7 million increase**

The budget is adjusted upwards by R609.7 million from R7.299 billion to R7.909 billion. The department receives an amount of R29.7 million as an approved rollover for Public Transport Operation Grant (PTOG) to pay commitments in respect of subsidies to public transport operators. The department also receives R580 million provincial allocation to fund legal settlements in respect of the Gautrain Rapid Rail Link project.

### **Community Safety: R30.7 million increase**

The department's budget is increasing by R30.7 million from R652.9 million to R683.6 million. The increase is attributed to a rollover of R10 million allocated for the procurement of protective clothing for patrollers. An additional funding of R20.7 million is allocated, of which R10 million is for the deliverology projects including ICT projects in 40 police stations and the Memeza Community Alarms project for the community's safety; the remaining R10.7 million is allocated for the appointment of traffic college graduates as contract workers.

### **Agriculture and Rural Development: R53.7 million increase**

The departmental budget is adjusted upwards by R53.7 million. Of this, an amount of R39 million from Development Bank of South Africa for Gauteng Cleaner Production and Remediation caters for the clean development projects; R5.2 million for Bontle ke Botho green campaigns; R2 million for Ntirisano food security programme.

An amount to the tune of R2.5 million is allocated for the completion of the hydroponics tunnels in De Deur area in Emfuleni Local Municipality and for the establishment of the chicken processing facility in Kaalbasfontein. An amount of R5 million is allocated for tenant installation services at the departmental new office building.

### **Sport, Arts, Culture and Recreation: R27.9 million increase**

The net increase of R27.9 million is attributable to the additional funding of R16 million allocated for key events hosted by the department (namely: Gauteng Sports Awards; Nelson Mandela Remembrance Walk and the Community Festive Games). These events aim to acknowledge excellence in the sport and recreation sector, increase mass participation programmes combined with commemoration celebrations and provide recreation during the festive holiday season.

The increase include R11.6 million which is related to the approved equitable share rollovers to continue the implementation of infrastructure projects including the completion of the provincial archive centre and the procurement of equipment for three libraries. It also includes R17.8 million from the Community Library Conditional Grant that is rolled over for the completion of additional scope of work in community libraries while the allocation for the Mass Participation and Sport Development Grant is reduced by R17.5 million to correct an error that overstated the grant allocation that was published in the 2016 Division of Revenue Act.

### **e-Government: R47 million increase**

The 2016/17 main appropriation increases by an amount of R47 million from R1.216 billion to an adjusted appropriation of R1.263 billion. This increase is a net effect of the approved rollover amounting to R12.6 million and R2.3 million that is being suspended to the Office of the Premier to provide for personnel costs and operational costs for the Employee Wellness and Health Programme that migrated with effect from 1<sup>st</sup> October 2016 and R842 000 received from GPT for compensation of employees budget relating to three employees under the Document Management Centre that are being transferred back to the department.

An additional amount of R36 million is received to fund a budget shortfall for Microsoft licences. An amount of R12.5 million in unspent funds is rolled over for the completion of projects that commenced in 2015/16, namely: the SAP

functional upgrade and the installation of security booths, security scanners and office refurbishments at the 75 Fox Street building.

### Provincial Treasury: R34.2 million increase

The main appropriation increases by R34.2 million from R607.4 million to R641.6 million during the adjustment budget process. The adjustments result from the migration of function amounting to R842 000 to the Department of e-Government in respect of three employees who migrated to the invoice scanning unit under Document Management Centre.

Furthermore, an additional funding of R35 million is received by Gauteng Infrastructure Financing Agency (GIFA) to provide capital amount for the Project Preparation Facility, from which feasibility studies for infrastructure projects are funded. There is an increase in the number of feasibility studies that GIFA is required to undertake. This will contribute to the identification of alternative funding for the government programmes and projects

### 3.2 Changes to Provincial Payments by Economic Classification

TABLE 4: CHANGES TO PROVINCIAL PAYMENTS BY ECONOMIC CLASSIFICATION

R thousand	Main Appropriation	Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial	Total Adjustments	Adjusted Appropriation
<b>Current Payments</b>	<b>76 936 992</b>		<b>15 000</b>	<b>91 574</b>	<b>398 609</b>		<b>(12 437)</b>	<b>703 872</b>	<b>1 196 618</b>	<b>78 133 610</b>
Compensation Of Employees	56 752 802				(268 462)		( 681)	318 341	49 198	56 802 000
Salaries And Wages	48 252 711	(189)			576 798		(606)	282 384	858 387	49 111 098
Social Contributions	8 500 092	189			(845 260)		(75)	35 957	(809 189)	7 690 903
Goods And Services	20 182 467		15 000	91 574	667 043		(11 756)	385 531	1 147 392	21 329 859
<b>Interest and rent on land</b>	<b>1 723</b>				<b>28</b>				<b>28</b>	<b>1 751</b>
<b>Transfers and subsidies</b>	<b>19 095 901</b>		<b>29 743</b>	<b>257 000</b>	<b>236 918</b>		<b>(687)</b>	<b>707 184</b>	<b>1 230 158</b>	<b>20 326 059</b>
Provinces And Municipalities	1 522 083				11 642			30 000	41 642	1 563 725
Departmental Agencies And Accounts	2 846 374				529 451			640 500	1 169 951	4 016 325
Higher Education Institutions	25 173				22 576				22 576	47 749
Public Corporations And Private Enterprises	2 188 060		29 743		148 303			1 500	179 546	2 367 606
Non Profit Institutions	6 772 257			157 000	(479 476)		(687)	35 184	(287 979)	6 484 278
Households	5 741 954			100 000	4 422				104 422	5 846 376
<b>Payments for capital assets</b>	<b>7 332 285</b>		<b>17 813</b>	<b>80 242</b>	<b>( 636 566)</b>				<b>(538 511)</b>	<b>6 793 774</b>
Buildings And Other Fixed Structures	5 828 990		17 813	68 862	(791 991)				(705 316)	5 123 674
Machinery And Equipment	1 453 313			11 380	134 730				146 110	1 599 423
Land And Sub-Soil Assets	15 000				31 614				31 614	46 614
Software And Other Intangible Assets	34 982				(10 919)				(10 919)	24 063
<b>Payments For Financial Assets</b>					<b>1 039</b>				<b>1 039</b>	<b>1 039</b>
Thefts And Losses					1 039				1 039	1 039
<b>Total Economic Classification</b>	<b>103 365 179</b>		<b>62 556</b>	<b>428 816</b>			<b>(13 124)</b>	<b>1 411 056</b>	<b>1 889 304</b>	<b>105 254 483</b>

Table 4 above reflects a summary of the adjusted appropriation by economic classification.

### **Current Payments**

Current payments constitute the largest share of the total provincial spending. The main appropriation for total current payments increases by R1.197 billion from R76.937 billion to R78.134 billion during the 2016/17 adjustment budget process. The increase comprises R1.147 billion allocated to goods and services and R49.2 million allocated to compensation of employees.

Adjustments in compensation of employees include additional funding allocated to Health, Education and Social Development. R143.7 million allocated to Health caters for a shortage in budget resulting from the public sector salary increases. In Education, an amount of R155 million is allocated to fund the filling of critical vacant posts and appointment of educators for new schools to be opened in the 2017 academic year. In Social Development, R8.9 million funds the appointment of Assistant Community Development Practitioners and Nurses in institutions managed by the department. The appointment of traffic college graduates in Community Safety is funded with R10.7 million. Other changes to compensation of employees are informed by shifting of funds within and between programmes of departments to fund personnel costs according to the requirements of programmes.

Factors that inform adjustments to goods and services budget include the payment of stipends to community health care workers that is funded from the R15 million national rollover allocated to Health; the reallocation of funds in Education to procure ICT learner-teacher support materials (tablets, teacher laptops and e-content), smartboards and mini-servers; allocation of R53.7 million in Agriculture and Rural Development to fund various clean development projects under the Gauteng Cleaner Production and Remediation programme financed by the Development Bank of Southern Africa.

The province's deliverology project is amongst the factors that inform adjustments to goods and services as departments revise their budgets to accommodate the priorities of the deliverology project. The Office of the Premier is allocated R20 million to contribute to youth employment initiatives in the province through the Tshepo 500 000 programme. To promote visibility and improve safety of community, the R10 million rollover is allocated to Community Safety to purchase protective clothing for patrollers.

The provincial initiatives for supporting and improving service delivery include ensuring making adequate provision for payments to suppliers of services to government. Therefore R36 million is allocated to e-Government to pay for the Microsoft licenses required for the system used in the province. Provision of municipal services to government is catered for in R105 million allocated to Education to cover the shortfall for municipal services in schools.

### **Transfers and subsidies**

Transfers and subsidies is adjusted upwards by R1.2 billion from R19.095 billion to R 20.326 billion. The key factors that inform these adjustments include the deliverology initiatives, Ntirhisano programme and other prioritized operational requirements.

Total Departmental agencies and account increases by R640.5 million mainly due to R580 million allocated to Roads and Transport to fund Gautrain's legal matters; R25.5 million is allocated to Economic Development mainly to provide for the projects and operations undertaken by its entities such as the hosting of major events in the Province (i.e. World choir games, Cycling Festival and Discorp Africa project) and Gauteng Enterprise Propeller to assist the SMMEs; and R35 million allocated to GIFA to provide a capital amount for the Project Preparation Facility that funds feasibility studies for infrastructure projects.

Provinces and Municipalities increases from R1.522 billion to R1.564 billion, with Emfuleni Local Municipality (LM) which is allocated R14 million for the upgrading of a pump station for water reticulation as part of challenge identified during the Ntirhisano outreach visit program; and R8 million each will be transferred to West Rand LM for the Mohlakeng Extension 5 and 7 electricity services.

Major virements and shifts within non-profit institution is mainly from Education is in respect to a reclassification of ICT funds from transfers to goods and services as Sci-Bono discovery centre will not perform the activities; the reprioritisation of the intervention budget which was allocated for the appointment of coaches as the impact that they make could not be measured and funds shifted to provide for the implementation of ICT Strategy.

### **Payments for capital assets**

Payments for capital assets decreases by R538.5 million from R7.332 billion to R6.794 billion, this is attributed to reprioritisation and movement of funds from building and other fixed structures amounting to R544.5 million from Roads and Transport as certain projects are delayed due to readiness for implementation. The projects are expected to be finalized in the next financial year. Education decreased its allocated budget for buildings and other fixed structures

as ten new schools that were to enter the construction stage during the current financial year were delayed due to the change in the standard school designs to conform to the Cost Norms. Provision has therefore been made for design fees only for the schools concerned.

A rollover of R33.8 million is allocated to Health for electro-mechanical projects in hospitals; Cooperative Governance and Traditional Affairs receives a provincial rollover for R27.7 million for the procurement of the building for the Provincial Disaster Management Centre. Sport, Arts, Culture and Recreation receives a rollover of R17.8 million for the completion of the additional scope of work in community libraries. E-Government receives a rollover amount of R12.5 million for the completion of SAP functional upgrade; and installation of security booths, security scanners and refurbishment at 75 Fox Street building.

### 3.3 Changes to Transfers to Public Entities

TABLE 5: CHANGES TO TRANSFERS TO PUBLIC ENTITIES

R thousand	Main Appropriation	Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial	Total Adjustments	Adjusted Appropriation
1.Gauteng Growth and Development Agency	405 949				59 333				59 333	465 282
2.Gauteng Enterprise Propeller	176 418				53 300			7 000	60 300	236 718
3.Gauteng Tourism Agency	91 994				2 250			10 500	12 750	104 744
<b>Total Transfers</b>	<b>674 361</b>				<b>114 883</b>			<b>17 500</b>	<b>132 383</b>	<b>806 744</b>

The 2016/17 main appropriation of public entities is adjusted upwards by R132.4 million to an adjusted appropriation of R806.7 million. The increase through shifts and virements is allocated for the Youth PMO, Mid-term impact assessment and the SMME support project; renovation and refurbishment of the Township Industrial Hubs to stimulate economic activity in the townships; and further expansion of the Innovation Hub Precinct.

Further increase through additional funding of R17.5 million is made available to Gauteng Enterprise Propeller and Gauteng Tourism Agency. The additional funding is disaggregated as follows:

- R7 million is for SMME support project to assist the SMMEs due to the increased demand for GEP product offerings which have increased over the past two financial years.
- R10.5 million is for the following projects:
  - R6.2 million for the World Choir Games
  - R1 million for the Discorp Africa Project
  - R3.3 million for the Cycling Festival

### 3.4 Changes to Transfers to Trading Entities

TABLE 6: CHANGES TO TRANSFERS TO TRADING ENTITIES

R thousand	Main Appropriation	Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial	Total Adjustments	Adjusted Appropriation
1. Cradle of Humankind	71 283				(7 700)				(7 700)	63 583
2. Dinokeng	49 576				(6 000)				(6 000)	43 576
3. Gauteng Liquor Board	26 669				6 000			8 000	14 000	40 669
<b>Total Transfers</b>	<b>147 528</b>				<b>(7 700)</b>			<b>8 000</b>	<b>300</b>	<b>147 828</b>

The transfers to trading entities depicts a net increase of R300 000. A total amount of R13.7 million is shifted from the personnel budget of Cradle of Humankind and Dinokeng to fund core priority projects within the department while an additional amount of R8 million is allocated to Gauteng Liquor Board to supplement their personnel budget so that they deliver on their mandate.

#### 4. Summary of the 2015 Adjusted Estimates of Provincial Own Receipts

TABLE 8: SUMMARY OF THE 2016 ADJUSTED ESTIMATES OF PROVINCIAL OWN RECEIPTS

R'000	Main Appropriation	Adjustment	Adjusted Appropriation
Office of the Premier	476		476
Provincial Legislature			
Economic Development	931 388		931 388
Health	585 100		585 100
Education	30 299		30 299
Social Development	3 070		3 070
Cooperative Governance and Traditional Affairs	506		506
Human Settlements	4 664		4 664
Roads and Transport	3 215 889		3 215 889
Community Safety	19 857	8 730	28 587
Agriculture and Rural Development	14 813		14 813
Sport, Arts, Culture and Recreation	320	347	667
e-Government	917	( 329)	588
Provincial Treasury	151 415	329 985	481 400
Infrastructure Development	23 000		23 000
<b>Total Changes in Own Revenue</b>	<b>4 981 714</b>	<b>338 733</b>	<b>5 320 447</b>

Table 2 above reflects changes to provincial own revenue tabled at the beginning of the financial year. The main appropriation increases by R338.7 million from R4.98 billion to R5.32 billion in 2016/17. The increase is largely driven by the Gauteng Provincial Treasury due to a higher-than-expected interest revenue earned on favourable cash balance of the province; Community Safety with a higher rate of traffic fines revenue collection to date and Sport, Arts, Culture and Recreation due to additional parking bays for employees and the high rate of collecting staff debts and previous years' expenditure.

Total adjustment budget for e-Government reduces by R329 000 from R917 000 to R588 000 as a result of low collection trend on parking fees and recovery of debt and previous years' expenditure which are dependent on the number of employees.

# VOTE 1

## OFFICE OF THE PREMIER

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	449 420	471 786		22 366
of which:				
Current payments	423 681	440 349		16 669
Transfers and subsidies	19 000	19 485		485
Payments for capital assets	6 740	11 952		5 212
Payment for financial assets				
Executive authority	Premier			
Accounting officer	Director General			

### 1. Vision and Mission

#### Vision

Leadership for an integrated city-region, characterised by social cohesion and economic inclusion; the leading economy on the continent, underpinned by sustainable socio-economic development.

#### Mission

To advance radical socio-economic transformation and steer Gauteng towards a seamless and integrated city-region characterised by social cohesion and economic inclusion.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

**TABLE 1.1 OFFICE OF THE PREMIER**

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Administration	104 081	21			2 317				2 338	106 418
2. Institutional Development	211 844	2 345			(8 426)				(6 081)	205 763
3. Policy & Governance	133 496				6 109			20 000	26 109	159 605
<b>Total for programmes</b>	<b>449 420</b>	<b>2 366</b>						<b>20 000</b>	<b>22 366</b>	<b>471 786</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
<b>Current payments</b>	<b>423 681</b>	<b>2 366</b>			<b>(5 697)</b>			<b>20 000</b>	<b>16 669</b>	<b>440 349</b>
Compensation of employees	244 362	1 895			15 539				17 434	261 797
Salaries & wages	219 132	1 706			11 128				12 834	231 966
Social contribution	25 231	189			4 411				4 600	29 831
Goods and services	179 318	471			(21 236)			20 000	(765)	178 552
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>19 000</b>				<b>485</b>				<b>485</b>	<b>19 485</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions	19 000									19 000
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households					485				485	485
<b>Payments for capital assets</b>	<b>6 740</b>				<b>5 212</b>				<b>5 212</b>	<b>11 952</b>
Buildings and other fixed structures										
Machinery and equipment	6 740				5 212				5 212	11 952
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
<b>Total economic classification</b>	<b>449 420</b>	<b>2 366</b>						<b>20 000</b>	<b>22 366</b>	<b>471 786</b>

The adjustment budget process in 2016/17 is informed by a number of factors which include approved funds suspension, provincial additional funds and a review of plans and budget to facilitate the achievement of the newly-introduced Deliverology initiative that was approved by EXCO; reviewed Human Resources plan pending the approval of the organizational structure by the Department of Public Service and Administration (DPSA).

Following the shifting of the transversal Employee Health and Wellness Programme (EHWP) function from the Department of e-Government (e-Gov) to the Office of the Premier (OoP), R2.4 million is allocated to the OoP as the budget for the transferred employees together with related goods and services to support their functions.

The OoP receives additional provincial funding of R20 million to cater for boosting youth employment initiatives in the province through the Tshepo 500 000 programme.

To support the implementation of the Provincial EXCO priorities, the OoP reviewed plans and budget to identify funds that would be reallocated towards prioritised projects and service delivery interventions. Such funds have been identified to financially support the emerging priorities of Deliverology initiatives and the Ntirhisano service delivery war room.

The abovementioned key factors that influence the department's budget adjustments have resulted in the main appropriation increasing from R449.4 million to R471.8 million in 2016/17. Overall, these adjustments reflect in the provision for increased personnel, household transfers and capital assets versus reduced expenditure on goods and services.

The budget for compensation of employees increases by R17.4 million through function shift of EHWP from the Department of e-Gov and through virements and shifts to accommodate a shortfall in personnel budget as per changes in organisational structure and to accommodate the human capital requirements for the Deliverology initiatives.

The budget for goods and services reduces through virements and shifts as the department reclassifies the budget for leasing government vehicles from fleet services under goods and services to payments for capital assets as per the requirement of the Standard Chart of Accounts (SCOA).

An increase of R485 000 in transfers and subsidies to households is a provision for the payment of leave gratuity to employees who exit the department and payment of claims against the state in the form of injury on duty.

The R5.2 million increase in the budget for payments for capital assets provides mainly for the purchase of general office furniture and furniture for the Public Service Hotline function; replacement of old computers; provision of IT equipment for the Central Information Centre for the Ntirhisano service delivery war room; and the reclassification of the budget for the lease of government vehicles as per the SCOA.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 1.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1.Premiers Support	19 130				(2 900)				(2 900)	16 230
2.Executive Council Support	10 245				(1 756)				(1 756)	8 489
3.Director General Support	27 984	1			5 627				5 628	33 612
4.Financial Management	44 644	20			(257)				(237)	44 407
5.Programme Support	2 078				1 603				1 603	3 680
<b>Total for programme</b>	<b>104 081</b>	<b>21</b>			<b>2 317</b>				<b>2 338</b>	<b>106 418</b>

## Vote 1 - Office of the Premier

Economic classification	Main Appropriation	2016/17 Adjustments						Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National		
R thousand									
<b>Current payments</b>	<b>99 878</b>	<b>21</b>			<b>(1 906)</b>			<b>(1 885)</b>	<b>97 992</b>
Compensation of employees	55 269				3 871			3 871	59 140
Salaries and wages	50 181				2 425			2 425	52 605
Social contribution	5 089				1 446			1 446	6 535
Goods and services	44 608	21			(5 777)			(5 756)	38 852
Interest (Incl. interest on finance leases)									
Rent on land									
<b>Transfers and subsidies</b>					<b>192</b>			<b>192</b>	<b>192</b>
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households					192			192	192
<b>Payments for capital assets</b>	<b>4 203</b>				<b>4 031</b>			<b>4 031</b>	<b>8 234</b>
Buildings and other fixed structures									
Machinery and equipment	4 203				4 031			4 031	8 234
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>	<b>104 081</b>	<b>21</b>			<b>2 317</b>			<b>2 338</b>	<b>106 418</b>

**TABLE 1.3 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(18 425)</b>		<b>16 519</b>
Compensation of employees	Funds reallocation as per personnel requirements of business units; reclassification of the budget for the outsourced VIP escort services	(4 035)	Reprioritisation to accommodate a shortfall in COE due to organisational structure changes	7 906
Goods and services	Reclassification of government vehicles lease as capital payments as per SCOA; reprioritisation of funds due to changes in the Premier's international travel plans; and non-essential items reprioritized to accommodate emerging priorities of the Deliverology project	(14 390)	Reclassification of funds for the outsourced VIP escort of public office bearers provided by the Dept. of Community Safety; centralisation of budget for the HR function that migrated from the Dept. of e-Government; and provision for the maturity assessment of SCM and Internal Risk Management projects	8 613
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>192</b>
Provinces and municipalities				
Households			Provision for the payment of leave gratuity to employees who exit the public services and payment of injury on duty claims against the state	192
<b>Payments for capital assets</b>		<b>(2 600)</b>		<b>6 631</b>
Buildings and other fixed structures				
Machinery and equipment	Excess budget identified in some capital sub-items with low expenditure being reallocated to other capital sub-items with higher expenditure	(2 600)	Provision for the purchase of general office furniture and furniture for the Public Service Hotline function; and reclassification of government vehicles lease as per SCOA	6 631
Heritage assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(21 025)</b>		<b>23 342</b>

The budget increases from R104.1 million to R106.4 million mainly due to virement from programme 2 to accommodate a shortfall in COE due to organisational structure changes, purchase of office furniture for the Public Service Hotline function and the function shift from Department of e-Government.

### Suspensions: R21 000

R21 000 is allocated to follow a function shift of EHWP from the Department of e-Government to make a provision for operating lease of photocopy machine and parking fees.

### Virements and shifts

The budget for compensation of employees increases by R3.8 million to accommodate a shortfall resulting from structural changes and to reallocate funds to provide for social contribution payments for personnel as per the requirements of business units.

A decrease of R5.8 million in goods and services relates mainly to the reclassification of funds for leasing government vehicles from fleet services under goods and services as capital payments as per the requirements of the SCOA; reprioritisation of unutilised funds resulting from the review of the Premier's international travel plans and from the rationalisation of non-essential items to accommodate the emerging priorities of the Deliverology project.

A total of R192 000 is reprioritised within the programme from goods and services to transfer payments in favour of households to pay for leave gratuity to employees who exit the public sector and to pay the injury on duty claims against the state.

The R4 million increase in the budget for capital payments comprises of R3.5 million for reclassification of finance lease in respect of government vehicles from goods and services as per SCOA and R500 000 virements for the procurement of furniture for the Public Service Hotline function.

**Programme 2: Institutional Development**

TABLE 1.4: PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1.Strategic Human Resources	70 095	2 339			(2 620)				(281)	69 814
2.Information Commun Techlgy	11 255	6			1 821				1 827	13 082
3.Legal Services	8 932				1 101				1 101	10 033
4.Communication Services	75 458				(5 348)				(5 348)	70 110
5.Programme Support	2 247				(299)				( 299)	1 949
6.Service Delivery Interven	43 856				(3 081)				(3 081)	40 775
<b>Total for programme</b>	<b>211 844</b>	<b>2 345</b>			<b>(8 426)</b>				<b>(6 081)</b>	<b>205 763</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>210 107</b>	<b>2 345</b>			<b>(10 044)</b>				<b>(7 699)</b>	<b>202 408</b>
Compensation of employees	138 800	1 895			(3 965)				(2 070)	136 730
Salaries and wages	123 319	1 706			(5 088)				(3 382)	119 938
Social contribution	15 480	189			1 123				1 312	16 792
Goods and services	71 307	450			(6 079)				(5 629)	65 678
Interest and rent on land										
Interest (Incl. interest on finance leases)										
Rent on land										
<b>Transfers and subsidies</b>					<b>237</b>				<b>237</b>	<b>237</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households					237				237	237
<b>Payments for capital assets</b>	<b>1 737</b>				<b>1 381</b>				<b>1 381</b>	<b>3 118</b>
Buildings and other fixed structures										
Machinery and equipment	1 737				1 381				1 381	3 118
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Software and other intangible assets										
Payments for financial assets										
<b>Total economic classification</b>	<b>211 844</b>	<b>2 345</b>			<b>(8 426)</b>				<b>(6 081)</b>	<b>205 763</b>

**TABLE 1.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: INSTITUTIONAL DEVELOPMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(41 330)</b>		<b>31 286</b>
Compensation of employees	Funds reallocation as per personnel requirements of business units and unutilized funds from a moratorium on filling of non-critical positions	(17 930)	Provision of personnel requirements as per organisational structure changes.	13 965
Goods and services	Budget cuts on items ranked lower to fund emerging priorities of the Deliverology and Ntirhisano projects; and reclassification of video production as contract audio visual as per SCOA	(23 400)	Provision for the IT requirements of the Central Information Centre for Ntirhisano service delivery war room; provision for the Gauteng brand research, ergonomic workstation solutions and Digital Media Activation Project	17 321
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>237</b>
Provinces and municipalities				
Non-profit institutions				
Households			Provision for the payment of leave gratuity to former employees and for the injury on duty claims against the state	237
<b>Payments for capital assets</b>		<b>(80)</b>		<b>1 461</b>
Buildings and other fixed structures				
Machinery and equipment	Excess budget identified in some capital sub-items with low expenditure being reallocated to other capital sub-items with higher expenditure.	(80)	Provision for the purchase of hardware space at Telkom data centre for enterprise GIS system; purchase of computers for the emerging Deliverology project and for replacing old computers	1 461
Heritage assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(41 410)</b>		<b>32 984</b>

**Suspensions: R2.3 million**

R2.3 million is received from the Department of e-Government to provide for personnel costs (R1.9 million) and operational costs (R450 000) for the EHWP employees who migrated to the OoP following the function shift from the Department of e-Government.

**Virement and shifts**

A review of personnel budget and costs in line with personnel requirements and a moratorium placed on filling of non-critical positions resulted in R3.9 million unutilized personnel funds which are reallocated for the personnel requirements in Programme 3: Policy and Governance.

The OoP reprioritized the baseline for goods and services to identify low priority items on which budget cuts could be implemented to fund the prioritized projects and programmes of the province. This exercise identified funds that have been reallocated to provide for the IT equipment for the Central Information Centre for the Ntirhisano service delivery war room and a net amount of R6.1 million in goods and services that is being reallocated to fund the emerging priorities of the Deliverology project in Programme 3: Policy and Governance.

An amount of R237 000 is reprioritized within the programme from goods and services to transfers and subsidies in favour of households to pay leave gratuity to officials that exit the public sector services and injury on duty claims against the state.

Payments for capital assets increase by R1.4 million to provide for the purchase of hardware space at Telkom data centre for enterprise (Geographic Information System) GIS project; procurement of computers for the emerging Deliverology project; and the replacement of old computers.

### Programme 3: Policy and Governance

TABLE 1.6: PROGRAMME 3: POLICY AND GOVERNANCE

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Intergovernmental Relations	18 087				299				299	18 386
2. Provincial Policy Management	113 654				5 416			20 000	25 416	139 070
3. Programme Support	1 755				394				394	2 149
<b>Total for Programmes</b>	<b>133 496</b>				<b>6 109</b>			<b>20 000</b>	<b>26 109</b>	<b>159 605</b>

  

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>113 696</b>				<b>6 253</b>			<b>20 000</b>	<b>26 253</b>	<b>139 949</b>
Compensation of employees	50 294				15 633				15 633	65 927
Salaries & wages	45 632				13 791				13 791	59 423
Social contribution	4 662				1 842				1 842	6 504
Goods and services	63 403				(9 380)			20 000	10 620	74 022
Interest and rent on land										
Interest (Incl. interest on finance leases)										
Rent on land										
<b>Transfers and subsidies</b>	<b>19 000</b>				<b>56</b>				<b>56</b>	<b>19 056</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions	19 000									19 000
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households					56				56	56
<b>Payments for capital assets</b>	<b>800</b>				<b>(200)</b>				<b>(200)</b>	<b>600</b>
Buildings and other fixed structures										
Machinery and equipment	800				(200)				(200)	600
Heritage assets										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
<b>Total economic classification</b>	<b>133 496</b>				<b>6 109</b>			<b>20 000</b>	<b>26 109</b>	<b>159 605</b>

**TABLE 1.7: Details of shifts and virements per economic classification: Programme 3: Policy and Governance**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(25 556)</b>		<b>31 809</b>
Compensation of employees	Funds reallocation as per personnel requirements of business units in respect of organisational structure changes.	(406)	Provision for human capacity requirements for the Deliverology project and other business units as per the new structure	16 039
Goods and services	Budget cuts implemented on the use of consultants to fund provincial prioritized projects; and higher use of government premises vs. private sector premises to lower the costs of venues	(25 150)	Fund shifted to accommodate emerging priorities of the Deliverology project; provision for the international relations programmes including. Namibia, Italy and other countries	15 770
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>56</b>
Provinces and municipalities				
Departmental agencies and accounts				
Non-profit institutions				
Households			Provision for the payment of leave gratuity to former employees	56
<b>Payments for capital assets</b>		<b>(800)</b>		<b>600</b>
Buildings and other fixed structures				
Machinery and equipment	Funds for IT projects being reallocated to centralized IT budget under G&S for licensing of the provincial GIS projects	(800)	Provision for the emerging priorities of the Deliverology project	600
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
<b>Total economic classification</b>		<b>(26 356)</b>		<b>32 465</b>

### Virement and shifts

An amount of R6.1 million has been reallocated from goods and services in Programme 2: Institutional Development to fund the emerging priorities of the Deliverology project.

An amount of R15.6 million has been reallocated from compensation of employees in Programme 2 to provide for the human capacity requirements of Deliverology project and other business units such as the Gauteng Planning Division as part of structural adjustments and the new organisational structure.

In order to support the implementation of the prioritized new Deliverology initiative to expedite service delivery improvements to enable the government to achieve priorities of the current term through identification of projects and programmes with a potential of being delivered before the end of term, the OoP lowered expenditure on the use of consultants and on the use of venues. This was achieved by reviewing the department's projects that rely on the use of consultants and by increasing the use of government premises (versus hired venues) for convening government sessions.

Overall, the budget for goods and services reduces by R9 million after making provision for building international relations with Namibia, Italy and other countries.

An amount of R56 000 is reallocated within the programme from goods and services to transfers and subsidies in favour of households to make a provision for expenditure relating to leave gratuity for officials that exit public sector.

A net decrease of R200 000 in payments for capital assets results from funds allocated to this programme to cater for the requirements of the Deliverology projects and from funds reallocated from this programme to Programme 2 to centralize the budget for acquisition of hardware space at Telkom data Centre to host the enterprise GIS system.

#### Additional provincial funding: R20 million

An additional provincial funding of R20 million is allocated to cater for boosting youth employment initiatives in the province through the Tshepo 500 000 programme.

### 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 1.8: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17

Department	2015/16 Expenditure Outcome				2016/17 Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sep
<b>R thousand</b>							
1. Administration	98 804	48 363	101 054	102%	106 418	49 899	3%
2. Institutional Development	198 542	76 095	206 900	104%	205 763	96 163	26%
3. Policy and Governance	132 619	45 340	105 895	80%	159 605	47 802	5%
<b>Total</b>	<b>429 965</b>	<b>169 798</b>	<b>413 849</b>	<b>96%</b>	<b>471 786</b>	<b>193 864</b>	<b>14%</b>
<b>Current payments</b>	<b>391 113</b>	<b>154 797</b>	<b>381 262</b>	<b>97%</b>	<b>440,349</b>	<b>178,900</b>	<b>39%</b>
Compensation of employees	232 029	112 362	234 004	101%	261 797	124 692	11%
Goods and Services	159 084	42 435	147 258	93%	178 552	54 208	28%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>29 026</b>	<b>9 051</b>	<b>19 141</b>	<b>66%</b>	<b>19 485</b>	<b>10 012</b>	<b>11%</b>
Provinces and municipalities	500		500	100%			
Departmental agencies and accounts							
Universities and technikons	28 505	9 003	18 505	65%	19 000	9 500	6%
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions							
Households	21	48	136	648%	485	512	967%
<b>Payments for capital assets</b>	<b>9 826</b>	<b>5 950</b>	<b>13 445</b>	<b>137%</b>	<b>11 952</b>	<b>4 952</b>	<b>(17%)</b>
Buildings and other fixed structures							
Machinery and equipment	9 826	5 950	13 445	1%	11 952	4 952	(17%)
Heritage assets							
Specialised military assets							
Biological assets							

Department	2015/16 Expenditure Outcome				2016/17 Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sep
R thousand							
Land and sub-soil assets							
Software and other intangible assets							
Payments for financial assets			1				
Total economic classification	429 965	169 798	413 849	96%	471 786	193 864	14%

### Expenditure trends 2015/16

The department spent R413.8 million or 96 per cent against the adjustment appropriation of R429.9 million in 2015/16. Unspent funds relate to a transfer payment that the province decided not to make in favour of a local academic institution in respect of a planned provincial project; the postponement of the planned international travel to April 2016; the postponement of the Service Excellence Awards and savings on cost containment items.

### Preliminary expenditure trends for the first half of 2016/17

The department spent R193.8 million during the first six months of 2016/17 versus R169.7 million spent in the corresponding period in 2015/16. The main factors that increase spending in the current financial year include the increase in compensation of employees, transfer payments to higher education institution in respect of the Gauteng City Region Observatory and procurement of capital assets.

### Programme 1: Administration

The expenditure for the first half of the current financial year amounts to R49.9 million compared to R48.4 million spent in the same period of 2015/16 financial year. The expenditure is higher due to increased government-fleet activities as the organisational structure grew and payment of interdepartmental claims received from the Department of Community Safety for the VIP escort services provided to the public office bearers in the province.

### Programme 2: Institutional Development

An amount of R96.2 million was spent at the end of second quarter higher compared to R76.1 million spent in 2015/16 financial year for the same period. The higher spending is caused by the establishment of the war room Central Information Centre to address and improve the service delivery in the province, purchases of laptops and desktops hardware for all staff transferred from the Department of e-Government because the available machines are beyond the life span as per the OoP's policy on IT 3-year obsolescent model policy.

### Programme 3: Policy and Governance

Spending of R47.8 million at the end of second quarter compared to R45.3 million spent in 2015/16 financial year for the six months period. The spending relates mainly to the international travel expenses and the GIS project that started at the beginning of the financial year.

## 6. Departmental receipts

TABLE 1.9: DEPARTMENTAL RECEIPTS

Department	2015/16				2016/17		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015-March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sep
<b>R thousand</b>							
<b>Tax receipts</b>							
Casino taxes							
Motor vehicle licences							
Sales of goods and services other than capital assets	250	150	315	126%	382	165	10%
Interest, dividends and rent on land	15	1	3	20%	6	2	100%
Sales of capital assets			1				
Financial transactions in assets and liabilities	187	121	148	79%	88	56	(54%)
<b>Total receipts</b>	<b>452</b>	<b>272</b>	<b>467</b>	<b>103%</b>	<b>476</b>	<b>223</b>	<b>(18%)</b>

### Revenue trends for the first half of 2016/17

The table above shows the contribution of each revenue source towards the total revenue generated as at the end of September 2016. The Office of the Premier collected own revenue amounting to R223 000 or 47 per cent of the main appropriation to date.

The total revenue collection to date amount to (R223 000) is R49 000 or 18 per cent lower than R272 000 collected in the same period in previous financial year largely driven by 56 per cent decrease on financial transactions in assets and liabilities revenue generated from repayments of debt. An amount of R56 000 has been collected in the first six months of 2016 compared to R121 000 for same period in 2015.

Sales of goods and services other than capital assets collected R165 000 or 10 per cent more than R150 000 that was collected in the first six months of the 2015/16 financial year. The sources consist of application fee charges collected when development of business rights is conducted, parking fees; insurance and garnishee and established townships.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

No changes

### 7.2 Changes to conditional grants

Not applicable

### 7.3 Changes to infrastructure

Not applicable

# VOTE 2

## GAUTENG PROVINCIAL LEGISLATURE

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	641 673	649 557		7 884
of which:				
Current payments	533 030	526 567	(6 463)	
Transfers and subsidies	102 701	110 585		7 884
Payments for capital assets	5 942	12 405		6 463
Payment for financial assets				
Executive authority	Speaker			
Accounting officer	Secretary to the Legislature			

### 1. Vision and Mission

#### Vision

A modern and transformative legislature that fosters public pride and confidence in democracy and enhances service delivery to the people of Gauteng.

#### Mission

In observing our constitutional obligations, Gauteng Provincial Legislature (GPL):

- Is a modern and dynamic African Legislature of the 21<sup>st</sup> Century;
- Is a caring, responsive, activist and transformative Legislature;
- Reflects the values, aspirations and cultures of the South African people;
- Is the most competent, accessible, transparent and accountable Legislature;
- Fosters ethical and good governance;
- Attracts, develops, and retains skilled and professional staff; and
- Recognises staff contributions, rewards their achievements and provide a stimulating environment.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 2.1: GAUTENG PROVINCIAL LEGISLATURE

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Leadership and Governance	52 375				(1 672)				(1 672)	50 703
2. Office of the Secretary	20 706				(128)				(128)	20 578
3. Corporate Support Services	293 806				11 715			7 884	19 599	313 405
4. Core Business	229 795				(10 641)				(10 641)	219 154
5. Office of the CFO	44 991				726				726	45 717
<b>Total for programmes</b>	<b>641 673</b>							<b>7 884</b>	<b>7 884</b>	<b>649 557</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>533 030</b>				<b>(6 463)</b>				<b>(6 463)</b>	<b>526 567</b>
Compensation of employees	300 171				(15 640)				(15 640)	284 531
Salaries & wages	300 171				(15 640)				(15 640)	284 531
Social contribution										
Goods and services	232 859				9 177				9 177	242 036
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>102 701</b>							<b>7 884</b>	<b>7 884</b>	<b>110 585</b>
Provinces and municipalities										
Non-profit institutions	102 701							7 884	7 884	110 585
Households										
<b>Payments for capital assets</b>	<b>5 942</b>				<b>6 463</b>				<b>6 463</b>	<b>12 405</b>
Buildings and other fixed structures	600				2 394				2 394	2 994
Machinery and equipment	5 342				4 069				4 069	9 411
Heritage assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>641 673</b>							<b>7 884</b>	<b>7 884</b>	<b>649 557</b>

The Institution embarked on a process of reviewing and realigning the budget to the institutional priorities and political imperatives. During this process spending projections for the second half of the financial year were reviewed to respond to changes in events including political imperatives that had an impact on the main budget. Consequently, areas of reprioritisation and cost-savings measures were identified and implemented resulting in declared unspent funds (savings) in Programmes 1, 2, 4 and 5. The identified savings were then redirected to emerging priorities and areas of budgetary pressure in Programme 3 on the basis of priority and capability to spend.

Funds were shifted within and between programmes and economic classification primarily from compensation of employees to areas of budgetary pressure and emerging priorities in goods and services. Savings were identified from funded vacancy backlogs. Further savings have been identified within goods and services from non-essential items.

An amount of R7.9 million is reallocated to the institution from its retained income to fund an increase for Constituency Allowance for members and parties in order to fulfil their constitutional obligations.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016

##### Programme 1: Leadership and Governance

TABLE 2.2: PROGRAMME 1: LEADERSHIP AND GOVERNANCE

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office of the Speaker	27 787				(2 561)				(2 561)	25 226
2. Office of the Deputy Speaker	8 003				(29)				(29)	7 974
3. Chairperson of Committees	14 566				1 025				1 025	15 591
4. Legislative Service Board	1 794				21				21	1 815
5. Deputy Chairperson of Committees	225				(128)				(128)	97
<b>Total for programme</b>	<b>52 375</b>				<b>(1 672)</b>				<b>(1 672)</b>	<b>50 703</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>52 375</b>				<b>(1 672)</b>				<b>(1 672)</b>	<b>50 703</b>
Compensation of employees	19 669				(1 991)				(1 991)	17 678
Salaries & wages	19 669				(1 991)				(1 991)	17 678
Social contribution										
Goods and services	32 706				319				319	33 025
Interest and rent on land										
<b>Transfers and subsidies</b>										
Provinces and municipalities										
Households										
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>52 375</b>				<b>(1 672)</b>				<b>(1 672)</b>	<b>50 703</b>

**TABLE: 2.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: LEADERSHIP AND GOVERNANCE**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(2 718)</b>		<b>1 046</b>
Compensation of employees	Savings were realised as a result of delays in the filling of the funded vacant positions	(1 991)		
Goods and services	Savings realised due to non-utilisation of the consultants for the performance assessment of the Secretary to the Legislature	(727)	The budget of the Office of Chairperson of Committees is increased to fund the shortfall for committee members travel commitments	1 046
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(2 718)</b>		<b>1 046</b>

**Virements and shifts**

An amount of R1.7 million is shifted to fund pressurised areas under Programme 3: Corporate Support Services, that include, business enhancement project, insurance to cover the under insured main building of the Legislature as revealed by the assessment report, and recruitment costs for senior management positions. The savings were realised under compensation of employees as a result of delays in the filling of the funded vacant positions and non-utilisation of the consultants for the performance assessment of the Secretary to the Legislature.

An amount of R1 million is shifted from Office of the Speaker under compensation of employees to Office of the Chairperson of Committees under goods and services to fund the shortfall for committees travel. The shortfall is due to deferment of committee travel from 2015/16 to 2016/17 which was delayed by the late response from the Department of International Relations and Cooperation.

An amount of R21 000 is shifted from Office of the Speaker under compensation of employees to the Legislative Services Board under goods and services to fund the shortfall for professional fees relating to independent external board members.

**Programme 2: Office of the Secretary****TABLE: 2.4: PROGRAMME 2: OFFICE OF THE SECRETARY**

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Office of the Secretary	20 336				42				42	20 378
2. Office of the Integrity Commissioner	370				(170)				(170)	200
<b>Total for programme</b>	<b>20 706</b>				<b>(128)</b>				<b>(128)</b>	<b>20 578</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	20 706				(128)				(128)	20 578
Compensation of employees	13 319				(1 329)				(1 329)	11 990
Salaries & wages	13 319				(1 329)				(1 329)	11 990
Social contribution										
Goods and services	7 387				1 201				1 201	8 588
Interest and rent on land										
<b>Transfers and subsidies</b>										
Provinces and municipalities										
Households										
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	20 706				(128)				(128)	20 578

TABLE: 2.5 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: OFFICE OF THE SECRETARY

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(1 499)</b>		<b>1 371</b>
Compensation of employees	The savings were realised as a result of delays in the filling of the funded vacant positions	(1 329)		
Goods and services	Savings due to reduced consultant fees relating to members' training	(170)	The budget increases to fund the Baseline Assessment Study and Multi party women's caucus	1 371
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(1 499)</b>		<b>1 371</b>

**Virements and shifts**

An amount of R1.3 million is shifted within the Office of the Secretary from compensation to goods and services to fund the Baseline Assessment Study. The baseline assessment study seeks to gather baseline data on the six strategic goals, outcomes and performance indicators against which to set performance targets for the remaining three years of the strategic plan. Furthermore the study aims to develop sound data collection tools that will subsequently be used to monitor and assess the outputs, outcomes and impact of the GPL five year strategic plan.

An amount of R42 000 is shifted within goods and services from Office of the Integrity Commissioner to Office of the Secretary to fund Multi-Party Women's Caucus.

An amount of R128 000 is shifted within goods and services from the Office of the Integrity Commissioner to Information and Technology to fund Business Enhancement project. The Business Enhancement project is a multi-year strategic project of GPL to modernize business practices, and to streamline / integrate all business solutions with the aim of effectively and efficiently supporting the core mandates of the Legislature. Savings were realised from reduced consultant fees in relation to members' training.

**Programme 3: Corporate Support Services****TABLE 2.6: PROGRAMME 3: CORPORATE SUPPORT SERVICES**

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. ED Corporate Support Services	94 645				(4 131)				(4 131)	90 514
2. Members Affairs	114 906							7 884	7 884	122 790
3. Institutional Support Services	35 257				1 908				1 908	37 165
4. Operational Support Services	34 701				8 373				8 373	43 074
5 IT and Technology	14 297				5 565				5 565	19 862
<b>Total for programme</b>	<b>293 806</b>				<b>11 715</b>			<b>7 884</b>	<b>19 599</b>	<b>313 405</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Current payments	186 477				7 716				7 716	194 193
Compensation of employees	94 339				(4 357)				(4 357)	89 982
Salaries & wages	94 339				(4 357)				(4 357)	89 982
Social contribution										
Goods and services	92 138				12 073				12 073	104 211
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>102 701</b>							<b>7 884</b>	<b>7 884</b>	<b>110 585</b>
Provinces and municipalities										
Non-profit institutions	102 701							7 884	7 884	110 585
Households										
<b>Payments for capital assets</b>	<b>4 628</b>				<b>3 999</b>				<b>3 999</b>	<b>8 627</b>
Buildings and other fixed structures	600				2 394				2 394	2 994

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Machinery and equipment	4 028				1 605				1 605	5 633
Software and other intangible assets										
Payments for financial assets										
<b>Total economic classification</b>	<b>293 806</b>				<b>11 715</b>			<b>7 884</b>	<b>19 599</b>	<b>313 405</b>

**TABLE 2.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: CORPORATE SUPPORT SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(4 817)</b>		<b>12 533</b>
Compensation of employees	The savings were realised as a result of delays in the filling of the funded vacant positions	(4 357)		
Goods and services	Funds were incorrectly allocated to goods and services	(460)	To fund the rental shortfall for SAGE building, the budget shortfall for security service contract, Microsoft licence fees as well as to settle the outstanding municipal rates and taxes to the city of Johannesburg. The reallocation of funds is also to fund the business enhancement project, recruitment of senior managers and the shortfall for policy development	12 533
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(480)</b>		<b>4 479</b>
Buildings and other fixed structures			Installation of chillers and air condition services at the SAGE building	2 394
Machinery and equipment	Savings were realised as a result of reduction in the number of motor vehicles for GPL activities	(480)	To fund the procurement of laptops, equipment for graphic designers and audio visual specialist as well as emergency doors and for the Disaster Recovery Planning	2 085
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(5 297)</b>		<b>17 012</b>

**Virements and shifts**

An amount of R1.9 million is shifted from ED: Corporate Support Services under compensation of employees to Operational Support Services under building and fixed structures to fund the Installation of chillers and air condition services.

A total amount of R1.2 million is shifted from ED: Corporate Support Services under compensation of employees to Information and Technology to fund Disaster Recovery Planning (R630 000 under goods and services; R563 000 under machinery and equipment).

An amount of R1.2 million is shifted from ED: Corporate Support Services under compensation of employees to Institutional Support Services under goods and services fund the recruitment of senior managers and the shortfall for policy development.

A total amount of R9.9 million is received from Programme 4: Core Business to goods and services and capital assets to fund rental shortfall for SAGE building, budget shortfall for security service contract, Microsoft licence fees, recruitment costs for senior management positions and to settle the outstanding municipal rates and taxes to the city of Johannesburg. Furthermore, the reallocation will fund the procurement of laptops, equipment for graphic designers and audio visual specialist and the business enhancement project.

An additional amount of R128 000 is received from Programme 2: Office of the Secretary within goods and services to fund the Business enhancement project.

A further amount of R1.7 million is received from Programme 1: Leadership and Governance to goods and services and capital assets to fund business enhancement project, insurance to cover the under insured main building of the Legislature as revealed by an assessment report, and the recruitment costs for senior management positions.

#### Additional provincial funding: R7.9 million

The institution has re-allocated an amount of R7.9 million from its retained income to fund an increase for Constituency Allowance for members and parties in order to fulfil their constitutional obligations.

### Programme 4: Core Business

TABLE: 2.8: PROGRAMME 4: CORE BUSINESS

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. ED Core Business	139 103				(4 004)				(4 004)	135 099
2. Parliamentary Business	42 323				(6 324)				(6 324)	35 999
3. Information and Knowledge Management	14 872				(88)				(88)	14 784
4. Communication	33 497				(225)				(225)	33 272
<b>Total for programme</b>	<b>229 795</b>				<b>(10 641)</b>				<b>(10 641)</b>	<b>219 154</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>229 795</b>				<b>(10 641)</b>				<b>(10 641)</b>	<b>219 154</b>
Compensation of employees	137 603				(7 085)				(7 085)	130 518
Salaries & wages	137 603				(7 085)				(7 085)	130 518
Social contribution										
Goods and services	92 192				(3 556)				(3 556)	88 636
Interest and rent on land										
<b>Transfers and subsidies</b>										
Provinces and municipalities										
Households										
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Software and other intangible assets										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Payments for financial assets										
Total economic classification	229 795				(10 641)			(10 641)	219 154	

TABLE: 2.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: CORE BUSINESS

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(13 722)</b>		<b>3 081</b>
Compensation of employees	The savings were realised as a result of delays in the filling of the funded vacant positions	(7 085)		
Goods and services	The savings were realised due to centralisation of travel budget for committees in line with policy, as well as from committee activities that were affected the by municipal elections recess	(6 637)	Fund will be utilised for the re-engineering of public participation projects	3 081
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(13 722)</b>		<b>3 081</b>

### Virements and shifts

An amount of R3 million is shifted within ED: Core Business from compensation of employees to goods and services to fund the Re-engineering of public participation project. Savings were realised due to delays in filling of funded vacant positions.

An amount of R726 000 is shifted from ED: Core Business under compensation of employees to Supply Chain Management to fund the procurement of furniture for SAGE building and the library.

A total amount of R9.9 million is shifted to Programme 3: Corporate Support Services to goods and services and capital assets to fund rental shortfall for SAGE building, budget shortfall for security service contract, Microsoft licence fees as well as to settle the outstanding municipal rates and taxes to the city of Johannesburg. Furthermore, the reallocation will fund the procurement of laptops, equipment for graphic designers and audio visual specialist and the business enhancement project. The savings under goods and services have been realised due to centralisation of travel budget for committees in line with policy, as well as from committee activities that were affected by the municipal elections recess.

**Programme 5: Office of the CFO****TABLE 2.10: PROGRAMME 5: OFFICE OF THE CFO**

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Chief Financial Officer	40 624				(409)				(409)	40 215
2. Finance	597				(327)				(327)	270
3. Supply Chain Management	1 571				2 512				2 512	4 083
4. Audit, Risk and Governance	2 199				(1 050)				(1 050)	1 149
<b>Total for programme</b>	<b>44 991</b>				<b>726</b>				<b>726</b>	<b>45 717</b>

  

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>43 677</b>				<b>(1 738)</b>				<b>(1 738)</b>	<b>41 939</b>
Compensation of employees	35 241				( 878)				(878)	34 363
Salaries & wages	35 241				(878)				(878)	34 363
Social contribution										
Goods and services	8 436				(860)				(860)	7 576
Interest and rent on land										
<b>Transfers and subsidies</b>										
Provinces and municipalities										
Households										
<b>Payments for capital assets</b>	<b>1 314</b>				<b>2 464</b>				<b>2 464</b>	<b>3 778</b>
Buildings and other fixed structures										
Machinery and equipment	1 314				2 464				2 464	3 778
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>44 991</b>				<b>726</b>				<b>726</b>	<b>45 717</b>

**TABLE 2.11: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: OFFICE OF THE CFO**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(2 255)</b>		<b>517</b>
Compensation of employees	The savings were realised as a result of delays in the filling of the funded vacant positions	(878)		
Goods and services	Savings have been realised from conferences and internal audit plan costing which were less than anticipated	(1 377)	To fund the art curator that will be responsible to archive and document GPL art work, restore damaged art work and facilitate the exhibition of the art work	517
Interest and rent on land				

Economic classification	Motivation	From	Motivation	To
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				<b>2 464</b>
Buildings and other fixed structures				
Machinery and equipment			To fund the procurement of furniture for SAGE building and the library	2 464
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(2 255)</b>		<b>2 981</b>

#### Virements and shifts

An amount of R469 000 is shifted within office of the CFO from compensation of employees to goods and services to fund the art curator that will be responsible to archive and document GPL art work as well as restore damaged art work. The Art curator will also be responsible for art awareness programmes within the GPL as well as host a GPL art exhibition.

An amount of R361 000 is shifted from the Office of the CFO under compensation of employees to Supply Chain Management under machinery and equipment to fund the procurement of furniture for SAGE building.

An amount of R48 000 is shifted from Office of the CFO under compensation of employees to Supply Chain Management under goods and services to fund the procurement of labels for asset counting and the shortfall for planned supplier workshop.

A total amount of R1.3 million is shifted within the programme from goods and services to payments for capital assets to fund the procurement of furniture for SAGE building and the library. Savings have been realised from conferences and internal audit plan costing which were less than anticipated. Furthermore an amount of R726 000 is received from Programme 4: Core Business to payments for capital assets to fund the procurement of furniture for the SAGE building and the library.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE: 2. 13 EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17

Programme	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016 - September 2016	% change 15/16-16/17 Apr-Sept
R thousand							
1. Leadership and Governance	48 296	10 761	39 160	81%	50 703	15 153	41%
2. Office of the Secretary	18 408	5 963	14 867	81%	20 578	6 855	15%
3. Corporate Support Services	287 726	159 251	283 771	99%	313 405	171 685	7%
4. Core Business	204 938	83 528	186 149	91%	219 154	87 524	5%
5. Office of the CFO	41 105	17 610	38 125	93%	45 717	18 583	6%
<b>Total for programmes</b>	<b>600 473</b>	<b>277 113</b>	<b>562 072</b>	<b>94%</b>	<b>649 557</b>	<b>299 800</b>	<b>8%</b>

Programme	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016 - September 2016	% change 15/16-16/17 Apr-Sept
R thousand							
Current payments	486 208	189 098	443 668	91%	526 567	205 227	27%
Compensation of employees	267 776	129 651	258 011	96%	284 531	130 174	0%
Goods and Services	218 432	59 447	185 657	85%	242 036	75 053	26%
Interest and rent on land							
Transfers and subsidies	97 911	82 581	97 911	100%	110 585	91 313	11%
Provinces and municipalities							
Departmental agencies and accounts							
Higher education institutions							
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions	97 911	82 581	97 911	100%	110 585	91 313	11%
Households							
Payments for capital assets	16 354	5 434	20 493	125%	12 405	3 260	(40%)
Buildings and other fixed structures	6 030	4 129	12 165	202%	2 994	1 871	(55%)
Machinery and equipment	9 914	1 305	8 328	84%	9 411	1 389	(6%)
Heritage assets							
Specialised military assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets	410						
Payments for financial assets							
Total economic classification	600 473	277 113	562 072	94%	649 557	299 800	8%

### Expenditure trends for 2015/16

For the 2015/16 financial year, the GPL was allocated an amount of R600.4 million to implement the Annual Performance Plan in support of the core mandate of facilitating Law-making, ensuring Public Participation in the legislative processes and exercising Oversight over the executive and the organs of the state.

Of the total allocated budget, an amount of R267.8 million was allocated to compensation of employees, R218.4 million to goods and services, R97.9 million to transfers to political parties and R16.4 million to capital assets. A significant amount of this aggregate was allocated to Programme 3: Corporate Support Services at R287.7 million which provides support to all stakeholders, internally and externally through Members facilities, Human Resource, Information Communication Technology, Security and Administration to ensure adequate functioning of the institution. The total allocation for this programme is inclusive of the Political Party funding and Constituency allowance. Another considerable amount of R204.9 million of the total institution's allocation was appropriated to Programme 4: Core Business for the execution of the GPL's core mandate.

In exercising its constitutional obligations the GPL spent a total amount of R562.1 million or 94 percent of the allocation for the 2015/16 financial year. A substantial amount of the total expenditure for the fiscal year was spent on compensation of employees at R258 million, translating to 96 per cent of the allocated adjustment budget. Expenditure on goods and services amounted to R185.7 million or 85 per cent of the allocated budget and was mainly spent on Public Outreach Programmes conducted by Committees, House and Committee sittings, launch of 20 year products, Voter Education and Registration campaign and Committees international study tours. In addition, the provision of facilities and support

services to Members of the GPL, hosting of Institutional events as well as on operational costs comprising IT services, maintenance and repairs, rent & municipal services, security services, transport services, canteen and cleaning services.

Section 236 of the Constitution promotes multi-party democracy and in particular funding of political parties participating in provincial legislatures on an equitable and proportional basis. The GPL holds onto the belief that an election is only fair if the electorate can make an informed choice. Hence the need for public funding of political parties is an essential component of deepening our nascent democracy. It is envisaged that enhanced party funding in the GPL will help deepen democracy. Political parties are seen as vital public institutions to enhance citizens' participation in their own governance and in democracy.

In this reverence, a total amount of R97.9 million or 100 per cent of the budget was transferred to Political Parties with Political Party Funding at R68 million and Constituency Allowance at R29.9 million.

Expenditure on capital payments for the financial year amounted to R20.5 million and largely relates to SAGE building projects, procurement of office furniture, laptops and motor vehicles, as well as installation of Members touch screens and air-conditioning chillers.

#### **Expenditure trends for the first half of 2016/17**

The Institution spent a total amount of R298.8 million during the first half of the financial year. Compensation of employees accounted for R130.2 million and goods and services for R74 million of the total expenditure for the mid-year under review.

In enabling members to fulfil their constitutional obligations and thus reducing dependency on private funding and enhancing multi-party democracy, a total amount of R91.3 million was transferred to political parties with Political Party Funding at R72 million and Constituency Allowance at R19.3 million.

Capital payments for the reporting period amounted to R3.3 million mainly on the installation of chillers and air-condition services, and computer hardware.

#### **Programme 1: Leadership and Governance**

In providing overall strategic leadership and direction to the Institution, the programme has spent R15.2 million during the first six months of the financial year when compared to the R10.8 million that was spent in the same period of 2015/16. The increase in expenditure is largely evident in goods and services at R8.4 million and compensation of employees accounted for R6.8 million. The expenditure on goods and services is mostly driven by International study tours undertaken by the Standing Committee on Public Accounts (SCOPA) to Sweden and Committee for the Scrutiny of Subordinate Legislation (CSSL) to Australia, professional service fees for independent external board members, Voter Education and Registration campaign, programme strategic planning session and quarterly management meetings, attendance and participation in conferences such as Women's Leadership, vision and Economic empowerment conference, Africa Parliamentary Budget Office conference and CPA Africa region, and attendance and participation in the National Speaker's forum as well as the Commonwealth Parliamentary Association (CPA) Secretariat handover meeting, among others.

#### **Programme 2: Office of the Secretary**

In providing administrative leadership to the Institution, the programme spent R6.9 million during the first half of the financial year as compared to R6 million spent in the same period of the last financial year, representing a variance of 15 percent. Of the expenditure, compensation of employees accounted for R5.1 million and goods and services for R1.8 million. Expenditure on goods and services is in relation to, strategic planning review session, printing and publication of the 2015-16 Annual report, baseline assessment study, Multi-Party Women Caucus 2016 Vita Basadi awards and printing of booklet, attendance of CPA Africa Region in Mauritius, attendance of the second Society of Clerks-at-the-Table (SOCATT) seminar, attendance of the Leadership Development for Women in Government and State Owned Entities conference, legal fees, Secretaries' Association of the Legislatures of South Africa (SALSA) forum, and attendance of the National Council of State Legislatures (NCSL) conference in Chicago.

#### **Programme 3: Corporate Support Services**

The programme expenditure for the first half of the financial year amounted to R170.7 million in comparison to an amount of R159.3 million spent in the same period of the 2015/16. Of the total expenditure for the programme, an amount of R42.5 million was spent on compensation of employees for GPL and political support staff salaries. In ensuring sustained support to the primary stakeholders, the programme spent R33.8 million on goods and services.

The increase is evident in transfers to political parties at R91.3 million, the bulk of which is transferred in the beginning of the financial year.

The increased expenditure in 2016/17 relates to recruitment costs for senior management as the previous management contract expired; consultants company was hired to facilitate the process, disaster recovery planning and main building condition assessment.

In addition, an amount of R3.1 million was paid for capital payments, mainly relates to the installation of chillers and

air-condition services, and computer hardware.

#### Programme 4: Core Business:

An amount of R87.5 million was spent by the programme for the six months when compared to R83.5 million that was spent in the same period of 2015/16 financial year. Of the total expenditure for the period, an amount of R60.6 million was spent on compensation of employees for the payment of staff salaries and a further amount of R26.9 million has been spent on goods and services. The growth in the current financial expenditure is attributable to the public hearings on expropriation and language bills, literature review for the evaluation of sector parliaments as well as evaluation of the Bua Le Sechaba public participation mechanisms under the Re-engineering of public participation project, transport for stakeholders attending house sittings and participating in the public education workshops and committee activities, hosting of the Vita Basadi awards as well as the National Women's and Youth Parliament.

#### Programme 5: Office of the CFO

The programme spent R18.6 million during the first half of the financial year as compared to R17.6 million that was spent in the same period of 2015/16. The increase by R1 million in the current year expenditure is mainly in compensation of employees due to the appointment of new staff. In addition, goods and services contribute to the increased expenditure due to removal of furniture from Sage Building to Main Building, professional services in respect of external Audit Risk Committee members, external audit fees and implementation of the Business Continuity Plan.

## 6. Departmental receipts

Not applicable.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1. Changes to transfers and subsidies

TABLE 2.14: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Programme 3	30 660							7 884	7 884	38 544
Constituency Allowance	30 660							7 884	7 884	38 544
Total changes in transfers	30 660							7 884	7 884	38 544

The budget for transfers and subsidies increases from R30.7 million to R38.5 million. The institution has re-allocated an amount of R7.9 million from its retained income to fund an increase for Constituency Allowance for members and parties in order to fulfil their constitutional obligations.

### 7.2. Changes to conditional grants

Not applicable.

### 7.3. Changes to infrastructure

Not applicable.

# VOTE 3

## DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 331 638	1 387 699		56 061
of which:				
Current payments	494 249	407 301	(86 948)	
Transfers and subsidies	821 890	955 618		133 728
Payments for capital assets	15 499	24 758		9 259
Payment for financial assets		22		22
Executive authority	MEC for Economic Development			
Accounting officer	Head of Department			

### 1. Vision and Mission

#### Vision

A radically transformed, modernised and re-industrialised economy in Gauteng, manifesting decent work, economic inclusion and equity.

#### Mission

The mission of the DED in pursuit of its vision is to:

- Ensure radical transformation, modernisation and re-industrialisation of the Gauteng economy;
- Provide an enabling policy and legislative environment for equitable economic growth and development;
- Develop and implement programmes and projects that will:
- Revitalise Gauteng's township economies;
- Build new smart, green, knowledge-based economy and industries;
- Ensure decent employment and inclusion in key economic sectors;
- Facilitate radical economic transformation, modernisation and re-industrialisation;
- Include the marginalised sectors of women, youth and persons with disabilities in mainstream economic activities;
- and
- Establish appropriate partnerships for delivery and ensure the DED effectively delivers on its mandate.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 3.1: DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1.Administration	227 109				10 549				10 549	237 658
2.Integrated Economic Development Services	198 345				43 300			7 000	50 300	248 645
3.Trade and Sector Development	624 317				44 883			10 500	55 383	679 700
4.Business Regulation and Governance	77 249				(6 133)			8 000	1 867	79 116
5.Economic Planning	204 617			30 561	(92 599)				(62 038)	142 579
<b>Total for programmes</b>	<b>1 331 638</b>			<b>30 561</b>				<b>25 500</b>	<b>56 061</b>	<b>1 387 699</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>494 249</b>			<b>30 561</b>	<b>(117 509)</b>				<b>(86 948)</b>	<b>407 301</b>
Compensation of employees	230 626				(36 876)				(36 876)	193 750
Salaries & wages	197 830				(30 205)				(30 205)	167 625
Social contribution	32 796				(6 671)				(6 671)	26 125
Goods and services	263 623			30 561	(80 633)				(50 072)	213 551
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>821 890</b>				<b>108 228</b>			<b>25 500</b>	<b>133 728</b>	<b>955 618</b>
Provinces and municipalities					500				500	500
Departmental agencies and accounts	821 890				107 183			25 500	132 683	954 573
Households					545				545	545
<b>Payments for capital assets</b>	<b>15 499</b>				<b>9 259</b>				<b>9 259</b>	<b>24 758</b>
Buildings and other fixed structures										
Machinery and equipment	10 499				9 100				9 100	19 599
Software and other intangible assets	5 000				159				159	5 159
<b>Payments for financial assets</b>					<b>22</b>				<b>22</b>	<b>22</b>
<b>Total economic classification</b>	<b>1 331 638</b>			<b>30 561</b>				<b>25 500</b>	<b>56 061</b>	<b>1 387 699</b>

The table above illustrates the main appropriation of R1.3 billion in 2016/17 which increases to R1.4 billion, reflecting a net increase of R56 million. An additional amount of R25.5 million was received during adjustment budget, of which; R10.5 million is allocated to Gauteng Tourism Authority (GTA) for the Discorp Africa project (R1 million), Cycling Festival (R3.3 million) and World choir games (R6.2 million); R8 million is granted to Gauteng Liquor Board (GLB) to supplement the personnel budget; and lastly R7 million is allocated to Gauteng Enterprise Propeller (GEP) for Small, Medium and Micro Enterprise (SMME) support project.

Furthermore, a rollover of R30.5 million was approved to fund the 2015/16 township industrial hubs commitments. The department reprioritized R36.8 million from compensation of employees due to the delays in the approval of the organizational structure to fund the Township Economy Revitalization (TER) projects such as the SMME support, Youth Project Management Office (PMO), Cooperative Bank Platform, Review and Finalization of the Gauteng City Region Development Plan, and the phase 2 Qondis'ishishini Lakho. The department will host the following indaba/summits before the end of the financial year: the Cooperative Financial Institutions (CFI), Westrand Economic Indaba and the Stockvel /burial society summit.

In addition, an amount of R44.8 million has been moved from Economic Planning to Trade and Sector development for Gauteng Growth and Development Agency (GGDA) to implement the projects as part of infrastructure for Township Industrial hubs. The budget for consumer mobile satellite bus project which amounts to R12 million has been moved from Programme 4 to Programme 1.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 3.2: PROGRAMME 1:ADMINISTRATION

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
	12 806				(3 100)				(3 100)	9 706
	19 712				(5 249)				(5 249)	14 463
	39 824				(869)				(869)	38 955
	154 768				19 767				19 767	174 535
<b>Total for programme</b>	<b>227 109</b>				<b>10 549</b>				<b>10 549</b>	<b>237 658</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>211 610</b>				<b>685</b>				<b>685</b>	<b>212 295</b>
Compensation of employees	116 586				(18 347)				(18 347)	98 239
Salaries & wages	99 847				(15 158)				(15 158)	84 689
Social contribution	16 739				(3 189)				(3 189)	13 550
Goods and services	95 024				19 032				19 032	114 056
<b>Transfers and subsidies</b>					<b>744</b>				<b>744</b>	<b>744</b>
Provinces and municipalities					500				500	500
Households					244				244	244
<b>Payments for capital assets</b>	<b>15 500</b>				<b>9 100</b>				<b>9 100</b>	<b>24 600</b>
Buildings and other fixed structures										
Machinery and equipment	10 500				9 100				9 100	19 600
Land and sub-soil assets										
Software and other intangible assets	5 000									5 000
<b>Payments for financial assets</b>					<b>20</b>				<b>20</b>	<b>20</b>
<b>Total economic classification</b>	<b>227 109</b>				<b>10 549</b>				<b>10 549</b>	<b>237 658</b>

**TABLE 3.3 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION**

<b>Economic classification</b>	<b>Motivation</b>	<b>From</b>	<b>Motivation</b>	<b>To</b>
<b>Current payments</b>		<b>(32 410)</b>		<b>33 095</b>
Compensation of employees	Realignment of personnel budget due to delays in the finalisation of the organisational structure and recruitment	(27 682)	Provision is made for the appointment of additional staff.	9 335
Goods and services	The department has implemented cost containment measures for the internal operational requirements on items such as: Catering, Communication, Travel and subsistence and Advertising. Funds are reprioritized to areas where these items assist with the core priority areas in the department.	(4 728)	Funds are shifted to cater for the implementation of Phase 2 of Qondis'ishishini Lakho projects. In addition, the funds will also cater for operational costs of the new office building such as: the second phase access control system; security scanners; and installation of blinds. Furthermore, R12 million is for the consumer mobile satellite bus project which is now allocated within this programme.	23 760
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>744</b>
Provinces and municipalities			Provision is made for interdepartmental claim to Department of Social Development for the Gauteng Provincial Prayer Meeting which was held for the local elections.	500
Households			Provision for leave gratuity	244
<b>Payments for capital assets</b>				<b>9 100</b>
Buildings and other fixed structures				
Machinery and equipment			Funds for the procurement of office furniture for the new building that the department has relocated to.	9 100
<b>Payments for financial assets</b>			Funds required to cover expenditure for debts write-off's	<b>20</b>
<b>Total economic classification</b>		<b>(32 410)</b>		<b>42 959</b>

**Virements and shifts**

The programme budget has been adjusted upwards by R10.5 million due to some of the TER projects which are implemented under Administration programme such as Phase 2 Qondis'ishishini Lakho and Consumer Mobile satellite office solution which was initially delivered under Programme 4. The operational projects which are central to the relocation to No: 56 Eloff Street office building has also been catered for. Furthermore, provision is made for the TER stakeholder engagement.

The budget for compensation of employees was reduced by R18.3 million due to delays in the approval and implementation of the proposed structure as well as rotation of posts internally as a result of internal promotions which does not reduce the vacancy rate.

The budget for capital assets is increased by R9.1 million to make provision for the procurement of office furniture and the Microsoft Office 365 implementation programme. The new Microsoft Office 365 will enable the department and the entities to be able to do document collaboration, increase in heterogeneous devices access and ensuring the GPG data is protected.

## Programme 2: Integrated Economic Development Services

TABLE 3.4: PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1.Enterprise Development	180 817				48 901			7 000	55 901	236 718
2.Regional & Local Economic Development	1 044									1 044
3.Economic Empowerment	16 484				(5 601)				(5 601)	10 883
<b>Total for programme</b>	<b>198 345</b>				<b>43 300</b>			<b>7 000</b>	<b>50 300</b>	<b>248 645</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>21 927</b>				<b>(10 052)</b>				<b>(10 052)</b>	<b>11 875</b>
Compensation of employees	21 654				(10 052)				(10 052)	11 602
Salaries & wages	18 305				(7 376)				(7 376)	10 929
Social contribution	3 349				(2 676)				(2 676)	673
Goods and services	273									273
<b>Transfers and subsidies</b>	<b>176 418</b>				<b>53 350</b>			<b>7 000</b>	<b>60 350</b>	<b>236 768</b>
Departmental agencies and accounts	176 418				53 300			7 000	60 300	236 718
Households					50				50	50
Payments for capital assets										
Payments for financial assets					2				2	2
<b>Total economic classification</b>	<b>198 345</b>				<b>43 300</b>			<b>7 000</b>	<b>50 300</b>	<b>248 645</b>

TABLE 3.5 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: INTERGRATED ECONOMIC DEVELOPMENT SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(10 710)</b>		<b>658</b>
Compensation of employees	Alignment of personnel budget due to delays in the finalisation of the organisational structure and the recruitment process.	(10 552)	Funds are shifted within the line item to align the budget with expenditure.	500
Goods and services	Realignment of the budget	(158)	Provision for operating payments and travel claims linked to TER projects.	158
<b>Transfers and subsidies</b>				<b>53 350</b>
Provinces and municipalities				
Departmental agencies and accounts			Funds are allocated towards the following projects; the Youth Project Management Office (PMO),The Mid-term impact assessment and the SMMEs and TER Support projects	53 300
Households			Provision for leave gratuity	50
Payments for capital assets				
Payments for financial assets			Funds to cover expenditure for debts write-off's	2
<b>Total economic classification</b>		<b>(10 710)</b>		<b>54 010</b>

**Virements and shifts**

The programme budget reflects a net increase of R50.3 million mainly to fund the Youth PMO, mid-term impact assessment and the SMME support project under GEP such as the 5000 Job creation and Project Vuthela which is based on creating youth employment opportunities with an exit plan of job placement as well as SMME's and Cooperatives development.

Compensation of employees is decreased by R10 million due to delays in the implementation of the organizational structure to fund core priority projects. Furthermore, provision is made for leave gratuity which amounts to R50 000.

**Additional provincial funding: R7 million**

An amount of R7 million is granted as additional funding to GEP for SMME Support project in order to assist the SMMEs due to the increased demand for GEP product offerings which have increased over the past two years. GEP focuses on moving SMMEs and Cooperatives from the margins into the mainstream economy as outlined in the NDP which advocates the creation of jobs where people live.

**Programme 3: Trade and Sector Development**

TABLE 3.6: PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Trade and Investment Promotion	5 515				(3 000)				(3 000)	2 515
2. Sector Development	212 853				(11 450)			10 500	(950)	211 903
3. Strategic Initiatives	405 949				59 333				59 333	465 282
<b>Total for programme</b>	<b>624 317</b>				<b>44 883</b>			<b>10 500</b>	<b>55 383</b>	<b>679 700</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>5 515</b>				<b>(3 000)</b>				<b>(3 000)</b>	<b>2 515</b>
Compensation of employees	5 415				(3 000)				(3 000)	2 415
Salaries & wages	5 394				(3 000)				(3 000)	2 394
Social contributions	21									21
Goods and services	100									100
<b>Transfers and subsidies</b>	<b>618 802</b>				<b>47 883</b>			<b>10 500</b>	<b>58 383</b>	<b>677 185</b>
Departmental agencies and accounts	618 802				47 883			10 500	58 383	677 185
Payments for capital assets										
Payments for financial assets										
<b>Total economic classification</b>	<b>624 317</b>				<b>44 883</b>			<b>10 500</b>	<b>55 383</b>	<b>679 700</b>

TABLE 3.7 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION:PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(3 000)</b>		
Compensation of employees	Alignment of personnel budget due to delays in the finalisation of the organisational structure and recruitment process.	(3 000)		
Goods and services				

Economic classification	Motivation	From	Motivation	To
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(12 700)</b>		<b>61 583</b>
Provinces and municipalities Departmental agencies and accounts	Slow appointments resulted in low levels of spending in the personnel budget of both Cradle of Humankind and Dinokeng.	(12 700)	The Department has made provision for the Discorp project and the Feather Awards to be hosted by GTA. The funds will also cater for the renovation and refurbishment of the Township Industrial Hubs which will be undertaken by GGDA.	61 583
<b>Total economic classification</b>		<b>(15 700)</b>		<b>61 583</b>

### Virements and shifts

The programme budget has increased from R624.3 million to R679.7 million, which translates to a R55.4 million net increase.

Amounts of R7.7 million and R6 million were reprioritized from the personnel budget of Cradle of Humankind and Dinokeng respectively. A further shift of R2 million is to supplement the budget for the Discorp Africa Project and R250 000 was shifted within for hosting of the Feather Awards.

In addition to that, an amount of R59 million was allocated to GGDA for the following infrastructure projects:

- Renovation and refurbishment of the Township Industrial Hubs; these hubs have been created to stimulate economic activity in the townships, towards the creation of sustainable jobs, reduction in levels of inequality and addressing poverty. The objective is to ensure that the industrial parks are rehabilitated for business activity in the townships.
- The Innovation Hub (TIH) infrastructure projects; this entails further expansion of the Innovation Hub Precinct and the development impact in the Gauteng City Region as a Science and Technology Park.

### Additional provincial funding: R10.5 million

The baseline for the programme is increased by R10.5 million due to the additional funding received for the implementation of the following projects to be undertaken by GTA:

- R6.2 million for the World Choir Games ;
- R1 million for the Discorp Africa project; this is an annual, three-day tradeshow that brings together buyers, sellers and producers of televised entertainment content for investment opportunities; and
- R3.3 million for the Cycling Festival, a road Cycling team event of 3 cyclists participating in the team.

The additional funding will ensure that GTA's mandate of marketing the province as the vibrant business-tourism capital of Africa as well as a leisure destination of choice is achieved.

### Programme 4: Business Regulation and Governance

TABLE 3.8: PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1.Governance	10 202				(133)				(133)	10 069
2.Regulation Services	9 625				(37)				(37)	9 588
3.Consumer Protection	30 727				(11 963)				(11 963)	18 764
4.Liquor Regulation	26 695				6 000			8 000	14 000	40 695
<b>Total for programme</b>	<b>77 249</b>				<b>(6 133)</b>			<b>8 000</b>	<b>1 867</b>	<b>79 116</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Current payments	50 580				(12 220)				(12 220)	38 360
Compensation of employees	31 070				(559)				(559)	30 511
Salaries & wages	26 518				(559)				(559)	25 959
Social contribution	4 552									4 552
Goods and services	19 510				(11 661)				(11 661)	7 849
<b>Transfers and subsidies</b>	<b>26 669</b>				<b>6 087</b>			<b>8 000</b>	<b>14 087</b>	<b>40 756</b>
Departmental agencies and accounts	26 669				6 000			8 000	14 000	40 669
Households					87				87	87
Payments for capital assets										
Payments for financial assets										
<b>Total economic classification</b>	<b>77 249</b>				<b>(6 133)</b>			<b>8 000</b>	<b>1 867</b>	<b>79 116</b>

TABLE 3.9 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(23 812)</b>		<b>11 592</b>
Compensation of employees	Funds are shifted to where people are placed in the organisational structure. Alignment of personnel budget due to delays in the finalisation of the organisational structure.	(8 329)	The department is in the process of structure clean-up which entails aligning the placement of staff against correct objective and responsibility codes.	7 770
Goods and services	The budget is shifted to where the function is performed since the Consumer mobile satellite bus project has been moved from Consumer Protection to Programme 1 under the Communication Chief Directorate. Savings were also realised under Travel and subsistence, venues and facilities.	(15 483)	Provision for the merger of GLB and GGB, the identification of new sectors to be regulated as well as the establishment of the Conservation and Heritage Agency.	3 822
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>6 087</b>
Households			Provision for leave gratuity	87
Payments for capital assets				
<b>Total economic classification</b>		<b>(23 812)</b>		<b>17 679</b>

### Virements and shifts

The Programme's budget is increased from R77.2 million to R79 .1 million. The increase is attributable to the virement of R6 million which is allocated to Gauteng Liquor Board. The department further reprioritized R559 000 from compensation of employees to fund amongst other projects ;the identification of new sectors to be regulated; the hosting of consumer thematic events such as the National Savings Month; Financial Education for Young Entrepreneurs; and the Varsity Financial literacy Campaigns .Goods and services is decreased by R11.7 million as a result of the consumer mobile satellite office solution project moving to Programme 1 where the function will be delivered.

### Additional provincial funding: R8 million

An additional funding of R8 million is allocated to the Gauteng Liquor Board to supplement their personnel budget so that they deliver on their mandate.

## Programme 5: Economic Planning

TABLE 3.10: PROGRAMME 5: ECONOMIC PLANNING

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Policy & Planning	38 045				(18 477)				(18 477)	19 568
2. Research & Development	7 500				(1 488)				(1 488)	6 012
3. Knowledge Management					1 935				1 935	1 935
4. Monitoring And Evaluation	2 940				1 503				1 503	4 443
5. Economic Infrastructure	82 386			30 561	(67 284)				(36 723)	45 663
6. Sector & Industry Development	65 232				(9 788)				(9 788)	55 444
7. Inclusive Economy	8 514				1 000				1 000	9 514
<b>Total for programme</b>	<b>204 617</b>			<b>30 561</b>	<b>(92 599)</b>				<b>(62 038)</b>	<b>142 579</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>204 617</b>			<b>30 561</b>	<b>(92 922)</b>				<b>(62 361)</b>	<b>142 256</b>
Compensation of employees	55 901				(4 918)				(4 918)	50 983
Salaries & wages	47 766				(4 112)				(4 112)	43 654
Social contribution	8 135				(806)				(806)	7 329
Goods and services	148 716			30 561	(88 004)				(57 443)	91 273
<b>Transfers and subsidies</b>					<b>164</b>				<b>164</b>	<b>164</b>
Households					164				164	164
<b>Payments for capital assets</b>					<b>159</b>				<b>159</b>	<b>159</b>
Software and other intangible assets					159				159	159
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>204 617</b>			<b>30 561</b>	<b>(92 599)</b>				<b>(62 038)</b>	<b>142 579</b>

TABLE 3.11 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: ECONOMIC PLANNING

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(139 091)</b>		<b>46 169</b>
Compensation of employees	Funds are shifted to where people are placed in the organisational structure. Alignment of personnel budget due to delays in the finalisation of the organisational structure.	(19 343)	The department is in the process of structure clean-up which entails aligning the placement of staff against correct objective and responsibility codes.	14 425
Goods and services	The budget has been redirected to core priority areas such SMME support programmes, Youth Project Management Office, Mid-term impact assessment and TER projects which are undertaken by different entities.	(119 748)	Funds will cater for 11 Industrial sector studies, for the review and finalisation of the Gauteng City Region Economic Development Plan, Westrand Indaba, CFI Indaba, Cooperative bank platform and the LED capacity building intervention.	31 744
<b>Transfers and subsidies</b>				<b>164</b>

Economic classification	Motivation	From	Motivation	To
Households			Provision made for leave gratuity	164
<b>Payments for capital assets</b>				<b>159</b>
<b>Total economic classification</b>		<b>(139 091)</b>		<b>46 492</b>

### Provincial Roll-overs: R30.5 million

The roll-over amount of R30.5 million was approved to the department for the refurbishments and rehabilitation of Township Industrial Parks and the Gauteng IDZ-bulk infrastructure projects that could not be paid by the end of the 2015/16 financial year since invoices are paid based on the agreed completion stages of the project. The funding will ensure continuation of the following projects: Orlando Industrial Park, Khutsong Business Centre, Mabopane Skills Development Centre, Ennerdale Skills Development Centre, Hammanskraal Skills Development Centre, Alexandra Industrial Park, Saulsville Industrial Park, Kwa Thema Industrial Hub, Residentia Industrial Park, Gauteng IDZ JMP.

### Virements and shifts

The programme budget reflects a net decrease of R62 million, which was reprioritized to fund TER projects which are implemented by different entities of the department. The department also moved R20 million towards the implementation of the Youth PMO, R1 million for the mid-term impact assessment and R22.3 million for the continuous support of SMME under the GEP.

In addition, an amount of R45 million is moved to GGDA for Township industrial parks infrastructure. Furthermore, an amount of R31.7 million is reprioritized within the programme to fund projects such as the review of the Gauteng City Region Economic Development Plan, Westrand Economic Indaba. The main objective of Westrand Economic Indaba is to forge partnerships and areas of collaboration between the GPG and its social partners towards the implementation of various programmes aimed at developing the West Rand economy. Provision will be further made for the hosting of the Cooperative Financial Institution (CFI) Indaba which is an international event on cooperative financial institutions that offer credit and savings facilities to co-operatives.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE3:12 EXPENDITURE 2013/14 AND PRELIMINARY EXPENDITURE 2014/15

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
1.Administration	219 380	79 404	202 072	92%	237 658	108 256	36%
2.Intergrated Economic Development Services	268 967	83 929	301 958	112%	248 645	172 927	106%
3.Trade and Sector Development	576 509	333 336	578 254	100%	679 700	515 801	55%
4.Business Regulation and Governance	62 061	20 039	55 228	89%	79 116	44 966	124%
5.Economic Planning	178 693	32 402	133 332	75%	142 579	71 882	122%
<b>Total</b>	<b>1 305 610</b>	<b>549 110</b>	<b>1 270 844</b>	<b>97%</b>	<b>1 387 699</b>	<b>913 832</b>	<b>66%</b>
<b>Current payments</b>	<b>434 986</b>	<b>131 638</b>	<b>369 174</b>	<b>85%</b>	<b>407 301</b>	<b>203 005</b>	<b>54%</b>
Compensation of employees	181 787	80 968	165 315	91%	193 750	92 033	14%
Goods and Services	253 199	50 670	203 859	81%	213 551	110 972	119%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>861 199</b>	<b>416 088</b>	<b>886 660</b>	<b>103%</b>	<b>955 618</b>	<b>706 385</b>	<b>70%</b>
Provinces and municipalities					500		
Departmental agencies and accounts	860 543	415 837	885 945	103%	954 573	706 041	70%
Households	656	251	715	109%	545	344	
<b>Payments for capital assets</b>	<b>9 425</b>	<b>1 383</b>	<b>15 008</b>	<b>159%</b>	<b>24 758</b>	<b>4 438</b>	<b>221%</b>

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
Buildings and other fixed structures	1 200						
Machinery and equipment	8 225	1 383	14 924	181%	19 599	4 388	217%
Heritage assets							
Software and other intangible assets			84		5 159	50	
Payments for financial assets		1	2		22	4	
<b>Total</b>	<b>1 305 610</b>	<b>549 110</b>	<b>1 270 844</b>	<b>97%</b>	<b>1 387 699</b>	<b>913 832</b>	<b>66%</b>

### Expenditure trends for 2015/16

#### Programme 1: Administration

This programme was allocated a budget of R219.4 million and the total spending at the end of the 2015/16 financial year was R202 million which translates to 92 per cent of the budget spent for the year. The underspending was due to the delays in the filling of vacant posts.

#### Programme 2: Integrated Economic Development Services

The allocated budget for this programme amounted to R269 million whilst an amount of R302 million was spent in 2015/16. The total percentage spent for the year is 112 per cent.

#### Programme 3: Trade and Sector Development

This programme has spent 100 per cent of the budget in the 2015/16 financial year.

#### Programme 4: Business Regulation and Governance

Business Regulation and Governance was allocated R62 million and R55.2 million was spent. The underspending of R6.8 million was due to the accelerated revenue collection for liquor which compelled the department not to transfer further amounts to the Liquor Board.

#### Programme 5: Economic Planning

This programme has underspent by R45.4 million against the adjusted budget of R178.7 million. The underspending is a result of the projects that were not completed during the 2015/16 financial year. The department was granted a rollover approval of R30.5 million for the completion of industrial hubs.

### Expenditure trends for the first half of 2016/17

The expenditure as at end of September is R913.8 million against the main budget of R1.3 billion and this translates to 66 per cent. The department spent 16 per cent more than the expected spending of 50 per cent on both quarter 1 and 2. The increased spending is primarily due to the transfers of funds to entities which were paid over a period of 6 months as opposed to the 10 months SLA that the department previously had with the entities. The spending pattern is expected to normalize owing to a management decision to reverse the decision of transferring funds to entities over 6 months.

### Compensation of Employees

The expenditure from April to September amounts to R92 million and this translates to 14 per cent as at the end of September 2016. The underspending is mainly due to positions that are not yet filled and the pending finalization of the organizational structure by DPSA. However a recruitment catch up plan is in place to fast-track filling of vacant funded posts. All outstanding positions will be filled before the end of financial year.

### Good and Services

The overall expenditure as at the end of the second quarter is R110.9 million and translates to 119 per cent of the total budget. The underspending is primarily attributed to commitments on major projects which the department still needs to undertake or is awaiting invoices. These projects include the Gauteng Industrial High Impact, Business case for the State owned bank, West Rand Economic Indaba, the Township stock exchange, preparation of the SMME pilot projects, CFI Indaba, LAN switching and the Multi-media Audio visual amongst others.

### Transfers and Subsidies

The spending to date is R706 million against the main budget of R821.9 million which is 70 per cent of spending to date. The increased spending is primarily due to the transfer of funds to entities. The department has since reviewed the decision to transfer funds over six months.

### Households

This item caters for incidental costs and normally is not budgeted for. In the quarter under review, the total expenditure amounted to R344 000.

### Payments for Capital Assets

### Machinery and equipment

The overall expenditure amounts to 22.4 per cent in the quarter under review. However, procurement processes are underway and spending will start to increase in quarters 3 and 4.

## 6. Departmental receipts

TABLE 3.13 DEPARTMENTAL RECEIPTS

Department	2015/16 Audited Outcome				2016/17 Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
<b>Tax receipts</b>	<b>804 017</b>	<b>403 582</b>	<b>870 999</b>	<b>108%</b>	<b>928 874</b>	<b>323 189</b>	<b>(20%)</b>
Casino taxes	706 204	383 167	828 997	117%	878 874	303 243	(21%)
Horse racing taxes	97 813	20 415	42 002	43%	50 000	19 946	(2%)
Sales of goods and services other than capital assets		23 716	374			155 500	556%
Interest, dividends and rent on land	2 111	3 647	5 167	245%	2 222	1 743	(52%)
Sales of capital assets						30	
Financial transactions in assets and liabilities	277	127	(5 215)	(1 883%)	292	153	20%
<b>Total receipts</b>	<b>806 405</b>	<b>431 072</b>	<b>871 325</b>	<b>108%</b>	<b>931 388</b>	<b>480 615</b>	<b>11%</b>

### Revenue trends for the first half of 2016/17

The table above shows the contribution of each revenue source towards the total revenue generated as at end of the second quarter of the 2016/17 financial year. The revenue estimates from previous financial year has increased from R806.4 million to R931.4 million in the current financial year. Revenue collection for the current financial year as at 30 September 2016 was R480.6 million.

The department is currently collecting own revenue at the required norm and will not be adjusting its 2016/17 main appropriation. Own revenue increased by 11 per cent from 2015/16 and 2016/17 financial years.

Tax Receipts collected a total of R323.2 million which emanates from casino taxes and horse racing taxes with a collection of R19.9 million.

Interest, dividends and rent on land collection is R1.7 million this emanates from interest earned from the departmental bank account and other interest related receipts.

Financial transactions in assets and liabilities contributed to R153 000 and this is due to recoveries from previous financial year's expenditure.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers to public entities

TABLE 3.14 CHANGES TO TRANSFERS TO PUBLIC ENTITIES

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Gauteng Enterprise Propeller	176 418				53 300			7 000	60 300	236 718
2. Gauteng Tourism Authority	91 994				2 250			10 500	12 750	104 744
3. Gauteng Growth Development Agency	405 949				59 333				59 333	465 282
<b>Total changes of departmental transfers</b>	<b>674 361</b>				<b>114 883</b>			<b>17 500</b>	<b>132 383</b>	<b>806 744</b>

The transfer payment budget reflects a net increase of R132.4 million which consists of R114.8 million as virements and shifts, and an additional funding of R17.5 million. The increased transfer's budget makes provision for the public entities to implement the following projects/programmes:

#### Gauteng Enterprise Propeller

An amount of R53.3 million will fund the Youth PMO, Mid-term impact assessment and the SMME support project.

#### Gauteng Growth Development Agency

An amount of R59 million is reprioritized to GGDA for the following infrastructure projects:

- Renovation and refurbishment of the Township Industrial Hubs. These hubs have been created to stimulate economic activity in the townships, towards the creation of sustainable jobs, reduction in levels of inequality and addressing poverty. The objective is to ensure that the industrial parks are rehabilitated for business activity in the townships.
- TIH infrastructure projects; this entails further expansion of the Innovation Hub Precinct and the development impact in the Gauteng City Region as a Science and Technology Park.

#### Additional provincial funding: R17.5 million

An amount of R7 million is granted as additional funding to GEP for SMME Support project in order to assist the SMMEs due to the increased demand for GEP product offerings which have increased over the past two years. GEP focuses on moving SMMEs and Cooperatives from the margins into the mainstream economy as outlined in the NDP which advocates the creation of jobs where people live.

GTA's transfer budget is increased by R10.5 million due to the additional funding received for the implementation of the following projects:

- R6.2 million for the World Choir Games ;
- R1 million for the Discorp Africa project, this is an annual, three-day, tradeshow that brings together buyers, sellers and producers of televised entertainment content for investment opportunities
- R3.3 million for the Cycling Festival, a road Cycling team event of 3 cyclists participating in the team.

The additional funding will ensure that GTA's mandate of marketing the province as the vibrant business-tourism capital of Africa as well as a leisure destination of choice is achieved.

## 7.2 Changes to transfers to trading entities

TABLE 3.15 CHANGES TO TRANSFERS TO TRADING ENTITIES

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Cradle of Humankind	71 283				(7 700)				(7 700)	63 583
2. Dinokeng	49 576				(6 000)				(6 000)	43 576
3. Gauteng Liquor Board	26 669				6 000			8 000	14 000	40 669
<b>Total changes transfer payments</b>	<b>147 528</b>				<b>(7 700)</b>			<b>8 000</b>	<b>300</b>	<b>147 828</b>

Amounts of R7.7 million and R6 million are reprioritized from the personnel budget of Cradle of Humankind and Dinokeng respectively to fund the Constitutional hill infrastructure project and augment the budget for the Discorp Africa project.

### Provincial additional funding: R8 million

An additional funding of R8 million is allocated to Gauteng Liquor Board to supplement their personnel budget so that they deliver on their mandate.

### 7.3 Changes to conditional grants

Not applicable.

### 7.4 Changes to infrastructure

Not applicable.

# VOTE 4

## DEPARTMENT OF HEALTH

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	37 408 057	37 656 857		248 800
of which:				
Current payments	33 655 806	34 023 359		367 553
Transfers and subsidies	1 342 743	1 342 743		
Payments for capital assets	2 409 508	2 290 755	(118 753)	
Payment for financial assets				
Executive authority	MEC for Health			
Accounting officer	Head of Department			

### 1. Vision and Mission

#### Vision

Daily we provide high-quality, efficient and accessible healthcare to transform people's lives.

#### Mission

Create an effective public health system in Gauteng by ensuring we have the right people, skills, systems and equipment to provide the care our patients need to live healthy, quality lives.

### 2. Changes to programme name, purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 4.1: DEPARTMENT OF HEALTH

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	829 895				18 500			56 299	74 799	904 694
2. District Health Services	12 598 039		15 000		(31 717)			17 174	457	12 598 496
3. Emergency Medical Services	1 197 221									1 197 221
4. Provincial Hospital Services	6 910 146				43 137			42 783	85 920	6 996 066
5. Central Hospital services	12 609 627				80			83 744	83 824	12 693 451
6. Health Sciences & Training	976 452				(30 000)				(30 000)	946 452
7. Health Care Support Services	268 747									268 747
8. Health Facilities Management	2 017 930			33 800					33 800	2 051 730
<b>Total for Programmes</b>	<b>37 408 057</b>		<b>15 000</b>	<b>33 800</b>				<b>200 000</b>	<b>248 800</b>	<b>37 656 857</b>

  

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>33 655 806</b>		<b>15 000</b>		<b>152 553</b>			<b>200 000</b>	<b>367 553</b>	<b>34 023 359</b>
Compensation of employees	22 208 890				9 000			143 701	152 701	22 361 591
Salaries & wages	18 306 819				873 968			107 744	981 712	19 288 531
Social contribution	3 902 071				(864 968)			35 957	(829 011)	3 073 060
Goods and services	11 446 916		15 000		143 553			56 299	214 852	11 661 768
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>1 342 743</b>									<b>1 342 743</b>
Provinces and municipalities	675 326									675 326
Departmental agencies and accounts	18 869									18 869
Higher education institutions	1 963									1 963
Non-profit institutions	544 030									544 030
Households	102 555									102 555
<b>Payments for capital assets</b>	<b>2 409 508</b>			<b>33 800</b>	<b>(152 553)</b>				<b>(118 753)</b>	<b>2 290 755</b>
Buildings and other fixed structures	1 235 355			33 800	(164 391)				(130 591)	1 104 764
Machinery and equipment	1 174 153				11 838				11 838	1 185 991
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>37 408 057</b>		<b>15 000</b>	<b>33 800</b>				<b>200 000</b>	<b>248 800</b>	<b>37 656 857</b>

The departmental main appropriation increases by R248.8 million to an adjusted appropriation of R37.6 billion. The adjusted appropriation increase is due to additional funding informed by approved rollovers from the province and the national respectively and additional allocation from the province

An additional amount of R143.7 million has been allocated as a funding gap to cover for the higher than anticipated wage agreement for improvement of conditions of service for employees. The total amount of R15 million is allocated as an approved national rollover towards payment of stipends to community health care workers that could not be processed in the last day of the 2015/16 financial year. A further amount of R33.8 million was approved as a provincial rollover towards incomplete electro mechanical projects and an amount of R56.2 million has been allocated towards ICT revenue enhancement

The budget was reprioritized within and between programmes to continue with the recapitalization of Emergency Medical Services (EMS) fleet to improve response times, and continue with the community awareness programme on EMS accessibility and procurement of medical equipment. The budget reprioritization within the programmes was also informed by the proposed provincialisation of primary health care services and increased mental health care services as services were terminated from Life Esidimeni.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 4.2: PROGRAMME 1: ADMINISTRATION

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office Of The MEC	19 389				1 078				1 078	20 467
2. Management	810 506				17 422			56 299	73 721	884 227
<b>Total for Programmes</b>	<b>829 895</b>				<b>18 500</b>			<b>56 299</b>	<b>74 799</b>	<b>904 694</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>819 146</b>				<b>3 000</b>			<b>56 299</b>	<b>59 299</b>	<b>878 445</b>
Compensation of employees	395 762									395 762
Salaries & wages	318 701									318 701
Social contribution	77 061									77 061
Goods and services	423 384				3 000			56 299	59 299	482 683
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>2 203</b>									<b>2 203</b>
Non-profit institutions										
Households	2 203									2 203
<b>Payments for capital assets</b>	<b>8 546</b>				<b>15 500</b>				<b>15 500</b>	<b>24 046</b>
Buildings and other fixed structures										
Machinery and equipment	8 546				15 500				15 500	24 046
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>829 895</b>				<b>18 500</b>			<b>56 299</b>	<b>74 799</b>	<b>904 694</b>

**TABLE 4.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(4 424)</b>		<b>7 424</b>
Compensation of employees	Control measures on travelling are strengthened due to continued cost containment. Training budget is also reduced since some training plans are deferred to the next financial year.	(4 424)	Funds are shifted to alleviate budget pressure for municipal rates and security services and to provide for the anticipated expenditure within computer services such as licences and data lines.	7 424
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				<b>15 500</b>
Buildings and other fixed structures			Funds are shifted as a provision for payment of expenditure already incurred and for the replacement of obsolete computers in health institutions.	15 500
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(4 424)</b>		<b>22 924</b>

### Virements and shifts

The overall budget of the programme increases by R18.5 million through a virement to defray excess expenditure incurred on machinery and equipment and consultants and business advisory services towards revenue enhancement and the replacement of obsolete computer equipment and increased investment on revenue generation initiatives respectively. A shift within the programme is informed by implementation of cost-containment measures and a reduction was realised on fleet services, travel and subsistence and stationery items. These funds are reallocated to enhance the on-going ICT infrastructure investment and to pay for accruals and commitments. Other investments include the procurement of identity verification scanners and software licence.

### Additional provincial funding: R56.2 million

An additional amount of R56.2 million is allocated to the programme for ICT revenue enhancement with particular focus on patient identification verification system and additional computers for patient administration and revenue staff.

### Programme 2: District Health Services

**TABLE 4.4: PROGRAMME 2: DISTRICT HEALTH SERVICES**

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. District Management	499 666				18 146				18 146	517 812
2. Community Health Clinics	2 280 109				(24 771)				(24 771)	2 255 338
3 Community Health Centres	1 743 676				(21 297)				(21 297)	1 722 379
4. Community Based Services	1 607 616				(28 795)				(28 795)	1 578 821
5. HIV and Aids	3 451 142		15 000						15 000	3 466 142
6. Nutrition	52 604									52 604
7. Coroner Services	204 971				(5 000)				(5 000)	199 971
8. District Hospitals	2 758 255				30 000			17 174	47 174	2 805 429
<b>Total for programme</b>	<b>12 598 039</b>		<b>15 000</b>		<b>(31 717)</b>			<b>17 174</b>	<b>457</b>	<b>12 598 496</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	11 476 238		15 000		12 324			17 174	44 498	11 520 736
Compensation of employees	6 476 312				9 000			17 174	26 174	6 502 486
Salaries & wages	5 609 333				18 800			12 881	31 681	5 641 014
Social contribution	866 979				(9 800)			4 293	(5 507)	861 472
Goods and services	4 999 926		15 000		3 324				18 324	5 018 250
Interest and rent on land										
<b>Transfers and subsidies</b>	845 963				(12 960)				(12 960)	833 003
Provinces and municipalities	344 531									344 531
Non-profit institutions	482 058				(12 960)				(12 960)	469 098
Households	19 374									19 374
<b>Payments for capital assets</b>	275 838				(31 081)				(31 081)	244 757
Buildings and other fixed structures										
Machinery and equipment	275 838				(31 081)				(31 081)	244 757
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	12 598 039		15 000		(31 717)			17 174	457	12 598 496

TABLE 4.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: DISTRICT HEALTH SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(177 536)</b>		<b>189 860</b>
Compensation of employees	Funds are reprioritised to align budget with spending within the compensation of employee's items and sub-programmes.	(47 800)	Funds are reprioritised to align spending within the compensation of employees' items and sub-programmes and a provision made for the provincialisation of primary health care services in Sedibeng.	56 800
Goods and services	Shifting made mainly within the sub-programmes to other items with excess spending. Funds also shifted from inventory materials and supplies following centralisation of services in DID.	(129 736)	Funds shifted to cover excess expenditure as a result of accruals payment and increased usage of services within sub-programmes in contractors, consumable supplies, property payments as well as medical supplies.	133 060
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(12 960)</b>		
Provinces and municipalities				
Non-profit institutions	Virement of funds to realign the budget of mental health NPI beneficiaries.	(12 960)		
Households				
<b>Payments for capital assets</b>		<b>(37 410)</b>		<b>6 329</b>
Buildings and other fixed structures				
Machinery and equipment	Funds are shifted due to delays in procurement processes and review of procurement plans for machinery and equipment.	(37 410)	Provision is made to cater for the commitments and accruals on machinery and equipment for Community Health Centres Sub-Programme.	6 329
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(227 906)</b>		<b>196 189</b>

**National roll-over: R15 million**

A rollover of R15 million is approved for the Comprehensive HIV and Aids and TB grant for the stipend payment due to community health care workers that could not be processed on the last day of the 2015/16 financial year.

### Virements and shifts

Funds reprioritized to cater for the increased cost on gas, maintenance of medical equipment and provision is also made for increased usage of medical supplies and payment of accruals. The minor reduction on non-profit institutions is due to realignment of mental health services. Shifts have also considered the planned provincialisation of primary health care services within the districts. Further reprioritization is made to align the Comprehensive HIV and Aids and TB grant programmes, mainly medicine to align with the Universal Test and Treat, 90/90/90 campaigns and awareness initiatives.

### Additional provincial funding: R17 million

An additional amount of R17 million is allocated to the programme to cover for the higher than anticipated wage agreement for Improvement of Conditions of Service (ICS).

### Programme 3: Emergency Medical Services

TABLE 4.6: PROGRAMME 3: EMERGENCY MEDICALS SERVICES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Emergency Medical Services	1 036 179				40 000				40 000	1 076 179
2. Emergency Transport	161 042				(40 000)				(40 000)	121 042
<b>Total for programme</b>	<b>1 197 221</b>									<b>1 197 221</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>755 126</b>				<b>(46 000)</b>				<b>(46 000)</b>	<b>709 126</b>
Compensation of employees	465 538									465 538
Salaries & wages	383 749									383 749
Social contribution	81 789									81 789
Goods and services	289 588				(46 000)				(46 000)	243 588
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>333 295</b>									<b>333 295</b>
Provinces and municipalities	330 795									330 795
Non-profit institutions										
Households	2 500									2 500
<b>Payments for capital assets</b>	<b>108 800</b>				<b>46 000</b>				<b>46 000</b>	<b>154 800</b>
Buildings and other fixed structures										
Machinery and equipment	108 800				46 000				46 000	154 800
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>1 197 221</b>									<b>1 197 221</b>

TABLE 4.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: EMERGENCY MEDICAL SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(55 600)</b>		<b>9 600</b>
Compensation of employees Goods and services	A shift was made on transport for departmental activities item as a result of reduction in usage of private ambulances and operating leases due to sufficient allocations made and an envisaged tariff increase on lease of a building was deferred to the next financial year.	(55 600)	Funds were reprioritised due to increased use of medical supplies and accelerated awareness campaigns to communities on EMS.	9 600
Interest and rent on land				
<b>Transfers and subsidies</b>				
Non-profit institutions Households				
<b>Payments for capital assets</b>				<b>46 000</b>
Buildings and other fixed structures Machinery and equipment			Amount shifted towards payment of accruals for emergency vehicles and current commitments for fleet replacement.	46 000
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(55 600)</b>		<b>55 600</b>

### Virements and shifts

The budgets were reprioritized within and between programmes to continue with the recapitalization of Emergency Medical Services fleet to improve response times, continue with the community awareness programme on EMS accessibility and procurement of medical equipment to ensure full operationalisation of ambulances.

### Programme 4: Provincial Hospital Services

TABLE 4.8: PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. General (Regional) Hospitals	4 912 317				49 556			42 783	92 339	5 004 656
2. Tuberculosis Hospitals	383 629									383 629
3. Psychiatric/ Mental Hospitals	1 038 185				(10 040)				(10 040)	1 028 145
4. Dental Training Hospitals	503 869									503 869
5. Other Specialised Hospitals	72 146				3 621				3 621	75 767
<b>Total for programme</b>	<b>6 910 146</b>				<b>43 137</b>			<b>42 783</b>	<b>85 920</b>	<b>6 996 066</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>6 697 664</b>				<b>40 577</b>			<b>42 783</b>	<b>83 360</b>	<b>6 781 024</b>
Compensation of employees	5 113 298				30 000			42 783	72 783	5 186 081
Salaries & wages	4 371 010				167 228			32 087	199 315	4 570 325
Social contribution	742 288				(137 228)			10 696	(126 532)	615 756
Goods and services	1 584 366				10 577				10 577	1 594 943
Interest and rent on land										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Transfers and subsidies	71 905				12 960				12 960	84 865
Provinces and municipalities										
Non-profit institutions	61 972				12 960				12 960	74 932
Households	9 933									9 933
Payments for capital assets	140 577				(10 400)				(10 400)	130 177
Buildings and other fixed structures										
Machinery and equipment	140 577				(10 400)				(10 400)	130 177
Payments for financial assets										
<b>Total economic classification</b>	<b>6 910 146</b>				<b>43 137</b>			<b>42 783</b>	<b>85 920</b>	<b>6 996 066</b>

TABLE 4.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(235 190)</b>		<b>275 767</b>
Compensation of employees	Reprioritisation of funds to align spending within compensation of employee's item within the programme.	(197 544)	Budget is increased to make provision for the placement of nurse graduates.	227 544
Goods and services	Shifting is also made from the medicine, contractors and operating lease items as they are adequately funded, revision of the procurement plans and deferred plans on maintenance of equipment after an operational assessment.	(37 646)	Funds shifted to cover excess expenditure incurred as a result of accrual payment, increased utilisation and tariff increases for contractors, consumable supplies, property payments as well as medical supplies.	48 223
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>12 960</b>
Provinces and municipalities			Provision made to fund over expenditure incurred on mental health non-profit institution from Life Esidimeni.	12 960
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(11 194)</b>		<b>794</b>
Buildings and other fixed structures	Shifting funds due to delays in procurement processes and review of procurement plans for machinery and equipment.	(11 194)	Realignment of budget within the programme item to fund expenditure already incurred towards purchase of medical and allied equipment.	794
Machinery and equipment				
Heritage assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(246 384)</b>		<b>289 521</b>

### Virements and shifts

The programme budget increases by R43.1 million of which R30 million is reallocated towards placement of nurse graduates, R177 000 to accommodate the decentralized procurement of wheelchairs and R12.9 million to fund accruals and ensure continued mental health services offered at Baneng Centre of Life Esidimeni.

The department continues to apply cost containment measures by reducing expenditure on non-core items including agency support and outsourced services, entertainment, inventory materials and inventory other supplies.

**Additional provincial funding: R42.7 million**

An additional amount of R42.7 million is allocated to the programme to cover the higher than anticipated wage agreement for Improvement of Conditions of Service (ICS).

**Programme 5: Central Hospital Services**

TABLE 4.10 PROGRAMME 5: CENTRAL HOSPITAL SERVICES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1 Central Hospitals	9 537 174				60			83 744	83 804	9 620 978
2. Provincial Tertiary Hospital Service	3 072 453				20				20	3 072 473
<b>Total for programme</b>	<b>12 609 627</b>				<b>80</b>			<b>83 744</b>	<b>83 824</b>	<b>12 693 451</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
<b>Current payments</b>	<b>12 085 295</b>				<b>821</b>			<b>83 744</b>	<b>84 565</b>	<b>12 169 860</b>
Compensation of employees	8 716 095							83 744	83 744	8 799 839
Salaries & wages	6 757 638				715 940			62 776	778 716	7 536 354
Social contribution	1 958 457				(715 940)			20 968	(694 972)	1 263 485
Goods and services	3 369 200				821				821	3 370 021
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>20 807</b>									<b>20 807</b>
Provinces and municipalities										
Non-profit institutions										
Households	20 807									20 807
<b>Payments for capital assets</b>	<b>503 525</b>				<b>(741)</b>				<b>(741)</b>	<b>502 784</b>
Buildings and other fixed structures										
Machinery and equipment	503 525				(741)				(741)	502 784
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>12 609 627</b>				<b>80</b>			<b>83 744</b>	<b>83 824</b>	<b>12 693 451</b>

**TABLE 4.11: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: CENTRAL HOSPITAL SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(779 791)</b>		<b>780 612</b>
Compensation of employees	Reprioritisation of funds to align spending within compensation of employees' item within the programme.	(715 940)	Reprioritisation of funds to align spending within compensation of employees' item within the programme.	715 940
Goods and services	Funds are reprioritised from items that are estimated as adequately funded and cost containment is implemented by reducing the usage of nursing agencies in some hospitals to sustain operations for the current financial year.	(63 851)	Realignment of funds to provide for excess expenditure and commitments on the procurement of medicine, medical supplies and consumable supplies. Further realignment was made to align the National Tertiary Services and Health Professions grants business plans.	64 672
Interest and rent on land				
<b>Transfers and subsidies</b>				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(2 341)</b>		<b>1 600</b>
Buildings and other fixed structures	Funds shifted from Health Professions Training and Development Grant as most of machinery could not be procured as a result of delay in procurement processes.	(2 341)	Realignment of funds to provide for medical and allied equipment commitments which are not provided within the National Tertiary Services and Health Professions Training and Developments grants.	1 600
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(782 132)</b>		<b>782 212</b>

### Virements and shifts

The programme budget increases by R80 000 due to decentralized procurement of assistive devices. The department continues to implement cost-containment measures by reducing budget on non-core items to core items like medical supplies, medicine due to increased utilisation, purchase of linen and patient clothing as well as increased cost of gas and consumables like cleaning detergents. R1.6 million is shifted to machinery and equipment to towards procurement of medical and allied equipment that is not covered by National Tertiary Services and Health Professions Training and Development grants funding.

### Additional provincial funding: R83.7 million

R83.7 million is allocated to the programme to cover the higher than anticipated wage agreement for Improvement of Conditions of Service (ICS).

### Programme 6: Health Sciences and Training

**TABLE 4.12 PROGRAMME 6: HEALTH SCIENCES AND TRAINING**

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Nurse Training Colleges	817 298				(35 000)				(35 000)	782 298
2. EMS Training Colleges	38 944									38 944
3. Bursaries	54 458									54 458
4. Other Training	65 752				5 000				5 000	70 752
<b>Total for programme</b>	<b>976 452</b>				<b>(30 000)</b>				<b>(30 000)</b>	<b>946 452</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	898 475				(29 010)				(29 010)	869 465
Compensation of employees	840 081				(30 000)				(30 000)	810 081
Salaries & wages	703 537				(28 000)				(28 000)	675 537
Social contribution	136 544				(2 000)				(2 000)	134 544
Goods and services	58 394				990				990	59 384
Interest and rent on land										
<b>Transfers and subsidies</b>	68 034									68 034
Departmental agencies and accounts	18 869									18 869
Higher education institutions	1 963									1 963
Non-profit institutions										
Households	47 202									47 202
<b>Payments for capital assets</b>	9 943				(990)				(990)	8 953
Buildings and other fixed structures										
Machinery and equipment	9 943				(990)				(990)	8 953
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	976 452				(30 000)				(30 000)	946 452

TABLE 4.13: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(36 715)</b>		<b>7 705</b>
Compensation of employees	Budget was shifted to make provision for the placement of nurse graduates in other programmes.	(35 000)	Budget for Other Training Sub-Programme was under estimated.	5 000
Goods and services	Funds shifted for the realignment of budget within the programme to funds expenditure already incurred.	(1 715)	Realignment of funds to provide for excess expenditure on municipal and security services, operating leases, uniform allowance, medicine and material and supplies items.	2 705
Interest and rent on land				
<b>Transfers and subsidies</b>				
Households				
<b>Payments for capital assets</b>		<b>(990)</b>		
Buildings and other fixed structures				
Machinery and equipment	Shifting of funds due to delay in the procurement processes and a review of procurement plan for machinery and equipment.	(990)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(37 705)</b>		<b>7 705</b>

### Virements and shifts

An amount of R30 million is shifted from this programme to Programme 4: Provincial Hospital Services for the placement of nurse graduates.

Funds are reallocated within Other Training sub-programme to defray excess expenditure. The department continues to apply cost containment measures by reducing expenditure on items such as advertising and minor assets and funds are reallocated to priority areas to procure nurse uniform and cater for increased security tariffs and operating leases.

### Programme 7: Health Care Support Services

TABLE 4.14 PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Laundries	195 706									195 706
2. Food Supply Services	73 040									73 040
3. Medicine Trading Account	1									1
<b>Total for programme</b>	<b>268 747</b>									<b>268 747</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>255 441</b>				4 800				4 800	<b>260 241</b>
Compensation of employees	163 124									163 124
Salaries & wages	136 331									136 331
Social contribution	26 793									26 793
Goods and services	92 317				4 800				4 800	97 117
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>536</b>									<b>536</b>
Provinces and municipalities										
Non-profit institutions										
Households	536									536
<b>Payments for capital assets</b>	<b>12 770</b>				(4 800)				(4 800)	<b>7 970</b>
Buildings and other fixed structures										
Machinery and equipment	12 770				(4 800)				(4 800)	7 970
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>268 747</b>									<b>268 747</b>

TABLE 4.15: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(270)</b>		<b>5 070</b>
Compensation of employees	Funds shifted as a result of reviewed contracts for maintenance of equipment which yielded a funding gain and implementation of cost containment on stationery.	(270)	Provision made for fund operating leases and property payment expenditure and to supplement for food packaging materials.	5 070
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>		<b>(4 800)</b>		

Economic classification	Motivation	From	Motivation	To
Buildings and other fixed structures	Shifting funds due to delays in procurement processes and review of procurement plans for machinery and equipment.	(4 800)		
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(5 070)</b>		<b>5 070</b>

### Virements and shifts

The programme shifted an amount of R4.8 million from machinery and equipment due to the delay and review of procurement plans for machinery and equipment in the programme, funds are redirected to increased security tariffs, fuel and gas and consumable supplies.

Funds are shifted within the Sub-Programme: Laundries and items to ensure correct allocation on compensation of employees. Further shifts were made from machinery and equipment to alleviate excess expenditure incurred on the acquisition of wood and coal and the procurement of protective clothing towards infection control.

### Programme 8: Health Facilities Management

TABLE 4.16: PROGRAMME: HEALTH FACILITIES MANAGEMENT

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Community Health Facilities	447 225				(117 777)				(117 777)	329 448
2. Emergency Medical Rescue Services	5 400				(1 700)				(1 700)	3 700
3. District Hospital Services	346 226			10 800	28 523				39 323	385 549
4. Provincial Hospital Services	491 415				61 361				61 361	552 776
5. Central Hospital Services	443 681			23 000	7 209				30 209	473 890
6. Other Facilities	283 983				22 384				22 384	306 367
<b>Total for Programmes</b>	<b>2 017 930</b>			<b>33 800</b>					<b>33 800</b>	<b>2 051 730</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>668 421</b>				<b>166 041</b>				<b>166 041</b>	<b>834 462</b>
Compensation of employees	38 680									38 680
Salaries & wages	26 520									26 520
Social contribution	12 160									12 160
Goods and services	629 741				166 041				166 041	795 782
Interest and rent on land										
<b>Transfers and subsidies</b>										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>	<b>1 349 509</b>			<b>33 800</b>	<b>(166 041)</b>				<b>(132 241)</b>	<b>1 217 268</b>
Buildings and other fixed structures	1 235 355			33 800	(164 391)				(130 591)	1 104 764

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Machinery and equipment	114 154				(1 650)				(1 650)	112 504
Payments for financial assets										
Total economic classification	2 017 930			33 800					33 800	2 051 730

TABLE 4.17: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 8: HEALTH FACILITIES MANAGEMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(22 524)</b>		<b>188 565</b>
Compensation of employees Goods and services	Funds are shifted from Bronkhorstspruit Forensic Pathology Services as the project has not progressed as anticipated.	(22 524)	Budget is increased to make provision for maintenance projects for all central hospitals as they are overspending.	188 565
Interest and rent on land				
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>		<b>(283 846)</b>		<b>117 805</b>
Buildings and other fixed structures	Funds are shifted from Hellen Joseph Hospital Staff Res as the project has not progressed as anticipated; the project is at tender stage awaiting Probity adjudication.	(282 196)	Budget is increased to make provision for maintenance projects as they are overspending.	117 805
Machinery and equipment	Funds shifted from Medical Equipment projects to pay for Medical kits for all institutions.	(1 650)	Budget is increased to make provision for Thelle Mogwerane Hospital Staff Res as the project is moving faster and at finishing stage.	
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(306 370)</b>		<b>306 370</b>

### Provincial rollover: R33.8 million

The department is allocated additional funding of R33.8 million for infrastructure to fund incomplete electro mechanical projects in Tshwane District Hospital, Dr George Mukhari Academic Hospital and Charlotte Maxeke Academic Hospital.

### Virements and shifts

Budget shifts within the sub-programmes effected in order to make provision for increased maintenance costs. In addition, the budget allocated to the construction of new or replacement of infrastructure assets has been adjusted downwards due to delays in the implementation processes, whilst the budget allocated to renovations, rehabilitations, upgrading and additions has been adjusted upwards to make provision for completion of works at various institutions.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 4.18: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
1. Administration	743 226	503 790	807 358	109%	904 694	482 670	(4%)
2. District Health Service	11 615 587	5 348 654	11 075 547	95%	12 598 496	6 002 612	12%
3. Emergency Medical Services	1 086 491	466 993	940 319	87%	1 197 221	510 608	9%
4. Provincial Hospital Services	6 726 996	3 302 982	6 432 065	96%	6 996 066	3 666 545	11%
5. Central Hospital Services	12 034 408	6 320 270	12 582,282	105%	12 693 451	7 260 640	15%
6. Health Sciences & Training	912 932	436 763	938 834	103%	946,452	548 956	26%
7. Health Care Support Services	259 795	112 531	223 499	86%	268 747	133 476	19%
8. Health Facilities Management	1 957 652	792 912	1 864 651	95%	2 051 730	973 612	23%

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>Total for programmes</b>	<b>35 337 087</b>	<b>17 284 895</b>	<b>34 864 555</b>	<b>99%</b>	<b>37 656 857</b>	<b>19 579 119</b>	<b>13%</b>
<b>Current payments</b>	<b>32 346 648</b>	<b>15,870,878</b>	<b>31,905,325</b>	<b>99%</b>	<b>34 023 359</b>	<b>18 006 053</b>	<b>(73%)</b>
Compensation of employees	20 834 705	9 990 930	20 648 000	99%	22 361 591	11 367 430	14%
Goods and Services	11 511 943	5 879 780	11 257 325	98%	11 661 768	6 638 623	13%
Interest and rent on land		168					(100%)
<b>Transfers and subsidies</b>	<b>1 457 654</b>	<b>663 033</b>	<b>1 467 193</b>	<b>101%</b>	<b>1 342 743</b>	<b>634 681</b>	<b>(44%)</b>
Provinces and municipalities	657 443	283 964	657 442	100%	675 326	218 090	(23%)
Departmental agencies and accounts	17 919	17 921	17 919	100%	18 869	1	(100%)
Higher education institutions	1 864	937	1 824	98%	1 963		
Non-profit institutions	686 984	272 614	523 218	76%	544 030	253 305	(7%)
Households	93 444	87 597	266 790	286%	102 555	163 285	86%
<b>Payments for capital assets</b>	<b>1 532 785</b>	<b>747 606</b>	<b>1 481 189</b>	<b>97%</b>	<b>2 290 755</b>	<b>932 840</b>	<b>25%</b>
Buildings and other fixed structures	869 741	310 000	784 988	90%	1 104 764	471 372	52%
Machinery and equipment	663 044	436 860	696 201	105%	1 185 991	461 468	6%
Software and other intangible assets		746					(100%)
<b>Payments for financial assets</b>		<b>3 378</b>	<b>10 848</b>			<b>5,545</b>	
<b>Total economic classification</b>	<b>35 337 087</b>	<b>17 284 895</b>	<b>34 864 555</b>	<b>99%</b>	<b>37 656 857</b>	<b>19 579 119</b>	<b>13%</b>

### Expenditure trends for 2015/16

The department's total expenditure for 2015/16 financial year amounted to R34.8 billion which translates to 99 per cent of the total budget of R35.3 billion. A total of 3 of the 8 programmes spent 100 per cent i.e. Programme 1: Administration, Programme 5: Central Hospitals and Programme 6: Health Sciences and Training.

The overall underspending on goods and services was as a result of non-payment to National Health Laboratory Services (NHLS) due to the near complete investigation on billing process. The department also incurred higher than anticipated payment of litigation in the financial year under review.

The over expenditure on households was attributed to the increased intake of the South African Cuban student doctor programme and the shortfall due to exchange rates towards payment for tuition fees and stipend and unforeseen increase in staff resignations that resulted in increased leave gratuity payments.

An underspending in payments for capital assets was due to the revised plans and non-delivery of procured equipment before the end of the financial year.

### Expenditure trends for the first half of 2016/2017

The department spent R19.5 billion in the first half of 2016/2017 compared to R17.3 billion in the first half of 2015/2016. This is mainly due to payment of previous financial year's accruals and increased payment of litigations as well as payment for Improvement of Conditions of Service (ICS).

### Programme 1: Administration

The total amount spent at the end of 2016/17 second quarter is R482.6 million which is comparatively less than the R503.7 million spent in the 2015/16 financial year as a result of delays in payment of computer services due to verification of invoices.

**Programme 2: District Health Services**

Spending under this programme increased by R654 million at the end of the second quarter in the current financial year as compared to 2015/16 second quarter spending. The increased expenditure is as a result of payment of accruals and increased procurement of medical supplies for the newly opened additional wards.

**Programme 3: Emergency Medical Services**

The total expenditure for the first six months of the current financial year amounts to R510.6 million as compared to R466.9 million in the same period for 2015/16 financial year. The increase is due to payment of accruals and continuous procurement of new ambulances.

**Programme 4: Provincial Hospital Services**

During the period under review, the spending in this programme has increased with an amount of R363.5 million as compared to the same period during 2015/16 financial year. The increased spending is due to the newly opened additional wards in Leratong, Pholosong and Sebokeng hospitals and payment of accruals.

**Programme 5: Central Hospital Services**

When comparing the same period in the previous financial year, the overall change in expenditure for the first six months of the financial year has increased by R940.3 million from R6.3 billion in 2015/16 to R7.2 billion. The increase in spending is due to the payment of accruals from the previous financial year and increased spending on litigations.

**Programme 6: Health Sciences and Training**

The mid-term expenditure for this programme amounted to R548.9 million which is more when compared to the same period for the previous financial year which amounted to R436.7 million. The increase in expenditure is due to the increased payment of the South African Cuban Doctor programme and a shortfall due to exchange rates towards payment for tuition fees and stipend.

**Programme 7: Health Care Support**

The 2016/17 second quarter expenditure in this programme is at R133.4 million as compared to R112.5 million in the 2015/16 financial year due to payment of accruals.

**Programme 8: Health Facilities Management**

Expenditure in this programme amounted to R973.6 million in the second quarter of the current financial year. However, the programme has spent R180.7 million more as compared to the previous financial year. The increase is as a result of accelerated payments for maintenance projects.

**6. Departmental receipts**

TABLE 4.19: DEPARTMENTAL RECEIPTS

Department	2015/16				2016/17		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
<b>Tax receipts</b>							
Casino taxes							
Horse racing taxes							
Liquor licences							
Motor vehicle licences							
Sales of goods and services other than capital assets	527 770	190 122	433 650	(17.9%)	555 741	215 113	13.14%
Of which Health patient fees	456 274	150 491	339 511	(25.6%)	473 830	169 268	12.48%
Transfers received						429	
Fines, penalties and forfeits	50	27	56	12.0%	53	21	(22.22%)
Interest, dividends and rent on land	1 216	242	939	(22.9%)	1 280	730	201.65%
Sales of capital assets							
Financial transactions in assets and liabilities	26 691	28 549	44 651	67.2%	28 026	16 395	(42.57%)
<b>Total receipts</b>	<b>555 727</b>	<b>218 940</b>	<b>479 296</b>	<b>38.7%</b>	<b>585 100</b>	<b>232 688</b>	<b>6.28%</b>

## Revenue trends for the first half of 2016/17

The table above shows the contribution of each source towards the total revenue generated as at end of the second quarter of the 2016/17 financial year. The revenue estimates from previous financial year has increased from R555.7 million to R585.1 million in the current financial year. As end of September 2016, revenue collection amounted to R 232.6 million and this represents a growth rate of 6.28 per cent as compared to end of September 2015.

Sales of goods and services which includes patient fees contributed R215 million which is a 13.14 per cent below the 2015/16 contribution. Interest, dividends and rent on land contribution has increased from R242 000 to R730 000 which is a 201.65 per cent increase when comparing the two financial years.

Fines, penalties and forfeits actual collection decreased by 22.22 per cent from R27 000 in 2015/16 to R21 000 in 2016/17.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 4.20: CHANGES TO TRANSFERS AND SUBSIDIES

Programme	Main Appropriation	2016/17 Adjustments						Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National		
<b>Programme 1</b>	2 203								2 203
Households	2 203								2 203
<b>Programme 2</b>	845 963				(12 960)			(12 960)	833 003
Provinces and municipalities	344 531								344 531
Non Profit Institution	482 058				(12 960)			(12 960)	469 098
Households	19 374								19 374
<b>Programme 3</b>	333 295								333 295
Provinces and municipalities	330 795								330 795
Households	2 500								2 500
<b>Programme 4</b>	71 905				12 960			12 960	84 865
Non Profit Institution	61 972				12 960			12 960	74 932
Households	9 933								9 933
<b>Programme 5</b>	20 807								20 807
Households	20 807								20 807
<b>Programme 6</b>	68 034								68 034
Departmental agencies and accounts	18 869								18 869
Higher education institutions	1 963								1 963
Households	47 202								47 202
<b>Programme 7</b>	536								536
Households	536								536
<b>Total changes in transfers and subsidies payments</b>	<b>1 342 743</b>								<b>1 342 743</b>

An amount of R12.9 million is shifted from mental health non-profit institutions within community based services to psychiatric hospitals due to realignment of services and payment of accruals.

## 7.2 Changes to conditional grants

TABLE 4.21: CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2</b>	3 271 150		15 000						15 000	3 286 150
Comprehensive HIV, AIDS and TB Grant	3 259 407		15 000						15 000	3 274 407
Social Sector EPWP Incentive Grant For Provinces	4 200									4 200
National Health Insurance Grant	7 543									7 543
<b>Programme 4</b>	208 129									208 129
Health Prof Training Development Grant	208 129									208 129
<b>Programme 5</b>	4 384 163									4 384 163
Health Prof Training Development Grant	657 115									657 115
National Tertiary Services Grant	3 727 048									3 727 048
<b>Programme 8</b>	779 818									779 818
EPWP Integrated Grant For Provinces	2 000									2 000
Hospital Revitalisation Component	777 818									777 818
<b>Total changes in conditional grants</b>	<b>8 643 260</b>		<b>15 000</b>						<b>15 000</b>	<b>8 658 260</b>

A total amount of R15 million is allocated as an approved rollover to fund community health care workers within the Comprehensive HIV/AIDS and TB grant as the amount could not be paid in the previous financial year.

## 7.3 Changes to infrastructure

Refer to 2016 Adjusted Estimates of Capital Expenditure (AECE).

# VOTE 5

## GAUTENG DEPARTMENT OF EDUCATION

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>39 069 226</b>	<b>39 508 650</b>		<b>439 424</b>
<b>of which:</b>				
Current payments	32 000 928	32 771 752		770 824
Transfers and subsidies	4 316 323	3 984 235	(332 088)	
Payments for capital assets	2 751 975	2 752 663		688
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Education</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

Every learner feels valued and inspired in our innovative education system.

#### Mission

We are committed to provide functional and modern schools that enable quality teaching and learning to protect and promote the right of every learner to quality, equitable and relevant education.

### 2. Changes to programme name, purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 5.1: DEPARTMENT OF EDUCATION

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	2 713 306				45 307				45 307	2 758 613
2. Public Ordinary School Education	28 624 341			157 000	(7 744)		4 344	205 000	358 600	28 982 941
3. Independent School Subsidies	580 498				29 325				29 325	609 823
4. Public Special School Education	2 021 733				34 381			55 000	89 381	2 111 114
5. Early Childhood Development	811 339				(40 000)				(40 000)	771 339
6. Infrastructure Development	3 010 234									3 010 234
7. Examination and Education Related Services	1 307 775			18 080	(61 269)				(43 189)	1 264 586
<b>Total for programmes</b>	<b>39 069 226</b>			<b>175 080</b>			<b>4 344</b>	<b>260 000</b>	<b>439 424</b>	<b>39 508 650</b>

  

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>32 000 928</b>			<b>18 080</b>	<b>488 400</b>		<b>4 344</b>	<b>260 000</b>	<b>770 824</b>	<b>32 771 752</b>
Compensation of employees	28 214 940				(2 480)			155 000	152 520	28 367 460
Salaries & wages	24 380 558				(4 473)			155 000	150 527	24 531 085
Social contribution	3 834 382				1 993				1 993	3 836 375
Goods and services	3 785 988			18 080	490 880		4 344	105 000	618 304	4 404 292
<b>Transfers and subsidies</b>	<b>4 316 323</b>			<b>157 000</b>	<b>(489 088)</b>				<b>(332 088)</b>	<b>3 984 235</b>
Departmental agencies and accounts	80 531									80 531
Non-profit institutions	3 886 478			157 000	(489 088)				(332 088)	3 554 390
Households	349 314									349 314
<b>Payments for capital assets</b>	<b>2 751 975</b>				<b>688</b>				<b>688</b>	<b>2 752 663</b>
Buildings and other fixed structures	2 661 454				(76 112)				(76 112)	2 585 342
Machinery and equipment	74 921				41 864				41 864	116 785
Land and sub-soil assets	15 000				31 614				31 614	46 614
Software and other intangible assets	600				3 322				3 322	3 922
<b>Total economic classification</b>	<b>39 069 226</b>			<b>175 080</b>			<b>4 344</b>	<b>260 000</b>	<b>439 424</b>	<b>39 508 650</b>

The 2016/17 main appropriation of the department increases by a net amount of R439.4 million to an adjusted appropriation of R39.5 billion. The department received a rollover amounting to R175 million of which R157 million is for transfer to Sci-bono Discovery Centre, and R18 million is for the settlement of senior management service conference cost and development courses for middle and foundation managers.

Furthermore, the department received additional funding amounting to R264.3 million. Of this amount, R155 million will be allocated to compensation of employees as the department is in the process of filling critical vacant posts, the appointment of teachers in new schools in 2017 academic year and to cover the shortfall in improvement in condition of service (ICS); whilst R105 million will be used to cover the shortfall for municipal services in schools as a result of an increase in the price of electricity and R4.3 million is allocated for the National School Nutrition Programme Grant to cover a shortfall caused by high food inflation.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 5.2: PROGRAMME 1 ADMINISTRATION

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office Of The MEC	4 228								4 228	
2. Corporate Services	1 569 563				42 538			42 538	1 612 101	
3. Education Management	1 091 445				(231)			(231)	1 091 214	
4. Human Resource Development	28 355								28 355	
5. Education management Information Systems	19 715				3 000			3 000	22 715	
<b>Total for programme</b>	<b>2 713 306</b>				<b>45 307</b>			<b>45 307</b>	<b>2 758 613</b>	

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>2 690 599</b>				<b>40 699</b>			<b>40 699</b>	<b>2 731 298</b>	
Compensation of employees	2 173 724								2 173 724	
Salaries & wages	1 856 533								1 856 533	
Social contribution	317 191								317 191	
Goods and services	516 875				40 699			40 699	557 574	
<b>Transfers and subsidies</b>	<b>5 250</b>								<b>5 250</b>	
Households	5 250								5 250	
<b>Payments for capital assets</b>	<b>17 457</b>				<b>4 608</b>			<b>4 608</b>	<b>22 065</b>	
Machinery and equipment	16 857				1 286			1 286	18 143	
Software and other intangible assets	600				3 322			3 322	3 922	
<b>Total economic classification</b>	<b>2 713 306</b>				<b>45 307</b>			<b>45 307</b>	<b>2 758 613</b>	

**TABLE 5.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(17 185)</b>		<b>57 884</b>
Compensation of employees Goods and services	The department has reduced costs on items such as communication by revising the usage limits of telephones, on agency outsourced service by using internal capacity for the development of IT systems such as South African School Administration and Management System (SA SAMS), school admissions, scholar transport management system, etc. Funds also shifted from fleet service as the running costs such as fuel, oil and e-tolls is less than anticipated.	(17 185)	Provision is made for the repair and maintenance of office equipment, the rental of GG vehicles and for the procurement of machinery and equipment for new employees. Funds are also allocated to cover costs for relocation of offices to a new buildings	57 884
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households				
<b>Payments for capital assets</b>		<b>(336)</b>		<b>4 944</b>
Buildings and other fixed structures Machinery and equipment	Cost saving measures effected by extending the replacement period of existing assets.	(336)	Funds are allocated for the procurement of laptops and computers for the newly appointed staff.	1 622
Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets			To cater for the Information Technology Services Management (ITSM) suite which is a service desk system. Provision is made to cover the excess costs as a result of changes in foreign exchange rate.	3 322
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(17 521)</b>		<b>62 828</b>

### Virements and shifts

Shiftings were done within the programme to address budget constraints in critical areas such as provision for school admissions system, repairs and maintenance of office equipment, costs relating to relocation of head office and provision of resources for newly recruited employees.

The programme is receiving an additional amount of R45.3 million through virements to address the costs for relocation of offices to new buildings of which R1.7 million is for branding and signage, R4.8 million for the compliance with the Occupational Health and Safety requirements by procuring emergency equipment, R1.3 million to create awareness for campaigns such as school admissions, matric announcements, national teacher awards, etc. and R37.5 million for connectivity to ensure that service delivery is not interrupted by relocation.

## Programme 2: Public Ordinary School Education

TABLE 5.4: PROGRAMME 2: PUBLIC ORDINARY SCHOOL

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Public Primary Schools	15 469 718				(200 931)			163 000	(37 931)	15 431 787
2. Public Secondary Schools	12 201 047			157 000	193 187			42 000	392 187	12 593 234
3. Human Resource Development	156 477									156 477
4. School Sport, Culture and Media Services	1 885									1 885
5. Conditional Grants	795 214						4 344		4 344	799 558
<b>Total for programmes</b>	<b>28 624 341</b>			<b>157 000</b>	<b>(7 744)</b>		<b>4 344</b>	<b>205 000</b>	<b>358 600</b>	<b>28 982 941</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>25 963 292</b>				<b>363 411</b>		<b>4 344</b>	<b>205 000</b>	<b>572 755</b>	<b>26 536 047</b>
Compensation of employees	23 618 636				(17 465)			100 000	82 535	23 701 171
Salaries & wages	20 328 094				(15 217)			100 000	84 783	20 412 877
Social contribution	3 290 542				(2 248)				(2 248)	3 288 294
Goods and services	2 344 656				380 876		4 344	105 000	490 220	2 834 876
<b>Transfers and subsidies</b>	<b>2 648 507</b>			<b>157 000</b>	<b>(371 218)</b>				<b>(214 218)</b>	<b>2 434 289</b>
Non-profit institutions	2 543 070			157 000	(371 218)				(214 218)	2 328 852
Households	105 437									105 437
<b>Payments for capital assets</b>	<b>12 542</b>				<b>63</b>				<b>63</b>	<b>12 605</b>
Machinery and equipment	12 542				63				63	12 605
<b>Total economic classification</b>	<b>28 624 341</b>			<b>157 000</b>	<b>(7 744)</b>		<b>4 344</b>	<b>205 000</b>	<b>358 600</b>	<b>28 982 941</b>

TABLE 5.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: PUBLIC ORDINARY SCHOOL

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(163 562)</b>		<b>526 973</b>
Compensation of employees	Reclassification of Magaliesburg Boarding School budget from Public Ordinary Schools to Public Special Schools.	(17 465)		
Goods and services	The mainstreaming of Gauteng Primary Literacy and Mathematics Strategy (GPLMS) resulted in savings as the activities will form part of the curriculum.  Budget for the procurement of gas will be transferred to schools.	(146 097)	Provision for ICT LTSM to procure tablets, teacher laptops and e-content as well as the procurement of smartboards and mini-servers.  In addition, funds allocated to offset pressures on principal communication costs, the repair and maintenance of school furniture and the procurement of new school furniture in response to increase in learner numbers.	526 973
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(422 162)</b>		<b>50 944</b>

Economic classification	Motivation	From	Motivation	To
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions	Reclassification of ICT funds from transfers to goods and services as Sci-Bono discovery centre will not perform the activities. Reprioritisation of the intervention budget which was allocated for the appointment of coaches as the impact that they make could not be measured, funds are therefore shifted to provide for the implementation of ICT Strategy.	(422 162)	Funds allocated for the procurement of gas for the school nutrition programme.	50 944
Households				
<b>Payments for capital assets</b>				<b>63</b>
Buildings and other fixed structures Machinery and equipment			Funds allocated to procure machinery and equipment for skills development programme.	63
Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(585 724)</b>		<b>577 980</b>

### Provincial roll-overs: R157 million

The Department continued with the second phase of ICT roll-out in 2015/16 financial year through Sci-Bono Discovery Centre. This phase included the roll out to 375 no fee secondary schools for grade 12 learners, uploading of e-content on the tablets, acquisition of laptops for educators and procurement of smartboards. As at 31 March 2016 the full amount for ICT was not spent and an amount of R157 million has been rolled over from 2015/16 for Grade 12 expansion of the ICT programme.

### Virements and shifts

Savings were realized from mainstreaming of the Literacy and Numeracy (LITNUM) strategy. As a result, the department made a decision to reprioritize funds from interventions budget to address critical areas which are experiencing budget shortfalls. The areas covered are ICT strategy, procurement of school furniture and repairs and maintenance of school furniture. Furthermore, the department also made provision for principal's communication costs. An amount of R362.4 million which was allocated for ICT is reclassified from transfers and subsidies to goods and services to make provision for the procurement of assets as part of implementing the ICT Strategy.

The programme received a total amount of R24.2 million through virements which will cover shortfalls on items related to the implementation of ICT Strategy. An amount of R32 million for Magaliesburg Secondary School is reclassified to Public Special Schools. The school was incorrectly classified and allocated for as a Public Ordinary School.

### Additional provincial funding: R205 million

Total additional funding allocated to the programme amounts to R205 million. An amount of R100 million is allocated to compensation of employees to cover the shortfall in the improvement in condition of services (ICS), filling of critical vacant posts and growth posts as a result of opening of new schools for 2017 academic year whilst R105 million will be used to cover the shortfall for municipal services in schools due to annual increase in the price of electricity.

### Additional national funding: R4.3 million

An amount of R4.3 million is allocated for the National School Nutrition Programme Grant to cover a shortfall caused by high food inflation.

### Programme 3: Independent School Subsidies

TABLE 5.6: PROGRAMME 3: INDEPENDENT SCHOOL SUBSIDIES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Primary Phase	345 643				17 595				17 595	363 238
2. Secondary Phase	234 855				11 730				11 730	246 585
<b>Total for programmes</b>	<b>580 498</b>				<b>29 325</b>				<b>29 325</b>	<b>609 823</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>										
Compensation of employees										
Salaries & wages										
Social contribution										
Goods and services										
<b>Transfers and subsidies</b>	<b>580 498</b>				<b>29 325</b>				<b>29 325</b>	<b>609 823</b>
Non-profit institutions	580 498				29 325				29 325	609 823
Households										
<b>Total economic classification</b>	<b>580 498</b>				<b>29 325</b>				<b>29 325</b>	<b>609 823</b>

TABLE 5.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: INDEPENDENT SCHOOL SUBSIDIES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				
Compensation of employees				
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>29 325</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions			Funds allocated to cover the increase in learner numbers and schools that meet the requirements for funding.	29 325
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>				<b>29 325</b>

## Virements and Shifts

Transfers to Independent Schools are expected to exceed the allocated budget due to an increase in Provincial Allocation Expenditure per Learner (PAEPL), increased learner numbers and an increase in the number of schools qualifying for subsidy. The department revised its plans of training the ESSP employees and reprioritized R29.3 million to this programme.

## Programme 4: Public Special Education

TABLE 5.8: PROGRAMME 4: PUBLIC SPECIAL SCHOOL EDUCATION

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Schools	2 018 535				32 000			55 000	87 000	2 105 535
2. Human Resource Development	1 948									1 948
3. School Sport, Culture & Media Services	1 250				2 381				2 381	3 631
<b>Total for programmes</b>	<b>2 021 733</b>				<b>34 381</b>			<b>55 000</b>	<b>89 381</b>	<b>2 111 114</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>1 665 217</b>				<b>34 337</b>			<b>55 000</b>	<b>89 337</b>	<b>1 754 554</b>
Compensation of employees	1 662 097				17 465			55 000	72 465	1 734 562
Salaries & wages	1 436 270				15 217			55 000	70 217	1 506 487
Social contribution	225 827				2 248				2 248	228 075
Goods and services	3 120				16 872				16 872	19 992
<b>Transfers and subsidies</b>	<b>356 386</b>									<b>356 386</b>
Non-profit institutions	353 821									353 821
Households	2 565									2 565
<b>Payments for capital assets</b>	<b>130</b>				<b>44</b>				<b>44</b>	<b>174</b>
Buildings and other fixed structures										
Machinery and equipment	130				44				44	174
<b>Total economic classification</b>	<b>2 021 733</b>				<b>34 381</b>			<b>55 000</b>	<b>89 381</b>	<b>2 111 114</b>

TABLE 5.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: PUBLIC SPECIAL EDUCATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(158)</b>		<b>34 495</b>
Compensation of employees			Magaliesburg Boarding School was classified as Public Ordinary School instead of Public Special School. Funds shifted to correct the classification.	17 465
Goods and services	Municipal services budget allocated under goods and services is shifted as provision is made under the school transfer budget. The cost for the GG vehicles' running costs is less than anticipated, funds shifted to off-set spending pressure in other items.	(158)	Reallocation of funds allocated for Magaliesburg Secondary School which was initially budgeted in Programme 2.	17 030

Economic classification	Motivation	From	Motivation	To
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				<b>44</b>
Buildings and other fixed structures			Funds allocated for the rental of photocopied machines.	44
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(158)</b>		<b>34 539</b>

### Virements and shifts

The programme received R32 million from programme 2 as a result of reclassification of Magaliesburg boarding School. The funds are for personnel related costs, procurement of furniture and groceries for the boarding facility.

R2 million was also allocated to the programme for Special Schools sports to increase participation of Special School learners in school sport activities and in events at a local, provincial and national level. Funds will be utilised for travelling costs to sports events, catering, and accommodation for events that last more than one day and for medical services during the events.

### Additional provincial funding: R55 million

Total additional funding allocated to this programme amounts to R55 million. The funds will be used to supplement the current personnel budget shortfall and for improvement in condition of services (ICS).

### Programme 5: Early Childhood Development

TABLE 5.10: PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Grade R In Public Schools	730 652				(16 000)				(16 000)	714 652
2. Grade R In Community Centres	17 426									17 426
3. Pre-Grade R Training	48 004				(24 000)				(24 000)	24 004
4. Human Resource Development	15 257									15 257
<b>Total for programmes</b>	<b>811 339</b>				<b>(40 000)</b>				<b>(40 000)</b>	<b>771 339</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>570 867</b>				<b>17 164</b>				<b>17 164</b>	<b>588 031</b>
Compensation of employees	409 960									409 960
Salaries & wages	409 960									409 960
Social contribution										
Goods and services	160 907				17 164				17 164	178 071
<b>Transfers and subsidies</b>	<b>240 116</b>				<b>(57 408)</b>				<b>(57 408)</b>	<b>182 708</b>
Non-profit institutions	240 116				(57 408)				(57 408)	182 708
Households										
<b>Payments for capital assets</b>	<b>356</b>				<b>244</b>				<b>244</b>	<b>600</b>
Buildings and other fixed structures										
Machinery and equipment	356				244				244	600
<b>Total economic classification</b>	<b>811 339</b>				<b>(40 000)</b>				<b>(40 000)</b>	<b>771 339</b>

TABLE 5.11: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(24 954)</b>		<b>42 118</b>
Compensation of employees	Reallocation of the budget for the audit of Grade R sites due to incorrect allocation in the sub-programme. Saving was realised on the provision of start-up kits for Grade R as a result of the contribution by Department of Social Development.	(24 954)	LTSM budget correctly allocated under goods and services as procurement will not be done by schools and the budget for the audit of Grade R centres allocated in the correct sub-programme.	42 118
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(57 408)</b>		
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions	LTSM budget correctly allocated under goods and services as procurement will be done centrally instead of transferring to schools. Pre-Grade R allocation was reprioritised as Department of Social Development is also making provision for Pre-Grade R start-up kits.	(57 408)		
Households				
<b>Payments for capital assets</b>				<b>244</b>
Buildings and other fixed structures				
Machinery and equipment			Funds will be used for the rental of photocopier machines.	244
Heritage assets				
Specialised military assets				

Economic classification	Motivation	From	Motivation	To
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(82 362)</b>		<b>42 362</b>

### Virements and shifts

An amount of R40 million from Grade R start up kits is reprioritised to other pressures areas due to the slow delivery of Grade R classrooms which delays the intake of learner numbers and the contribution made by Department of Social Development.

R42.3 million is shifted within the programme to align the budget for LTSM which was incorrectly classified under transfers and to make provision for conducting due diligence in Grade R sites.

### Programme 6: Infrastructure Development

TABLE 5.12: PROGRAMME 6: INFRASTRUCTURE DEVELOPMENT

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	36 603				68 212				68 212	104 815
2. Public Ordinary Schools	2 397 238				144 355				144 355	2 541 593
3. Special Schools	355 012				(115 513)				(115 513)	239 499
4. Early Childhood Development	221 381				(97 054)				(97 054)	124 327
<b>Total for programmes</b>	<b>3 010 234</b>									<b>3 010 234</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>333 780</b>				<b>44 298</b>				<b>44 298</b>	<b>378 078</b>
Compensation of employees	36 598				(2 480)				(2 480)	34 118
Salaries & wages	36 598				(4 473)				(4 473)	32 125
Social contribution					1 993				1 993	1 993
Goods and services	297 182				46 778				46 778	343 960
<b>Payments for capital assets</b>	<b>2 676 454</b>				<b>(44 298)</b>				<b>(44 298)</b>	<b>2 632 156</b>
Buildings and other fixed structures	2 661 454				(76 112)				(76 112)	2 585 342
Machinery and equipment					200				200	200
Land and sub-soil assets	15 000				31 614				31 614	46 614
Software and other intangible assets										
<b>Total economic classification</b>	<b>3 010 234</b>									<b>3 010 234</b>

TABLE 5.13: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: INFRASTRACURE DEVELOPMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(36 598)</b>		<b>80 896</b>
Compensation of employees	Alignment of infrastructure personnel budget which was incorrectly allocated under Public Ordinary School sub-programme instead of Administration sub-programme.	(36 598)	Funds allocated to Administration sub-programme to correctly allocate infrastructure personnel budget.	34 118
Goods and services			Funds to increase of the maintenance allocation as a result of accruals and to cover costs related to the recent storm damage at various schools that will require urgent intervention.	46 778
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(446 764)</b>		<b>402 466</b>
Buildings and other fixed structures	Construction of ten new schools was delayed due to the change in the standard school designs to conform to the Cost Norms. Therefore provision has been made for design fees only for the schools concerned.  Upgrades and additions is adjusted downwards mainly due to delays in the supply chain management process for Alternative Construction Technology classrooms in Public Ordinary Schools, Grade R classrooms and toilet blocks.	(446 764)	Refurbishment and Rehabilitation is adjusted upward as a result of previous under estimation of total project costs for projects which are in the construction phase. Provision is also made for emergency projects added to the list during the course of the current financial year.	370 652
Machinery and equipment			Funds to cater for the procurement of laptops for the newly appointed officials who are responsible for infrastructure projects.	200
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets			To acquire land for planned new school construction	31 614
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(483 362)</b>		<b>483 362</b>

### Virements and shifts

The R446.7 million budget is reprioritized from building and other fixed structures due to the change in the standard school designs to conform to the Cost Norms. Out of this amount, R46.7 million will be directed to goods and services to cover maintenance of schools, R31.6 million for the acquisition of land for the construction of new schools while R370.6 million is set aside for refurbishment and rehabilitation as a result of previous under estimation of total project costs for projects which are in the construction phase.

An amount of R34.1 million is shifted from sub programme Public Ordinary Schools to Administrations within the compensation of employee's item to correctly allocate the infrastructure personnel budget.

## Programme 7: Examination and Education Related Services

TABLE 5.14: PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Payments To SETA	80 531								80 531	
2. Professional Services	491 400				(89 403)			(89 403)	401 997	
3. Special Projects	444 057			18 080				18 080	462 137	
4. External Examinations	260 987				28 134			28 134	289 121	
5. Conditional Grants	30 800								30 800	
<b>Total for programmes</b>	<b>1 307 775</b>			<b>18 080</b>	<b>(61 269)</b>			<b>(43 189)</b>	<b>1 264 586</b>	

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>777 173</b>			<b>18 080</b>	<b>(11 509)</b>			<b>6 571</b>	<b>783 744</b>	
Compensation of employees	313 925								313 925	
Salaries & wages	313 103								313 103	
Social contribution	822								822	
Goods and services	463 248			18 080	(11 509)			6 571	469 819	
<b>Transfers and subsidies</b>	<b>485 566</b>				<b>(89 787)</b>			<b>(89 787)</b>	<b>395 779</b>	
Departmental agencies and accounts	80 531								80 531	
Non-profit institutions	168 973				(89 787)			(89 787)	79 186	
Households	236 062								236 062	
<b>Payments for capital assets</b>	<b>45 036</b>				<b>40 027</b>			<b>40 027</b>	<b>85 063</b>	
Buildings and other fixed structures										
Machinery and equipment	45 036				40 027			40 027	85 063	
<b>Total economic classification</b>	<b>1 307 775</b>			<b>18 080</b>	<b>(61 269)</b>			<b>(43 189)</b>	<b>1 264 586</b>	

TABLE 5.15: SUMMARY OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(55 957)</b>		<b>44 448</b>
Compensation of employees				
Goods and services	Printing of provisional common papers for grade 3-11 will be catered for under the existing tender for printing of Matric exam question papers and the distribution of question papers will be done by Wits University. Funds shifted to align budget with activities. Other shifts relate to the budget that was allocated for the Youth Expo event by GCRA as some costs were covered by Head Office.	(55 957)	Provision made to supplement the budget for travelling costs and the insurance for subsidised vehicle for markers. Funds are also allocated to cover costs relating to school sport activities as the number of learners have increased.	44 448
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(92 124)</b>		<b>2 337</b>

Economic classification	Motivation	From	Motivation	To
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organizations Public corporations and private enterprises Non-profit institutions	Savings realised due to the training that will be conducted at a reduced cost.	(92 124)	Provision made for the transfer to Wits for the printing as well as the distribution of the examination question papers, funds were incorrectly allocated under goods and services.	2 337
Households				
<b>Payments for capital assets</b>		<b>(2 899)</b>		<b>42 926</b>
Buildings and other fixed structures Machinery and equipment	Cost containment measures effected by extending replacement period of existing machinery.	(2 899)	Funds for the leasing of machines which will be used for the printing of examination question paper and answer book, this is to centralise the printing activities and improve security during the preparation and exam period.	42 926
Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(150 980)</b>		<b>89 711</b>

### Provincial roll-overs: R18.1 million

A total amount of R18.1 million is rolled over for the training and development courses for middle and foundation managers to settle commitments from the previous financial year under the Gauteng City Region Academy (GCRA).

### Virements and shifts

A total amount of R61.2 million is moved to other programmes with budget pressures as the training of auxiliary social workers will be conducted by SETA at a reduced cost and not through Matthew Goniwe School of Leadership as originally planned.

The shifts within the programme amounting to R89.7 million are effected to minimize the risk on printing of examination question papers and answer books, make provision for the transfer to Wits for the printing as well as the distribution of the examinations question papers and increased learner participation in the school sport activities.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 5.16: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17: EDUCATION

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016 - September 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
1. Administration	2 640 045	1 457 076	2 637 966	103%	2 758 613	1 395 663	(4%)
2. Public Ordinary School Education	26 844 806	13 253 313	26 405 175	97%	28 982 941	14 424 162	9%
3. Independent School Subsidies	597 586	437 791	592 600	99%	609 823	474 977	8%
4. Public Special School Education	1 985 040	979 533	1 968 339	99%	2 111 114	1 114 250	14%
5. Early Childhood Development	716 210	384 817	705 735	92%	771 339	296 072	(23%)
6. Infrastructure Development	2 796 047	1 174 982	2 796 043	108%	3 010 234	1 117 538	(5%)
7. Auxiliary and Associated Services	1 272 937	566 121	1 190 664	96%	1 264 586	622 400	10%

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>Total for programmes</b>	<b>36 852 671</b>	<b>18 253 633</b>	<b>36 296 522</b>	<b>98%</b>	<b>39 508 650</b>	<b>19 445 062</b>	<b>7%</b>
<b>Current payments</b>	<b>30 474 741</b>	<b>14 990 058</b>	<b>30 126 478</b>	<b>99%</b>	<b>32 769 884</b>	<b>16 011 411</b>	<b>7%</b>
Compensation of employees	26 312 050	12 819 759	25 981 867	97%	28 367 460	14 211 084	11%
Goods and Services	4 162 030	2 170 258	4 143 950	112%	4 402 424	1 800 259	(17%)
Interest and rent on land	661	41	661			68	66%
<b>Transfers and subsidies</b>	<b>4 197 526</b>	<b>2 372 851</b>	<b>4 007 867</b>	<b>96%</b>	<b>3 984 235</b>	<b>2 443 007</b>	<b>3%</b>
Provinces and municipalities							
Departmental agencies and accounts	75 346	75 345	75 345	100%	80 531	79 350	
Public corporations & private enterprises							
Non-profit institutions	3 759 398	2 057 361	3 571 656	95%	3 554 390	2 134 999	4%
Households	362 782	240 145	360 866	110%	349 314	228 658	(5%)
<b>Payments for capital assets</b>	<b>2 168 976</b>	<b>886 107</b>	<b>2 150 749</b>	<b>99%</b>	<b>2 754 531</b>	<b>986 640</b>	<b>11%</b>
Buildings and other fixed structures	2 071 415	843 428	2 067 452	100%	2 585 342	915 550	9%
Machinery and equipment	80 127	32 913	73 135	91%	117 685	54 263	65%
Heritage assets							-
Specialised military assets							
Biological assets							
Land and sub-soil assets	16 740	9 267	9 499	57%	46 614	12 672	37%
Software and other intangible assets	694	499	663	122%	4 890	4 155	733%
<b>Payments for financial assets</b>	<b>11 428</b>	<b>4 617</b>	<b>11 428</b>			<b>4 004</b>	<b>(13%)</b>
<b>Total for economic classification</b>	<b>36 852 671</b>	<b>18 253 633</b>	<b>36 296 522</b>	<b>98%</b>	<b>39 508 650</b>	<b>19 445 062</b>	<b>7%</b>

### Expenditure trends for 2015/16

The department spent R36.3 billion in 2015/16 against a budget of R36.9 billion which is 98 per cent spending. The department under spent by R556 million, the biggest contributor being compensation of employees with an underspending of R330 million and transfers and subsidies with R189.7 million. Compensation of employees under expenditure is a result of vacant posts which could not be filled by year end and payments for Occupation Specific Dispensation for Therapists which could not be processed due to implementation gaps within the resolution. Underspending on non-profit institutions relates to transfer payments to Sci-Bono Discovery centre which could not be processed by year-end due to cash flow challenges experienced by the department in certain programmes. A total amount of R175 million has been rolled-over to 2016/17 financial year to settle outstanding payments for ICT amounting to R157 million and for the senior management and middle management training amounting to R18 million.

### Expenditure trends for the first half of 2016/17

#### Programme 1: Administration

Total expenditure for the first six months of 2016/17 financial year amounts to R1.4 billion. This spending is 4 per cent less than the first six months of 2015/16 financial year. The reduced spending is attributable to continuous cost cutting measures implemented such as introducing the limit on kilometre claims and telephone usage and the use of departmental venues for workshops, meetings and training.

#### Programme 2: Public Ordinary Schools

The department spent R14.4 billion as at the end of September 2016 compared to R13.3 billion on the same period of 2015/16. The increase of 9 per cent more is due to accruals relating to School Nutrition Programme, Learner and Teacher

Support Material (LTSM), scholar transport increased costs, municipal services and compensation of employees which is driven by annual increase in learner numbers.

### Programme 3: Independent Schools

An increase in Provincial Allocation Expenditure per Learner (PAEPL) resulted in an 8 per cent increase in expenditure compared to the same period last financial year. This is due to increased learner intake by independent schools.

### Programme 4: Public Special Schools

Expenditure in this programme increased by 14 per cent. R1.1 billion was spent in the first six months of 2016/17 whilst R979.5 million was spent in the same period of 2015/16. The higher spending is mainly as a result of procurement of goods and services for Magaliesburg boarding school.

### Programme 5: Early Childhood Development

The department spent R296.1 million at the end of September 2016. This is a decrease of 23 per cent compared to the same period in 2015/16. The decrease is attributable to the savings realised in procurement of LTSM as the top up for Grade R sites was less than anticipated. The Department of Social Development also makes provision for LTSM to some Grade R sites which are registered with them and thereby reducing expenditure for GDE. Furthermore, a decision was made to reprioritise R40 million from Early Childhood Development (ECD) to other programmes which are experiencing budget shortfalls.

### Programme 6: Infrastructure Development

Expenditure as at end of September 2016 amounts to R1.1 billion compared to R1.2 billion spent in the same period of 2015/16, the 5 per cent decrease is due to under spending on buildings and other fixed structures of new schools that were to enter the construction stage during the current financial year. Projects were delayed due to the change in the standard school designs to conform to the cost norms. There are delays on the procurement of Alternative Construction Technology (ACT) classrooms for Public Ordinary schools, Grade R classrooms and toilet blocks as the tender process is still in progress.

### Programme 7: Examination and Education Related Services

The department spent R622.4 million in this programme by the end of second quarter of 2016/17 compared to R566.1 million spent in the same period in 2015/16 which resulted in an increase of 10 per cent. This is mainly due to increased number of learner bursaries and leasing of new security enhanced machines for examination services.

## 6. Departmental receipts

TABLE 5.17 : DEPARTMENTAL RECEIPTS

Department	2015/16 Audited Outcome				2016/17 Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sep
<b>R thousand</b>							
<b>Tax receipts</b>							
Casino taxes							
Horse racing taxes							
Liquor licenses							
Motor vehicle licenses							
Sales of goods and services other than capital assets	25 379	11 464	24 723	97%	26 013	11 949	4%
Transfers received							
Fines, penalties and forfeits	37	14	65	176%	38	(4)	(129%)
Interest, dividends and rent on land	182	145	263	145%	187	281	94%
Sales of capital assets			19 940				
Financial transactions in assets and liabilities	3 962	4 206	6 417	162%	4 061	8 330	98%
<b>Total receipts</b>	<b>29 560</b>	<b>15 829</b>	<b>51 408</b>	<b>174%</b>	<b>30 299</b>	<b>20 556</b>	<b>30%</b>

## Revenue trends for the first half of 2016/17

The department did not adjust the 2016/17 revenue estimates. The comparison between the first half of 2015/16 and 2016/17 financial year is explained below:

The rise on Sales of goods and services by 4 per cent is attributable to an increase in the number of learners applying for re-print of matric certificates and a decrease in the number of refunds relating to remarking of exam papers.

The 129 per cent decrease on fines, penalties and forfeits is attributable to a reduced collection of fines. The 94 per cent increase in Interest, dividends and rent on land is due to a growth on interest received from departmental debtors. Financial transactions in assets and liabilities collection in 2016/17 is less by 64 per cent when compared to the same period in 2015/16. This is due to reduction in recoveries received from contractual departmental debts and expenditure from previous financial years.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 5.18: SUMMARY OF CHANGES TO TRANSFER AND SUBSIDIES

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Programme 1</b>	5 250								5 250	
Households	5 250								5 250	
<b>Programme 2</b>	2 648 507			157 000	(371 218)			(214 218)	2 434 289	
Households	105 437								105 437	
Sci Bono Discovery Center	652 576			157 000	(374 034)			(217 034)	435 542	
Matthew Goniwe School of Leadership	156 767				(15 337)			(15 337)	141 430	
Public Ordinary Schools	1 733 727				18 153			18 153	1 751 880	
<b>Programme 3</b>	580 498				29 325			29 325	609 823	
Independent School Subsidies	580 498				29 325			29 325	609 823	
<b>Programme 4</b>	356 386								356 386	
Public Special Schools	315 866				36 000			36 000	351 866	
Matthew Goniwe School of Leadership	37 955				(36 000)			(36 000)	1 955	
Households	2 565								2 565	
<b>Programme 5</b>	240 116				(57 408)			(57 408)	182 708	
Households										
Grade R in Public Schools	148 617				(57 408)			(57 408)	91 209	
Matthew Goniwe School of Leadership	91 499								91 499	
<b>Programme 7</b>	485 566				(89 787)			(89 787)	395 779	
SETA	80 531								80 531	
Matthew Goniwe School of Leadership	118 441				(62 799)			(62 799)	55 642	
University of the Witwatersrand	7 324				2 337			2 337	9 661	
Households	236 062								236 062	
FET Colleges	43 208				(29 325)			(29 325)	13 883	
<b>Total changes in transfer</b>	<b>4 316 323</b>			<b>157 000</b>	<b>(525 088)</b>			<b>(332 088)</b>	<b>3 984 235</b>	

Transfers and subsidies are decreasing by a net amount of R332 million. The net decrease is mainly due to the reclassification of ICT allocation, reprioritization of Pre-Grade R transfer, reprioritisation of auxiliary social workers training and ICT rollover received.

Transfers to Sci-Bono is reclassified in response to internal ICT implementation. The reclassification resulted in a net decrease of R374 million. Included in transfers, is the amount of R157 million that has been rolled over from 2015/16 financial year for the roll-out of the ICT programme.

Transfers to Mathew Goniwe are decreasing by R114.1 million mainly as a result of reprioritization of auxiliary social worker training as it is now delivered through SETA at a reduced cost, redirection of autism training allocation to Public Special Schools and reallocation of teacher development funding to address budget shortfalls relating to human resource development activities at district offices.

Transfers to Grade R in public schools are decreasing by R57.4 million due to the delay in the ECD infrastructure delivery and the contribution made by Department of Social Development. All Grade R sites will receive subsidies as planned.

Transfers to Public Ordinary Schools are increasing by R18.1 million due to reclassification of allocation for the procurement of gas which will be transferred to schools. Independent Schools Subsidies increased by R29.3 million to cover the budget shortfall caused by an increase in learner numbers. Public Special Schools received an additional R36 million to increase access to learners with autism and to support special schools.

Transfers to Wits University is increasing by R2.3 million for the printing as well as the distribution of the examinations question papers.

Transfers to FET colleges is decreasing by R29.3 million as a result of reprioritization of training budget for ESSP employees to independent schools to cover shortfalls due to increase in learner numbers.

## 7.2 Changes to conditional grants

TABLE 5.19: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2</b>	795 214						4 344		4 344	799 558
HIV and AIDS (Life skills education) Grant	32 449									32 449
National School Nutrition Programme	712 955						4 344		4 344	717 299
Maths, Science and Technology Grant	49 810									49 810
<b>Programme 6</b>	<b>1 385 737</b>									<b>1 385 737</b>
Education Infrastructure Grant	1 385 737									1 385 737
<b>Programme 7</b>	<b>30 800</b>									<b>30 800</b>
Social Sector Expanded Public Works	28 661									28 661
Expanded Public Works Programme Incentive Grant	2 139									2 139
<b>Total changes in conditional grants</b>	<b>2 211 751</b>						<b>4 344</b>		<b>4 344</b>	<b>2 216 095</b>

### Additional national funding: R4.3 million

An amount of R4.3 million is allocated for the National School Nutrition Programme Grant to cover a shortfall caused by high food inflation.

## 7.3 Changes to infrastructure

Refer to 2016 Adjusted Estimates of Capital Expenditure (AECE).

# VOTE 6

## DEPARTMENT OF SOCIAL DEVELOPMENT

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	4 235 362	4 271 602		36 240
of which:				
Current payments	1 845 588	1 846 893		1 305
Transfers and subsidies	2 221 844	2 265 209		43 365
Payments for capital assets	167 930	159 449	(8 481)	
Payment for financial assets		51		51
Executive authority	MEC of Social Development			
Accounting officer	Head of Department			

### 1. Vision and Mission

#### Vision

A Caring and Self-reliant Society.

#### Mission

To transform our society by building conscious and capable citizens through the provision of integrated social development services.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

**TABLE 6.1: DEPARTMENT OF SOCIAL DEVELOPMENT**

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	519 461				(1 662)				(1 662)	517 799
2. Social Welfare Services	733 925				(2 591)		3 000		409	734 334
3. Children and Families	2 080 636				(29 600)				(29 600)	2 051 036
4. Restorative Services	446 879				985		15 300		16 285	463 164
5. Development and Research	454 461				32 868		17 940		50 808	505 269
<b>Total for programmes</b>	<b>4 235 362</b>						<b>36 240</b>		<b>36 240</b>	<b>4 271 602</b>

  

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>1 845 588</b>				<b>(7 635)</b>		<b>8 940</b>		<b>1 305</b>	<b>1 846 893</b>
Compensation of employees	1 338 081						8 940		8 940	1 347 021
Salaries & wages	1 154 470				(11 083)		8 940		(2 143)	1 152 327
Social contribution	183 611				11 083				11 083	194 694
Goods and services	507 507				(7 635)				(7 635)	499 872
<b>Transfers and subsidies</b>	<b>2 221 844</b>				<b>16 065</b>		<b>27 300</b>		<b>43 365</b>	<b>2 265 209</b>
Departmental agencies and accounts	100				6 584				6 584	6 684
Non-profit institutions	2 212 842				9 481		27 300		36 781	2 249 623
Households	8 902									8 902
<b>Payments for capital assets</b>	<b>167 930</b>				<b>(8 481)</b>				<b>(8 481)</b>	<b>159 449</b>
Buildings and other fixed structures	155 860				(8 481)				(8 481)	147 379
Machinery and equipment	12 070									12 070
<b>Payments for financial assets</b>					<b>51</b>				<b>51</b>	<b>51</b>
<b>Total economic classification</b>	<b>4 235 362</b>						<b>36 240</b>		<b>36 240</b>	<b>4 271 602</b>

The main appropriation of the department is adjusted upwards by an additional funding of R36.2 million. This additional fund consists of an amount of R15.3 million to fund the increase of bed capacity in the Randfontein Life Recovery Treatment Centre and establishment of a treatment centre in the Sedibeng region. An amount of R12 million is also allocated for the establishment of centres of excellence at Sedibeng and Johannesburg Regions as a replica to the model implemented at Father Smangalisso Mkhathshwa Centre of Excellence. A further R8.9 million is allocated to compensation of employees mainly to fund the appointment of Assistant Community Development Practitioners (ACDP) and Nurses who are currently appointed on a contract basis and will now be appointed on a permanent basis.

A total amount of R43.7 million is shifted within the compensation of employees between the programmes to align the budget to the expenditure. The department is in the process of aligning officials to the posts on the Persal system based on the concurred structure approved by the Department of Public Service and Administration (DPSA). It is estimated that this process will be finalised by the end of the current financial year.

A total amount of R6.6 million is shifted from goods and services to fund the expenditure incurred on departmental agencies and accounts as a result of a liability payment towards the Government Employees Pension Fund (GEPF) for the officials who retires prior to the normal retirement age. A further R51 000 is shifted from goods and services to theft and losses to offset the expenditure incurred in relation to deceased debtors balances written-off since the beginning of the 2016/17 financial year.

An amount of R22.6 million is shifted within non-profit institutions allocation from Care and Services to Older Persons sub-programme to cover spending pressures on HIV and AIDS sub-programme as a result of streamlining of food parcels at all Home Based Care (HBC) sites. An additional amount of R5 million is also shifted to Restorative Services programme to intensify prevention and awareness campaigns including capacity building. The department shifted an amount of R9.4 million from infrastructure projects due to delays in land acquisition. This amount is allocated to non-profit institutions to increase bed capacity in Randfontein Life Recovery Treatment Centre.

The budget for minor assets and machinery and equipment is centralised in Administration programme, as part of control measures implemented on the procurement of the assets in the department. A total amount of R2.8 million is shifted from Administration programme to offset expenditure incurred for minor assets and machinery and equipment in other programmes across the department.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 6.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office Of The MEC	6 790				2 970				2 970	9 760
2. Corporate Management Services	250 010				12 865				12 865	262 875
3. District Management	262 661				(17 497)				(17 497)	245 164
<b>Total for programme</b>	<b>519 461</b>				<b>(1 662)</b>				<b>(1 662)</b>	<b>517 799</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>500 641</b>				<b>(5 775)</b>				<b>(5 775)</b>	<b>494 866</b>
Compensation of employees	242 179				9 951				9 951	252 130
Salaries & wages	209 916				8 208				8 208	218 124
Social contribution	32 263				1 743				1 743	34 006
Goods and services	258 462				(15 726)				(15 726)	242 736
<b>Transfers and subsidies</b>	<b>6 750</b>				<b>6 215</b>				<b>6 215</b>	<b>12 965</b>
Departmental agencies and accounts	100				6 584				6 584	6 684
Households	6 650				(369)				(369)	6 281
<b>Payments for capital assets</b>	<b>12 070</b>				<b>(2 108)</b>				<b>(2 108)</b>	<b>9 962</b>
Machinery and equipment	12 070				(2 108)				(2 108)	9 962
<b>Payments for financial assets</b>					<b>6</b>				<b>6</b>	<b>6</b>
<b>Total economic classification</b>	<b>519 461</b>				<b>(1 662)</b>				<b>(1 662)</b>	<b>517 799</b>

**TABLE 6.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(29 183)</b>		<b>23 408</b>
Compensation of employees	Funds shifted within the compensation of employees to align officials to the posts on Persal.	(426)	Funds received within the compensation of employees to align officials to the posts on Persal.	10 377
Goods and services	The budget for the procurement of minor assets is centralised in administration programme for control measures implemented by the department. Funds are shifted to other programmes where expenditure is incurred. Funds were also reprioritised from fleet services due to delayed process by National Treasury relating to the award of a National Transversal contract for procurement and leasing vehicles used by government.	(28 757)	Funds to cover new awards, annual increases on outsourced services, installation of data points for new offices acquired and other operational costs within the programme.	13 031
<b>Transfers and subsidies</b>		<b>(411)</b>		<b>6 626</b>
Departmental agencies and accounts			Funds to offset payment to the Government Employees Pension fund as a result of early retirement of officials.	6 584
Households	Budget for payment of leave gratuity for officials leaving the public sector will not be spent in full.	(411)	Provision for leave gratuity payment to former employees.	42
<b>Payments for capital assets</b>		<b>(4 374)</b>		<b>2 266</b>
Machinery and equipment	The budget for the procurement of machinery and equipment is centralised in administration programme as a control measure implemented for procurement of assets. Funds are shifted to programmes where expenditure was incurred.	(4 374)	Funds received to offset expenditure related to procurement of machinery and equipment for various Regional Offices. The budget for procurement of these assets is centralised in Corporate Management Support sub-programme.	2 266
Payments for financial assets			Provision is made for deceased debtors balances written-off since the beginning of the financial year.	6
<b>Total economic classification</b>		<b>(33 968)</b>		<b>32 306</b>

### Virements and shifts

The programme received an amount of R9.9 million within compensation of employees from Children and Families programme to align budget to expenditure. The department is in the process of aligning officials to posts on Persal to ensure that expenditure interfaces to correct budget segment codes. It is estimated that the process will be finalised by end of the current financial year.

A total amount of R6.6 million is reprioritised from goods and services to departmental agencies and accounts to fund the expenditure incurred on payment of pension liability towards the Government Employees Pension Fund which occurs when officials in the department retires from the public service through Employee Initiated Severance Package (EISP) prior to the normal retirement age. The programme shifted an amount of R8.4 million from goods and services to Children and Families programme to cover part of the estimated shortfall on newly awarded contracts for outsourced services and to make provision for newly appointed Social Workers who make use of the government vehicle which resulted in an increase in usage. An amount of R1 million is shifted from maintenance projects at the regional offices mainly to complete refurbishment project at Zanele Mbeki Frail Care Centre.

An amount of R2.8 million is shifted to other programmes to offset expenditure incurred on the procurement of minor assets and machinery and equipment. The budget is centralised in this programme as part of control measure for procurement. In addition, an amount of R6 000 is shifted from goods and services to offset the expenditure incurred as a result of deceased debtors balances written-off since the beginning of the financial year.

## Programme 2: Social Welfare Services

**TABLE 6.4: PROGRAMME 2: SOCIAL WELFARE SERVICES**

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Management and Support	3 413				1 240				1 240	4 653
2. Care and Services To Older Persons	314 863				(30 560)			1 500	(29 060)	285 803
3. Services to Persons With Disabilities	127 720				2 944			1 500	4 444	132 164
4. HIV And AIDS	287 929				23 785				23 785	311 714
<b>Total for programme</b>	<b>733 925</b>				<b>(2 591)</b>			<b>3 000</b>	<b>409</b>	<b>734 334</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>98 650</b>				<b>1 410</b>			<b>3 000</b>	<b>4 410</b>	<b>103 060</b>
Compensation of employees	62 121				(720)			3 000	2 280	64 401
Salaries & wages	52 153				1 763			3 000	4 763	56 916
Social contribution	9 968				(2 483)				(2 483)	7 485
Goods and services	36 529				2 130				2 130	38 659
<b>Transfers and subsidies</b>	<b>633 275</b>				<b>(5 000)</b>				<b>(5 000)</b>	<b>628 275</b>
Non-profit institutions	632 792				(5 000)				(5 000)	627 792
Households	483									483
<b>Payments for capital assets</b>	<b>2 000</b>				<b>987</b>				<b>987</b>	<b>2 987</b>
Buildings and other fixed structures	2 000				795				795	2 795
Machinery and equipment					192				192	192
<b>Payments for financial assets</b>					<b>12</b>				<b>12</b>	<b>12</b>
<b>Total economic classification</b>	<b>733 925</b>				<b>(2 591)</b>			<b>3 000</b>	<b>409</b>	<b>734 334</b>

**TABLE 6.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: SOCIAL WELFARE SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(9 310)</b>		<b>10 720</b>
Compensation of employees	Funds shifted within the compensation of employees to align officials to the posts on Persal.	(5 974)	Funds received within the compensation of employees to align officials to the posts on Persal.	5 254
Goods and services	Funds shifted mainly from non-core items as a result of control measures implemented for inventory management system. Funds also identified on food supplies due to fluctuation of number of beneficiaries at the institutions.	(3 336)	Funds received to offset expenditure incurred in the procurement of minor assets. The budget is also increased to cover shortfall on outsourced services such as Security and cleaning, and National Older Person's Golden games which were hosted in Limpopo province.	5 466
<b>Transfers and subsidies</b>		<b>(27 696)</b>		<b>22 696</b>
Non-profit institutions	Funds which were earmarked for the operational costs of proto-types to be completed during the financial year will not be spent in the current financial year.	(27 657)	Funds increased to cover spending pressures as a result of the streamlining of food parcels at all Home Based Care Services.	22 657

Economic classification	Motivation	From	Motivation	To
Households	Saving due to the reduced number of clients receiving allowance. Costing was done based on capacity level of the institutions.	(39)	Funds to cover the shortfall for leave gratuity.	39
<b>Payments for capital assets</b>		<b>(200)</b>		<b>1 187</b>
Buildings and other fixed structures	Funds reduced due to delays in land acquisition.	(200)	To cover costs related to the refurbishment of the Zanele Mbeki institution.	995
Machinery and equipment			Funds received from administration programme to offset expenditure incurred on procurement of assets.	192
<b>Payments for financial assets</b>			Provision is made for deceased debtors balances written-off since the beginning of the financial year.	12
<b>Total economic classification</b>		<b>(37 206)</b>		<b>34 615</b>

### Virements and shifts

The programme shifted an amount of R720 000 within compensation of employees to Development and Research programme as a result of the appointment of Assistant Community Development Practitioners to do household profiling in various communities and alignment of budget to expenditure. The department is in process of aligning officials to the posts on Persal.

The programme receives an amount of R2.1 million under goods and services from Restorative Services programme to fund mainly the shortfall on newly awarded contracts for outsourced services at the departmental institutions.

A total amount of R22.6 million is reprioritised within non-profit institutions allocation from Care and Services to Older Persons sub-programme to cover spending pressures on HIV and AIDS sub-programme as a result of streamlining of food parcels by food banks which was implemented as from 01 April 2016 to all Home Based Care sites. A further amount of R5 million is shifted to Restorative Services programme to intensify prevention and awareness campaigns including capacity building on after care and re-integration programmes for recovering service users.

The programme received an amount of R557 000 from Administration programme to offset expenditure incurred on the procurement of minor assets and machinery and equipment. An amount of R12 000 is shifted from goods and services to offset the expenditure incurred relating to deceased debtors balances written-off in the programme.

The budget for buildings and other fixed structure is increased by an amount of R795 000 mainly to complete refurbishment projects at Zanele Mbeki Frail Care Centre.

### Additional provincial funding: R3 million

An additional amount of R3 million is allocated to compensation of employees for the appointment of nurses at the departmental institutions to address capacity challenges. The appointment of the additional nurses will assist the department to continue with the 24 hour health care services for beneficiaries at the department's institutions.

### Programme 3: Children and Families

TABLE 6.6: PROGRAMME 3: CHILDREN AND FAMILIES

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Management and Support	5 724				1 904				1 904	7 628
2. Care and Services To Families	127 282				(466)				(466)	126 816
3. Child Care and Protection	560 601				(32 335)				(32 335)	528 266
4. ECD and Partial Care	433 610				13 293				13 293	446 903
5. Child And Youth Care Centres	536 365				(11 996)				(11 996)	524 369

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
6. Community Based Care Services For Children	417 054									
<b>Total for Programmes</b>	<b>2 080 636</b>				<b>(29 600)</b>				<b>(29 600)</b>	
									<b>2 051 036</b>	

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
<b>Current payments</b>	<b>860 966</b>				<b>(33 067)</b>				<b>(33 067)</b>	
Compensation of employees	734 528				(42 974)				(42 974)	
Salaries & wages	638 649				(52 490)				(52 490)	
Social contribution	95 879				9 516				9 516	
Goods and services	126 438				9 907				9 907	
<b>Transfers and subsidies</b>	<b>1 084 810</b>				<b>150</b>				<b>150</b>	
Non-profit institutions	1 083 573									
Households	1 237				150				150	
<b>Payments for capital assets</b>	<b>134 860</b>				<b>3 293</b>				<b>3 293</b>	
Buildings and other fixed structures	134 860				1 573				1 573	
Machinery and equipment					1 720				1 720	
<b>Payments for financial assets</b>					<b>24</b>				<b>24</b>	
<b>Total economic classification</b>	<b>2 080 636</b>				<b>(29 600)</b>				<b>(29 600)</b>	
									<b>2 051 036</b>	

TABLE 6.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: CHILDREN AND FAMILIES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(62 737)</b>		<b>29 670</b>
Compensation of employees	Funds shifted within the compensation of employees to align officials to the posts on Persal.	(53 773)	Funds received within the compensation of employees to align officials to the posts on Persal.	10 799
Goods and services	Funds reduced mainly due to a decrease in Social Workers applying for Scheme B vehicle subsidy, and savings identified on food supplies due to fluctuation of number of beneficiaries at the institutions.	(8 964)	Funds to cover estimated shortfall on newly awarded contracts for outsourced services and to make provision for newly appointed Social Workers who make use of the government vehicles.	18 871
<b>Transfers and subsidies</b>		<b>(11)</b>		<b>161</b>
Households	Reprioritisation within households as the payment of leave gratuities and injury on duty claims will not be fully spent by the end of the current financial year.	(11)	Funds to cover the shortfall for leave gratuity payments for resigned and retired officials.	161
<b>Payments for capital assets</b>		<b>(15 756)</b>		<b>19 049</b>
Buildings and other fixed structures	Funds reduced due to delays in land acquisition.	(15 756)	Funds increased to cover projects that are progressing faster.	17 329
Machinery and equipment			Funds received to offset expenditure incurred on the procurement of machinery and equipment.	1 720
<b>Payments for financial assets</b>			Funds to offset deceased debtors' balances written-off in this programme.	<b>24</b>
<b>Total economic classification</b>		<b>(78 504)</b>		<b>48 904</b>

**Virements and shifts**

Amounts of R9.9 million and R33 million are shifted to Administration programme and Development and Research programme respectively, within compensation of employees mainly as part of the alignment of budget to expenditure. The department is in the process of re-aligning officials to the posts on PERSAL.

The programme receives an amount of R9.4 million in goods and services from various programmes to cover the estimated shortfall on newly awarded contracts for outsourced services and to make provision for newly appointed Social Workers who make use of the government vehicles which resulted in an increase in usage. An amount of R2.2 million is received from Administration programme to offset expenditure incurred on the procurement of minor assets and machinery and equipment. An amount of R24 000 is shifted from goods and services to offset the expenditure incurred on deceased debtors balances written-off.

The programme reprioritised the funds within infrastructure allocation in order to fund the projects that are on construction stage and progressing faster and also to address refurbishment needs at the department's institutions such as Walter Sisulu and Desmond Tutu Child and Youth Care Centres.

**Programme 4: Restorative Services****TABLE 6.8: PROGRAMME 4: RESTORATIVE SERVICES**

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Management And Support	1 405				(175)				(175)	1 230
2. Crime Prevention and Support	185 210				(16 757)				(16 757)	168 453
3. Victim Empowerment	87 114				(6 768)				(6 768)	80 346
4. Substance Abuse, Prevention and Rehabilitation	173 150				24 685			15 300	39 985	213 135
<b>Total for programme</b>	<b>446 879</b>				<b>985</b>			<b>15 300</b>	<b>16 285</b>	<b>463 164</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>165 113</b>				<b>(2 703)</b>				<b>(2 703)</b>	<b>162 410</b>
Compensation of employees	88 432									88 432
Salaries & wages	75 735				1 554				1 554	77 289
Social contribution	12 697				(1 554)				(1 554)	11 143
Goods and services	76 681				(2 703)				(2 703)	73 978
<b>Transfers and subsidies</b>	<b>262 766</b>				<b>14 481</b>			<b>15 300</b>	<b>29 781</b>	<b>292 547</b>
Non-profit institutions	262 324				14 481			15 300	29 781	292 105
Households	442									442
<b>Payments for capital assets</b>	<b>19 000</b>				<b>(10 802)</b>				<b>(10 802)</b>	<b>8 198</b>
Buildings and other fixed structures	19 000				(10 849)				(10 849)	8 151
Machinery and equipment					47				47	47
<b>Payments for financial assets</b>					<b>9</b>				<b>9</b>	<b>9</b>
<b>Total economic classification</b>	<b>446 879</b>				<b>985</b>			<b>15 300</b>	<b>16 285</b>	<b>463 164</b>

TABLE 6.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: RESTORATIVE SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(20 616)</b>		<b>17 913</b>
Compensation of employees	Funds shifted within the compensation of employees to align officials to the posts on Persal.	(10 030)	Funds received within the compensation of employees to align officials to the posts on Persal.	10 030
Goods and services	Funds reduced due to implementation of strict telephone control measures. Funds also identified after the detailed costing of outsourced services under crime prevention.	(10 586)	Funds to cover estimated shortfall on newly awarded contracts for outsourced services at the institutions, and also for launching an integrated movie which will be broadcast on SABC.	7 883
<b>Transfers and subsidies</b>		<b>(232)</b>		<b>14 713</b>
Non-profit institutions			Funds to augment capacity at Randfontein Life Recovery Treatment Centre, and to intensify prevention and awareness campaigns including capacity building.	14 481
Households	Funds allocated for leave gratuities will not be spent in full by the end of the financial year.	(232)	Funds to cover shortfall on the payment of leave gratuities and injury on duty.	232
<b>Payments for capital assets</b>		<b>(11 349)</b>		<b>547</b>
Buildings and other fixed structures	Funds reduced due to delays in land acquisition.	(11 349)	Increased funding for fast paced projects.	500
Machinery and equipment			Funds to offset expenditure incurred on the procurement of machinery and equipment.	47
<b>Payments for financial assets</b>			Provision is made for bad debts written-off.	<b>9</b>
<b>Total economic classification</b>		<b>(32 197)</b>		<b>33 182</b>

### Virements and shifts

The programme shifted an amount of R2.7 million under goods and services mainly to Children and Families programme to cover the estimated shortfall on outsourced services as a result of the new contracts and annual increases.

An amount of R5 million is received under non-profit institutions from Social Welfare Services programme to intensify prevention and awareness campaigns including capacity building on after care and re-integration programmes for recovering service users. Further amount of R9.4 million is reprioritised from infrastructure allocation in this programme to augment bed capacity at Randfontein Life Recovery Treatment Centre. The reduction of infrastructure allocation is as a result of unavailability of land acquisition to implement new construction projects.

The programme received an amount of R56 000 from Administration programme to offset expenditure incurred on the procurement of minor assets and machinery and equipment.

### Additional provincial funding: R15.3 million

The programme receives an additional amount of R15.3 million to increase capacity at Randfontein Treatment Centre to 400 beds and the establishment a treatment centre in the Sedibeng region to address the increase demand for substance abuse intervention programmes.

### Programme 5: Development and Research

TABLE 6.10: PROGRAMME 5: DEVELOPMENT AND RESEARCH

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Management And Support	4 436				764				764	5 200
2. Community Mobilisation	10 256				178				178	10 434
3. Institutional Capacity and Support For NPOs	161 950				23 310			5 940	29 250	191 200

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
4. Poverty Alleviation and Sustainable Livelihoods	235 503				8 127			12 000	20 127	255 630
5. Community Based Research and Planning	5 566				(4)				(4)	5 562
6. Youth Development	25 078				(35)				(35)	25 043
7. Woman Development	9 000									9 000
8. Population Policy Promotion	2 672				528				528	3 200
<b>Total for programme</b>	<b>454 461</b>				<b>32 868</b>			<b>17 940</b>	<b>50 808</b>	<b>505 269</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>220 218</b>				<b>32 500</b>			<b>5 940</b>	<b>38 440</b>	<b>258 658</b>
Compensation of employees	210 821				33 743			5 940	39 683	250 504
Salaries & wages	178 017				29 882			5 940	35 822	213 839
Social contribution	32 804				3 861				3 861	36 665
Goods and services	9 397				(1 243)				(1 243)	8 154
<b>Transfers and subsidies</b>	<b>234 243</b>				<b>219</b>			<b>12 000</b>	<b>12 219</b>	<b>246 462</b>
Non-profit institutions	234 153							12 000	12 000	246 153
Households	90				219				219	309
<b>Payments for capital assets</b>					<b>149</b>				<b>149</b>	<b>149</b>
Machinery and equipment					149				149	149
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>454 461</b>				<b>32 868</b>			<b>17 940</b>	<b>50 808</b>	<b>505 269</b>

TABLE 6.11: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: DEVELOPMENT AND RESEARCH

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(3 142)</b>		<b>35 642</b>
Compensation of employees			Funds received to cover expenditure incurred as a result of appointment of Assistant Community Development Practitioners and also to align the budget to the expenditure.	33 743
Goods and services	Funds reduced due to a decrease in approval of officials applying for Scheme B vehicle subsidy, and implementation of strict telephone control measures at the regions.	(3 142)	Funds mainly to cover payment for Population Association of Southern Africa (PASA) conference and for community development workshops held with NGOs and cooperatives. Funds also required for the annual increase and new contracts signed for the photocopier leases.	1 899
<b>Transfers and subsidies</b>				<b>219</b>
Households			Funds to offset expenditure for leave gratuity.	219
<b>Payments for capital assets</b>				<b>149</b>
Machinery and equipment			Funds to offset expenditure relating to procurement of assets which the budget is centralised in administration programme.	149

Economic classification	Motivation	From	Motivation	To
Payments for financial assets				
<b>Total economic classification</b>		<b>(3 142)</b>		<b>36 010</b>

### Virements and Shifts

The programme receives an amount of R33.7 million mainly from Children and Families programme within compensation of employees to align budget to expenditure and also for the appointment of Assistant Community Development Workers.

An amount of R1.3 million is shifted from goods and services to Social Welfare Services programme mainly to fund the shortfall for outsourced services and other items experiencing spending pressures such as travel and subsistence to cover the costs for the delegates who are on a study tour in Columbia to benchmark on substance abuse intervention programmes. The saving was realized on communication item because no new cellphone were issued as the department was still waiting for National Treasury to finalise transversal contract.

An amount of R219 000 is received from Administration programme to offset the incurred expenditure for leave gratuity. The programme receives an amount of R174 000 from Administration programme to offset expenditure incurred on the procurement of minor assets and machinery and equipment.

### Additional provincial funding: R17.9 million

An additional amount of R17.9 million is allocated to this programme, which consist of R12 million that will be used to establish Centres of Excellence in Sedibeng and Johannesburg regions as a replica of the Father Smangaliso Mkhathshwa model. The Centres of Excellence will be established to develop young recovering addicts who completed their rehabilitation programme and to prepare them to participate in the mainstream economy. The skills programme includes provision of accredited training such as bricklaying, carpentry, tiling and computer literacy. The centre will also include a job centre where young people will have access to internet and apply for available job opportunities in the market.

A balance of R5.9 million received is allocated to compensation of employees to fund the appointment of Assistant Community Development Practitioners to do household profiling in communities.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 6.12: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17: SOCIAL DEVELOPMENT

Department	2015/16 Expenditure Outcome				2016/17 Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
1. Administration	481 248	231 622	480 121	100%	517 799	268 396	16%
2. Social Welfare Services	710 398	330 645	697 285	98%	734 334	350 889	6%
3. Children and Families	1 956 637	959 900	1 925 638	98%	2 051 036	1 004 089	5%
4. Restorative Services	430 128	176 709	407 075	95%	463 164	217 185	23%
5. Development and Research	418 728	230 668	432 122	103%	505 269	251 173	9%
<b>Total for programmes</b>	<b>3 997 139</b>	<b>1 929 544</b>	<b>3 942 241</b>	<b>99%</b>	<b>4 271 602</b>	<b>2 091 732</b>	<b>8%</b>
<b>Current payments</b>	<b>1 753 494</b>	<b>816 386</b>	<b>1 674 373</b>	<b>95%</b>	<b>1 846 893</b>	<b>917 899</b>	<b>12%</b>
Compensation of employees	1 290 791	599 532	1 233 601	96%	1 347 021	664 507	11%
Goods and Services	462 703	216 854	440 772	95%	499 872	253 392	17%
<b>Transfers and subsidies</b>	<b>2 103 323</b>	<b>1 046 736</b>	<b>2 104 668</b>	<b>100%</b>	<b>2 265 209</b>	<b>1 108 361</b>	<b>9813%</b>
Departmental agencies and accounts	67	67	67	100%	6 684	6 652	9828%
Non-profit institutions	2 094 837	1 043 180	2 095 086	100%	2 249 623	1 098 932	5%
Households	8 419	3 489	9 515	113%	8 902	2 777	(20%)

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
Payments for capital assets	140 285	66 386	162 734	116%	159 449	65 422	(1%)
Buildings and other fixed structures	129 250	59 766	114 154	88%	147 379	57 722	(3%)
Machinery and equipment	10 988	6 573	48 533	442%	12 070	7 700	17%
Software and other intangible assets	47	47	47	100%			(100%)
Payments for financial assets	37	36	466	1259%	51	50	39%
Total economic classification	3 997 139	1 929 544	3 942 241	99%	4 271 602	2 091 732	8%

### Expenditure trends for 2015/16

In 2015/16 financial year, the department recorded an underspending of R54.9 million, which comprises of R39.3 million on compensation of employees due to delays experienced in the finalisation of the filling of vacant posts by the end of the financial year.

The goods and services budget underspent by R501 000 as a result of challenges experienced with the roll out of Garankuwa Rearabilwe Expanded Public Works painting project not finalised by the end of the financial year. The unspent funds of Building and Other Fixed Structures is due to Occupational Health and Safety Act and construction of office accommodation projects at various departmental institutions which were still in progress at the end of the financial year.

### Expenditure trends for the first half of 2016/17

#### Programme 1: Administration

The programme spending for the second quarter of this financial year has increased to R268.4 million as compared to the R231.6 million spent in the 2015/16 financial year in the same period. The compensation of employees increased as a result of alignment of officials to posts on Persal and filling of some vacant posts in the programme.

A further increase is attributable to a payment of liability towards the Government Employees Pension Fund for employees opting for early retirement. The department also paid the annual Microsoft license during the second quarter compared to fourth quarter in previous financial year. Early payment of Microsoft license is due to a new contract entered into by E-Governance Department for all Gauteng Provincial Government Departments. The revised rates and price adjustments for outsourced services at head office and regions also contributed to the increase in expenditure in this period of the financial year.

#### Programme 2: Social Welfare Services

The programme spent more by R20.3 million for the second quarter of this financial year as compared to the same period in the 2015/16 financial year. The increased spending is mainly recorded under the HIV and AIDS sub-programme as a result of the streamlining of food parcels by food banks which was implemented as from 01 April 2016 to all Home Based Care sites. Spending on Expanded Public Work Programme conditional grant in the first six months of the financial year has also improved in the current financial year as compared to the previous financial year.

#### Programme 3: Children and Families

The programme spent R1 billion in the second quarter of this financial year as compared to R959.9 million spent in the 2015/16 financial year. The increase in expenditure is attributable to absorption of Social Work graduates and appointment of nurses in various institutions of the department. The increased spending in goods and services is due to the renewal of outsourced services contracts such as security, cleaning and gardening at the institutions.

#### Programme 4: Restorative Services

The aggregated spending for this programme amount to R217.2 million as compared to the R176.7 million spent in the 2015/16 financial year. The increased spending on non-profit institutions is due to the department's efforts of reaching a high number of prevalence of alcohol and drug abuse in Gauteng.

#### Programme 5: Development and Research

The programme spending for the second quarter of this financial year has improved by R20.5 million as compared to

the R230.7 million spent in the 2015/16 financial year. The main increase in expenditure is recorded on compensation of employees as a result of the appointment of Assistant Community Development Practitioners from the beginning of the financial year.

## 6. Departmental receipts

**TABLE 6.13: DEPARTMENTAL RECEIPTS**

Department	2015/16 Audited Outcome				2016/17 Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
Sales of goods and services other than capital assets	2 400	1 250	2 589	108%	2 520	1 368	9%
Fines, penalties and forfeits							
Interest, dividends and rent on land	24	6	69	288%	25	21	250%
Financial transactions in assets and liabilities	500	715	1 318	264%	525	902	26%
<b>Total receipts</b>	<b>2 924</b>	<b>1 971</b>	<b>3 976</b>	<b>136%</b>	<b>3 070</b>	<b>2 291</b>	<b>16%</b>

### Revenue trends for the first half of 2016/17

The table above shows the contribution of each revenue source towards the total revenue generated at the end of the second quarter of the 2016/17 financial year. The revenue estimates from previous financial year has increased from R2.9 million to R3 million in the current financial year. Revenue collection for the current financial year as at 30 September 2016 is R2.3 million and this represents a growth rate of 16 per cent as compared to the 2015/16 financial year.

The sales of goods and services collection is R1.4 million, this source includes garnishee orders, parking fees from employees, and boarding fees from officials who occupy official residence at the departmental institutions. Financial transactions in assets and liabilities contributed an amount of R902 000 due to recoveries from previous financial year's expenditure. The department cannot increase its projection due to recoveries from previous financial year's expenditure as this source of revenue is not predictable.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes in transfers and subsidies

**TABLE 6.14: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES**

Programme	Main appropriation	2016/17 Adjustments							Total Adjustments	Adjusted appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2</b>	<b>632 792</b>				(5 000)				(5 000)	<b>627 792</b>
Care and Services to Older Persons	253 933				(27 657)				(27 657)	226 276
Services to Persons with Disability	94 901									94 901
HIV and AIDS	283 958				22 657				22 657	306 615
<b>Programme 3</b>	<b>1 083 573</b>									<b>1 083 573</b>
Care and Services to Families	125 060									125 060
Child Care and Protection	23 000									23 000
ECD and Partial Care	359 265									359 265
Child and Youth Care Centres	159 194									159 194
Community- Based Care Services for Children	417 054									417 054

Programme	Main appropriation	2016/17 Adjustments							Total Adjustments	Adjusted appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Programme 4	262 324				14 481			15 300	29 781	292 105
Crime Prevention and Support	87 990									87 990
Victim Empowerment	68 254									68 254
Substance Abuse, Prevention and Rehabilitation	106 080				14 481			15 300	29 781	135 861
Programme 5	234 153							12 000	12 000	246 153
Institutional Capacity and Support for NPOs	21 348									21 348
Poverty Alleviation and Sustainable Livelihoods	180 677							12 000	12 000	192 677
Youth Development	23 128									23 128
Woman Development	9 000									9 000
Total changes in transfers	2 212 842				9 481			27 300	36 781	2 249 623

### Virements and shifts

A total amount of R27.6 million is reprioritised within non-profit institutions allocation from Care and Services to Older Persons sub-programme, which consist of R22.6 million to cover spending pressures on HIV and AIDS sub-programme as a result of streamlining of food parcels by food banks which was implemented to all Home Based Care sites. Further amount of R5 million is shifted to Substance Abuse, Prevention and Rehabilitation sub-programme to intensify prevention and awareness campaigns including capacity building on after care and re-integration programmes for recovering service users.

In addition, an amount of R9.4 million is reprioritised from infrastructure baseline allocation to augment the additional allocation received to increase bed capacity in Randfontein Life Recovery Treatment Centre under Substance Abuse, Prevention and Rehabilitation sub-programme.

### Additional provincial funding: R27.3 million

Non-profit institutions baseline is increased by an additional amount of R27.3 million, which comprises of R15.3 million allocated to Substance Abuse, Prevention and Rehabilitation sub-programme to increase the capacity in Randfontein Life Recovery Treatment Centre to 400 beds and establishment of a treatment centre in the Sedibeng region.

Further amount of R12 million is allocated to Poverty Alleviation and Sustainable Livelihoods sub-programme to establish Centres of Excellence in Sedibeng and Johannesburg regions as a replica to Father Smangalisso Mkhathshwa model.

### 7.1. Changes in Conditional Grants

No changes.

### 7.2. Changes in Infrastructure

Refer to 2016 Adjusted Estimates of Capital Expenditure (AECE)

# VOTE 7

## DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	418 763	516 463		97 700
of which:				
Current payments	381 605	417 695		36 090
Transfers and subsidies	9 053	42 937		33 884
Payments for capital assets	28 105	55 805		27 700
Payment for financial assets		26		26
Executive authority	MEC for Cooperative Governance and Traditional Affairs			
Accounting officer	Head of Department			

### 1. Vision and Mission

#### Vision

Lead provincial departments in the coordination, collaboration, and facilitation of cooperative governance in building a globally competitive and people-driven Gauteng City-Region.

#### Mission

In pursuit of our vision of cooperative governance, COGTA shall: Support, facilitate, coordinate, and regulate inter-sphere and cross-departmental integrated planning, budgeting, implementation; Monitor, evaluate and report on local government performance in order to achieve an accountable, stable, efficient, effective and resilient, activist and ethical local government and empowered communities.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 7.1: DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	123 863									123 863
2. Local Governance	203 091									203 091
3. Development and Planning	81 395			27 700				70 000	97 700	179 095
4. Traditional Institutional Development	10 414									10 414
<b>Total for programmes</b>	<b>418 763</b>			<b>27 700</b>				<b>70 000</b>	<b>97 700</b>	<b>516 463</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>381 605</b>				(3 910)			40 000	36 090	417 695
Compensation of employees	281 299									281 299
Salaries & wages	242 229									242 229
Social contributions	39 070									39 070
Goods and services	100 306				(3 910)			40 000	36 090	136 396
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>9 053</b>				3 884			30 000	33 884	42 937
Provinces and municipalities	7 000				3 884			30 000	33 884	40 884
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	2 053									2 053
<b>Payments for capital assets</b>	<b>28 105</b>			27 700					27 700	55 805
Buildings and other fixed structures	8 000			27 700					27 700	35 700
Machinery and equipment	20 105									20 105
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Software and other intangible assets										
Payments for financial assets					26				26	26
Thefts & Losses					26				26	26
<b>Total economic classification</b>	<b>418 763</b>			<b>27 700</b>				<b>70 000</b>	<b>97 700</b>	<b>516 463</b>

The 2016/17 main appropriation of the department amounts to R419 million, made up of R417 million equitable share and R2 million conditional grant earmarked for the Expanded Public Works Programme (EPWP) in order to contribute to job creation in the province. The department's budget is adjusted upwards by R97.7 million to an adjusted appropriation of R516 million. The increase mainly relates to the roll-over of R27.7 million for the building procured for the Provincial Disaster Management Centre (PDMC). The increase is also attributed to additional funding of R30 million earmarked for transfers to municipalities as part of an intervention to address service delivery challenges at Emfuleni LM for the new Pump Station in Vereeniging, Rand West LM (Mohlakeng Ext. 5 and 11 for Electricity Services, and R20 million to assist Merafong LM (Khutsong) with water infrastructure replacement and refurbishment as part of the Ntirhisano outreach programme. The additional funding will enable the department to assist the affected municipalities with service delivery challenges backlogs and improve the quality of lives of residences of these municipalities as part of the premier's Ntirhisano outreach programme which aims to address service delivery challenges throughout the province. A further R20 million is received to support interventions in respect of recent floods in the province.

An amount of R3.8 million was reallocated from goods and services to transfers and subsidies and is earmarked to be transferred to Merafong LM and Emfuleni LM to assist with water provision through water tankers to affected areas; the verification of large electricity accounts; metering equipment; and the water infrastructure maintenance project. The budget is also re-aligned within programmes, sub-programmes and economic classification to address the core outputs of the department. The shifts aim to ensure the achievement of the operational requirements and the realization of the departmental objectives. The adjustments budget will further assist the department as an intervention to address and improve service delivery challenges that were identified in Emfuleni and Merafong Local Municipalities. Funds are further shifted within compensation of employees to fund personnel requirements within programme 4.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 7.2: PROGRAMME 1: ADMINISTRATION

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office of The MEC	4 629								(800)	3 829
2. Corporate Services	119 234								800	120 034
<b>Total for programme</b>	<b>123 863</b>									<b>123 863</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>117 705</b>				(26)				(26)	<b>117 679</b>
Compensation of employees	79 842									79 842
Salaries & wages	68 976									68 976

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Social contributions	10 866								10 866	
Goods and services	37 863				(26)			(26)	37 837	
Interest and rent on land										
Interest (Incl. interest on finance leases)										
Rent on land										
<b>Transfers and subsidies</b>	<b>2 053</b>								<b>2 053</b>	
Provinces and municipalities										
Non-profit institutions										
Households	2 053								2 053	
<b>Payments for capital assets</b>	<b>4 105</b>								<b>4 105</b>	
Buildings and other fixed structures										
Machinery and equipment	4 105								4 105	
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>					26			26	26	
<b>Total economic classification</b>	<b>123 863</b>								<b>123 863</b>	

TABLE 7.3: DETAILS OF SHIFTS AND VIREMENT PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(7 529)</b>		<b>7 503</b>
Compensation of employees				
Goods and services	Lack of office space is the main reason for low expenditure on consumable suppliers, less than anticipated take up for the training and departmental meetings held within the premises	(7 529)	Reallocation of funds to cater for expenditure incurred during the voter education campaigns	7 503
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(1 500)</b>		<b>1 500</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households	Pension for Ex Development members is re-classified within households benefits	(1 500)	Pension for Ex Development members is re-classified within households benefits	1 500
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				

Economic classification	Motivation	From	Motivation	To
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>			To write off irrecoverable staff debts	<b>26</b>
<b>Total economic classification</b>		<b>(9 029)</b>		<b>9 029</b>

### Virements and shifts

An amount of R9 million is shifted within the programme to address areas with significant budget pressures. Funds were shifted within goods and services from savings realized on items such as consumable supplies due to lack of office space; low uptake of bursaries and training; venues and facilities due to meetings being held within departmental premises. Savings realized were re-directed to cover the cost incurred during the 2016 voter education election campaigns.

Funds are also re-classified within household benefits to provide for the pension of Ex-development members and to write-off irrecoverable staff debts on payment for financial assets.

### Programme 2: Local Governance

TABLE 7.4: PROGRAMME 2: LOCAL GOVERNANCE

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Municipal Administration	14 364								14 364	
2. Municipal Finance	11 604				(950)			(950)	10 654	
3. Public Participation	145 933				(700)			(700)	145 233	
4. Capacity Development	16 708				1 650			1 650	18 358	
5. Municipal Performance, Monitoring, Reporting & Evaluation	14 482								14 482	
<b>Total for programme</b>	<b>203 091</b>								<b>203 091</b>	

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>198 091</b>				<b>(3 384)</b>			<b>(3 384)</b>	<b>194 707</b>	
Compensation of employees	165 946								165 946	
Salaries & wages	142 713								142 713	
Social contributions	23 233								23 233	
Goods and services	32 145				(3 384)			(3 384)	28 761	
Interest and rent on land										
Interest (Incl. interest on finance leases)										
Rent on land										
<b>Transfers and subsidies</b>	<b>5 000</b>				<b>3 384</b>			<b>3 384</b>	<b>8 384</b>	
Provinces and municipalities	5 000				3 384			3 384	8 384	
Households										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Heritage assets										
Specialized military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>203 091</b>								<b>203 091</b>	

TABLE 7.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: LOCAL GOVERNANCE

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(7 732)</b>		<b>4 348</b>
Compensation of employees				
Goods and services	Training for CDWs deferred; printing and gazetting of municipal review reports deferred; use of consultants rationalised; and travelling minimised due to meetings being held within departmental premises.	(7 732)	Funds are made available to cater for expenditure incurred during the voter education campaigns.	4 348
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>3 384</b>
Provinces and municipalities			Funds are made available to assist Emfuleni LM with the verification of large electricity accounts; metering equipment; and water infrastructure maintenance project	3 384
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organizations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialized military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(7 732)</b>		<b>7 732</b>

**Virements and shifts**

An amount R7.7 million is shifted within goods and services and to transfers and subsidies to fund expenditure incurred during the voter education campaigns; to assist Emfuleni LM with the verification of the largest electricity accounts; the

purchase of metering equipment; and water infrastructure maintenance projects as part of the departments intervention to address service delivery challenges in the municipality.

Savings reprioritised emanate from deferred conferences and training of CDWs; delayed printing and gazetting of municipal review reports; rationalised use of consultants; and minimal travelling due to meetings being held within premises. The department also realised savings on items such as catering, consumable suppliers and agency, and outsourced services as part of cost containment. All savings realised were re-directed to support the core objectives of the department.

### Programme 3: Development Planning

TABLE 7.6: PROGRAMME 3: DEVELOPMENT PLANNING

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Land Use Management	608				(500)			(500)	108	
2. IDP Coordination	6 001								6 001	
3. Disaster Management	58 260			27 700				20 000	105 960	
4. Municipal Infrastructure	16 526				500			50 000	67 026	
<b>Total for programme</b>	<b>81 395</b>			<b>27 700</b>				<b>70 000</b>	<b>179 095</b>	

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>55 395</b>				(500)			40 000	39 500	94 895
Compensation of employees	30 316									30 316
Salaries & wages	26 072									26 072
Social contributions	4 244									4 244
Goods and services	25 079				(500)			40 000	39 500	64 579
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>2 000</b>				500			30 000	30 500	32 500
Provinces and municipalities	2 000				500			30 000	30 500	32 500
Households										
<b>Payments for capital assets</b>	<b>24 000</b>			27 700					27 700	51 700
Buildings and other fixed structures	8 000			27 700					27 700	35 700
Machinery and equipment	16 000									16 000
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>81 395</b>			<b>27 700</b>				<b>70 000</b>	<b>97 700</b>	<b>179 095</b>

**TABLE 7.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: DEVELOPMENT PLANNING**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(6 780)</b>		<b>6 280</b>
Compensation of employees				
Goods and services	Tender process for photo copier machines deferred till 2017 when the PDMC is fully functional, including delays in the installation of telephone lines for the PDMC.	(6 780)	Funding is made available for creating public awareness around the PDMC in light of the recent floods that affected the province and for the PDMC to provide some relief to affected communities.	6 280
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>500</b>
Provinces and municipalities			Funds are made available to provide assistance to Merafong LM with water provision through water tankers to affected areas	500
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organizations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(6 780)</b>		<b>6 780</b>

**Provincial roll-over: R27.7 million**

The program receives a provincial roll-over amount of R27.7 million for the procurement of the building for the Provincial Disaster Management Centre (PDMC). The centre will enable the province to be better equipped for responding to disasters in more coordinated manner.

**Virements and shifts**

The tender process for the procurement of photo copier machines and the installation of the telephone line is deferred until 2017 when the PDMC would be fully functional. Because of this funds are re-allocated within goods and services and transfers and subsidies to provide for the campaigns and marketing of the new PDMC to the amount of R6 million, whilst R500 000 will be transferred to Merafong LM to assist the municipality with water distribution to communities using water tankers to affected areas.

**Additional provincial funding: R70 million**

An additional amount of R70 million is allocated to the department to enable it to assist local municipalities in the province with service delivery challenges as part of the Ntirhisano outreach programme. From the additional amount, R30 million will be transferred to municipalities. In this regard, Emfuleni LM is allocated R14 million for the new pump station for water reticulation as part of challenge identified during the Ntirhisano outreach visit program; and R16 million each will be transferred to Rand West L M for the Mhlakeng Extension 5 and 11 electricity services. Furthermore, another R20 million is allocated to the department to enable it to implement a project related to water infrastructure replacement and refurbishment in Merafong (Khutsong) as part of the Ntirhisano outreach program. A further R20 million is received to support interventions in respect of recent floods in the province.

## Programme 4: Traditional Institutional Management

TABLE 7.8: PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

Sub- programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Traditional Institutional Administration	4 850								4 850	
2. Traditional Resource Admin	4 206				(450)			(450)	3 756	
3. Rural Development Facilita	411								411	
4. Traditional Land Admin	947				450			450	1 397	
<b>Total for programme</b>	<b>10 414</b>								<b>10 414</b>	

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>10 414</b>								<b>10 414</b>	
Compensation of employees	5 195								5 195	
Salaries & wages	4 468								4 468	
Social contributions	727								727	
Goods and services	5 219								5 219	
Interest and rent on land										
Interest (Incl. interest on finance leases)										
Rent on land										
<b>Transfers and subsidies</b>										
Provinces and municipalities										
Households										
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>10 414</b>								<b>10 414</b>	

**TABLE 7.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(726)</b>		<b>726</b>
Compensation of employees	Reallocation of funds to align budget with the recent approved organisational structure.	(450)	Reallocation of funds to align budget with the recent approved organisational structure.	450
Goods and services	Use of consultant services minimized.	(276)	Funds are made available to provide for the Amandebele Ba Lebelo heritage celebration and Amandebele Ndzunza Sokhumi commemoration event and to supplement the training budget for traditional leaders and host cultural events.	276
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialized military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(726)</b>		<b>726</b>

### Virements and shifts

Funds are reallocated within the programme and within compensation of employees to align the budget with the recent approved organisational structure. Shifts made within goods and services will provide for the support of Amandebele Ba Lebelo heritage celebration and Amandebele Ndzunza Sokhumi commemoration event.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

**TABLE 7.10: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17: COOPERATE GOVERNANCE AND TRADITIONAL AFFAIRS**

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
1. Administration	115 582	47 658	105 531	94%	123 863	65 372	37%
2. Local Governance	200 631	86 384	206 287	99%	203 091	90 681	5%
3. Development and Planning	83 116	17 822	50 268	64%	179 095	54 945	208%
4. Traditional Institutional Development	7 248	3 310	6 802	94%	10 414	3 698	12%
<b>Total for programmes</b>	<b>406 577</b>	<b>155 174</b>	<b>368 888</b>	<b>91%</b>	<b>516 463</b>	<b>214 696</b>	<b>38%</b>
<b>Current payments</b>	<b>362 575</b>	<b>144 228</b>	<b>316 556</b>	<b>98%</b>	<b>417 695</b>	<b>171 800</b>	<b>19%</b>
Compensation of employees	254 419	119 868	247 479	97%	281 299	135 854	13%

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
Goods and Services	108 156	24 360	69 077	98%	136 396	35 946	48%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>13 730</b>	<b>10 417</b>	<b>50 659</b>	<b>99%</b>	<b>42 937</b>	<b>9 466</b>	<b>(9%)</b>
Provinces and municipalities	11 563	9 563	48 988	99%	40 884	8 733	0%
Departmental agencies and accounts							
Higher education institutions							
Foreign governments & international organizations							
Public corporations & private enterprises							
Non-profit institutions							
Households	2 167	854	1 671	93%	2 053	733	(14%)
<b>Payments for capital assets</b>	<b>30 146</b>	<b>403</b>	<b>1 170</b>	<b>4%</b>	<b>55 805</b>	<b>33 404</b>	<b>8 189%</b>
Buildings and other fixed structures					35 700	31 600	
Machinery and equipment	30 146	403	1 170	4%	20 105	1 804	348%
Heritage assets							
Land and sub-soil assets							
Software and other intangible assets							
<b>Payments for financial assets</b>	<b>126</b>	<b>126</b>	<b>503</b>	<b>100%</b>	<b>26</b>	<b>26</b>	<b>0%</b>
<b>Total economic classification</b>	<b>406 577</b>	<b>155 174</b>	<b>368 888</b>	<b>91%</b>	<b>516 463</b>	<b>214 696</b>	<b>38%</b>

### Expenditure trends 2015/16

Total expenditure for the department in the 2015/16 financial year amounts to R369 million. This represents 91 per cent of the total budget of R406.6 million. The expenditure was driven mainly by the support rendered to municipalities in addressing service delivery challenges relating to electricity and water infrastructure. Such interventions include amongst others; the Boiketlong informal settlement high mass street lighting and water and sanitation provision projects. In terms of personnel, only critical posts were filled due to unavailability of office space which resulted in underspending on compensation of employees.

### Expenditure trends in the first half of 2016/17

Expenditure for the first six months of the 2016/17 financial year amounts to R215 million. This represents 42 per cent of the total allocation of R516 million. The biggest drivers of expenditure to date are the department's procurement of the PDMC building, marketing of the PDMC, Imbizos held for the voter education elections campaign and support for municipalities in the following projects: GRAP 17, Performance Management System (PMS), EPWP, water infrastructure, verification of largest electricity accounts and metering equipment. Funds have been re-prioritised within the department's goods and services budget from areas which demonstrated trends of underspending to areas which demonstrated spending pressures.

### Programme 1: Administration

Expenditure for the programme amounts to R65.3 million or 37 per cent in the first half of 2016/17 compared to R47.6 million spent over the same period in 2015/16. Apart from compensation of employees, the drivers of expenditure in the programme are telecommunication equipment for voter education during elections campaigns, Microsoft software licenses and settlement of legal services fees on various legal opinion matters. Despite that, expenditure remains relatively low due to unavailability of office space.

### Programme 2: Local Governance

The programme expenditure amounts to R90.7 million or 45 per cent of the total budget in the 2016/17 financial year compared to R86.3 million spent over the same period in the 2015/16 financial year. The under expenditure on goods and services is due to late procurement on the following projects: Top 100 debtors accounts; Implementation of tariff model; and contract management training for municipalities that started during the second quarter and payment will

be effected during the third and fourth quarters of the financial year in line with the demand and procurement plans of the department.

### Programme 3: Development and Planning

As at mid-2016/17, expenditure amounts to R54.9 million or 31 per cent of the total allocation of R179 million. The key drivers of expenditure on the programme is from buildings and fixed structures due to the procurement of a building for the PDMC. The department received a provincial roll-over of R27.7 million during the adjustments budget.

### Programme 4: Traditional Institutional Development

The programme expenditure for mid-2016/17 amounts to R3.7 million or 36 per cent compared to R3.3 million spent over the same period in 2015/16. The under expenditure in goods and services is due to the delay in transferring funds to the traditional leaders as a result of outstanding financial information for the previous transfers. Expenditure is expected to increase in the second half of the year due to the department hosting two cultural events and a rural women's empowerment seminar during the third and fourth quarters, including the transfer of funds to the traditional leaders.

## 6. Departmental receipts

TABLE 7.11: DEPARTMENTAL RECIEPTS

Department	2015/16				2016/17		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 -March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
<b>Tax receipts</b>							
Casino taxes							
Horse racing taxes							
Liquor licenses							
Motor vehicle licenses							
Sales of goods and services other than capital assets	141	160	292	207%	148	190	128%
Of which Health patient fees							
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	26	6	6	23%	27	1	4%
Sales of capital assets							
Financial transactions in assets and liabilities	314	52	60	19%	331	1 279	386%
<b>Total receipts</b>	<b>481</b>	<b>218</b>	<b>358</b>	<b>74%</b>	<b>506</b>	<b>1 470</b>	<b>291%</b>

### Revenue trends for the first half of 2016/17

The main revenue sources for the department during the 2016/17 financial year are parking fees, sale of tender documents and third party commission. The department noted a trend of increasing number of potential bidders in response to tenders advertised. This trend increases sales of tender documents, which in turn makes revenue on sales of non-capital goods and services to be R42 000 higher than the R148 000 budgeted for Interest, dividends and rent on land currently shows a six monthly collection of R1 000. The item comprises of interest on debt from staff members.

The department received a once off amount of R1.2 million from the City of Tshwane Metropolitan Municipality for unspent funds relating to the debtors management grant transferred during the 2013/14 financial year. The grant was intended to assist the municipality with its debtor's management system.

Financial transactions in assets and liabilities are the major revenue generator item for the department. All funds recovered after year end are allocated to this item.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 7.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

PROGRAMME	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Programme 2</b>	<b>5 000</b>				<b>3 384</b>				<b>3 384</b>	<b>8 384</b>
Provinces and Municipalities	5 000				3 384				3 384	8 384
<b>Programme 3</b>	<b>2 000</b>				<b>500</b>			<b>30 000</b>	<b>30 500</b>	<b>32 500</b>
Provinces and Municipalities	2 000				500			30 000	30 500	32 500
<b>Total changes in transfer payments</b>	<b>7 000</b>				<b>3 884</b>			<b>30 000</b>	<b>33 884</b>	<b>40 884</b>

#### Virements and shifts

The main budget for transfers to municipalities amounts to R7 million for the year under review. These funds are to improve the Performance Management System in municipalities and to implement asset management in line with GRAP 17; and R2 million for EPWP in order to broaden job creation initiatives. The department shifts R3.4 million and R500 000 from goods and services to transfers and subsidies so that it can be transferred to Emfuleni LM and Merafong LM to assist the municipalities with the verification of the large electricity accounts, metering equipment, water infrastructure maintenance projects and provision of water tankers as part of the department's intervention to address service delivery challenges in these municipalities.

The department receives additional funding of R30 million during the adjustments budget. This amount is earmarked for transfers to municipalities: Emfuleni LM is allocated R14 million for the upgrading of the pump station for water reticulation as part of addressing challenges identified during the Ntirhisano outreach visit, and R16 million is allocated to Rand West LM for the Mhlakeng extension 5 and 11 electricity services.

#### 7.2 Changes to conditional grants

No changes.

#### 7.3 Changes to infrastructure

No changes.



# VOTE 8

## DEPARTMENT OF HUMAN SETTLEMENTS

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	5 871 166	6 048 666		177 500
of which:				
Current payments	560 595	642 193		81 598
Transfers and subsidies	5 260 704	5 361 004		100 300
Payments for capital assets	49 867	45 367	(4 500)	
Payment for financial assets		102		102
Executive authority	MEC for Human Settlements and Cooperative Governance and Traditional Affairs			
Accounting officer	Head of Department			

### 1. Vision and Mission

#### Vision

Integrated sustainable human settlements and improved quality of household life

#### Mission

To provide relevant differentiated, quality housing opportunities to qualifying beneficiaries in partnership with various stakeholders

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 8.1 DEPARTMENT OF HUMAN SETTLEMENTS

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	439 358			27 500	(43 234)			50 000	34 266	473 624
2. Housing, Needs, Research & Planning	33 078				220				220	33 298
3. Housing Development	5 287 261			100 000	32 014				132 014	5 419 275
4. Housing Assets Property Managment	111 469				11 000				11 000	122 469
<b>Total for programmes</b>	<b>5 871 166</b>			<b>127 500</b>				<b>50 000</b>	<b>177 500</b>	<b>6 048 666</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>560 595</b>			<b>19 000</b>	<b>12 598</b>			<b>50 000</b>	<b>81 598</b>	<b>642 193</b>
Compensation of employees	404 372									404 372
Salaries & wages	333 328									333 328
Social contribution	71 044									71 044
Goods and services	156 223			19 000	12 598			50 000	81 598	237 821
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>5 260 704</b>			<b>100 000</b>	<b>300</b>				<b>100 300</b>	<b>5 361 004</b>
Provinces and municipalities										
Households	5 260 704			100 000	300				100 300	5 361 004
<b>Payments for capital assets</b>	<b>49 867</b>			<b>8 500</b>	<b>(13 000)</b>				<b>(4 500)</b>	<b>45 367</b>
Buildings and other fixed structures										
Machinery and equipment	40 000			8 500	(15 000)				(6 500)	33 500
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	9 867					2 000			2 000	11 867
<b>Payments for financial assets</b>						<b>102</b>			<b>102</b>	<b>102</b>
<b>Total economic classification</b>	<b>5 871 166</b>			<b>127 500</b>				<b>50 000</b>	<b>177 500</b>	<b>6 048 666</b>

The 2016/17 main appropriation of the Department of Human Settlements amounts to R5.9 billion, which consists of R5 billion Human Settlements Development Grant and R900 million in the form of the equitable share.

The departmental budget is adjusted upwards by R177.5 million to an adjusted appropriation of R6 billion. The increase in the department's budget mainly relates to a roll-over of R127.5 million and R50 million additional funding. The roll-over of 27.5 million is approved for payment of rates and taxes for housing stock and for the procurement of laptops and furniture for the new Johannesburg regional offices while R100 million is allocated for the infrastructure implementation for the housing development in Syferfontein phase 2 project. The project will support the department's new strategy of

mega human settlements and new cities as part of achieving decisive spatial transformation and modernising human settlements and urban development. R30 million additional funding is allocated for municipal services to ensure that the department's municipal debt is brought up to date and R20 million is made available to the department for security services.

Through virements personnel funds (i.e. R34 million) mis-classified under (Corporate Services sub-unit) in Administration programme are re-classified to (Administration sub-unit) under Housing Development programme where the functions are performed.

Through shifts, the goods and services budget increases by R13 million due to R15 million being re-classified from finance lease under capital assets to operating leases under goods and services. Payment for capital assets budget increases by R2 million due to a shift made from goods and services to capital assets for the provision of IT infrastructure to the newly leased Johannesburg regional office.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 8.2: PROGRAMME 1: ADMINISTRATION

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Corporate Services	439 358			27 500	(43 234)			50 000	34 266	473 624
<b>Total for programme</b>	<b>439 358</b>			<b>27 500</b>	<b>(43 234)</b>			<b>50 000</b>	<b>34 266</b>	<b>473 624</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
<b>Current payments</b>	<b>389 175</b>			<b>19 000</b>	<b>(30 626)</b>			<b>50 000</b>	<b>38 374</b>	<b>427 549</b>
Compensation of employees	242 921				(39 414)				(39 414)	203 507
Salaries & wages	194 474				(28 790)				(28 790)	165 684
Social contribution	48 447				(10 624)				(10 624)	37 823
Goods and services	146 254			19 000	8 788			50 000	77 788	224 042
Interest and rent on land										
Interest (Incl. interest on finance leases)										
Rent on land										
<b>Transfers and subsidies</b>	<b>316</b>				<b>300</b>				<b>300</b>	<b>616</b>
Provinces and municipalities										
Households	316				300				300	616
<b>Payments for capital assets</b>	<b>49 867</b>			<b>8 500</b>	<b>(13 010)</b>				<b>(4 510)</b>	<b>45 357</b>
Buildings and other fixed structures										
Machinery and equipment	40 000			8 500	(15 010)				(6 510)	33 490
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Software and other intangible assets	9 867				2 000				2 000	11 867
Payments for financial assets					102				102	102
Total economic classification	439 358			27 500	(43 234)			50 000	34 266	473 624

TABLE 8.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(58 226)</b>		<b>27 600</b>
Compensation of employees	Personnel funds mis-classified under (Corporate Services sub-unit) under Administration programme are re-classified under (Administration sub-unit) under Housing Development programme where functions are performed	(39 414)		
Goods and services	Fewer applications for busarries and training received; telephone management system installed; funds mis-classified under contractors; provision of refreshments during strategic meetings minimised; and provision of transport for events not supporting departmental outputs minimised	(18 812)	Funds are made available for awareness campaigns; catering and venues during the handing over of title deeds as the department ensures that the backlog on pre 1994 and current stock is cleared; funds made available for specialists who support mega human settlements priority; finance lease re-classified as operating lease; contractors re-classified as property payments and provision for cleaning services at regional offices	27 600
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>300</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households			Payment of benefits due to former employees	300
<b>Payments for capital assets</b>		<b>(15 010)</b>		<b>2 000</b>
Buildings and other fixed structures				
Machinery and equipment	Funds mis-classified as finance lease are re-classified as operating leases (G-fleet lease)	(15 010)		
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets			Provision for IT infrastructure to the newly leased Johannesburg regional office	2 000
<b>Payments for financial assets</b>			Provision for bad debts written off	<b>102</b>
<b>Total economic classification</b>		<b>(73 236)</b>		<b>30 002</b>

**Provincial roll-over: R27.5 million**

The roll-over is approved for payment of rates and taxes for housing stock and for the procurement of laptops and furniture for the newly acquired Johannesburg regional offices.

### Virements and shifts

Through virements, the budget decreases by R43 million for which R39 million were personnel funds mis-classified under (Corporate Services sub-unit) under Administration programme and are re-classified under (Administration sub-unit) under Housing Development programme where functions are performed. A further R3.8 million is reprioritised within goods and services on traveling and subsistence and venues and facilities from Administration programme to Housing Development and Housing Needs, Research and Planning programme where the functions are performed.

Through shifts, goods and services increase by R13 million due to the reclassification of vehicle leases from financial lease to operational lease. Another R2 million is shifted from goods and services to software and other intangible assets under capital assets to provide for IT infrastructure to the newly leased Johannesburg regional office. Funds are also shifted within goods and services to provide mainly for awareness campaigns; catering and venues during the handing over of title deeds as the department ensures that the backlog on pre 1994 and current stock is cleared; specialists who support mega human settlements priority; contractors re-classified as property payments; and provision for cleaning services at regional office.

### Additional provincial funding: R50 million

Through additional funding and rollovers, the budget for the programme increases by R34.3 million from R439.3 million to R473.6 million. The R50 million additional funding comprise of R30 million allocated for municipal services to ensure that the department's municipal debt is brought up to date and R20 million that is made available to the department for security services.

## Programme 2: Housing Needs, Research and Planning

TABLE 8.4: PROGRAMME 2: HOUSING NEEDS, RESEARCH AND PLANNING

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	11 272				47				47	11 319
2. Policy	10 611				100				100	10 711
3. Planning	11 195				73				73	11 268
4. Reaserch										
<b>Total for programme</b>	<b>33 078</b>				<b>220</b>				<b>220</b>	<b>33 298</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>33 078</b>				<b>210</b>				<b>210</b>	<b>33 288</b>
Compensation of employees	32 657									32 657
Salaries & wages	25 318									25 318
Social contribution	7 339									7 339
Goods and services	421				210				210	631
Interest and rent on land										
Interest (Incl. interest on finance leases)										
Rent on land										
<b>Transfers and subsidies</b>										
Provinces and municipalities										
Households										
<b>Payments for capital assets</b>					<b>10</b>				<b>10</b>	<b>10</b>

Vote 8 - Human Settlements

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Buildings and other fixed structures										
Machinery and equipment					10			10	10	
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
<b>Total economic classification</b>	<b>33 078</b>				<b>220</b>			<b>220</b>	<b>33 298</b>	

**TABLE 8.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: HOUSING NEEDS, RESEARCH AND PLANNING**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(351)</b>		<b>561</b>
Compensation of employees				
Goods and services	Issuing of stationery controlled and expenditure on operating payments is incurred under administration programme and therefore funds are re-directed to areas with spending pressures.	(351)	Funds are made available to provide for specialists services who supports the department's priority of mega human settlements and funds are reallocated from Administration programme on travelling and subsistence and venues and facilities item to this programe where functions are performed	561
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				<b>10</b>
Buildings and other fixed structures				
Machinery and equipment			Reallocation of funds from Administration programme to Housing Needs, Research and Planning programme where expenditure is incurred	10
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(351)</b>		<b>571</b>

### Virements and shifts

Through virements, the budget for this programme is adjusted upwards by R220 000 from R33 million to R33.2 million due to virements made from Administration programme under travelling and subsistence and venues and facilities to this programme where the function is performed.

A total of R351 000 is reallocated within goods and services due to lower expenditure on stationery as the use of stationery is controlled and non expenditure on operating payments due to the expenditure being incurred on administration programme. The funds are made available to provide for specialists services to support the department's mega projects.

### Programme 3: Housing Development

TABLE 8.6: PROGRAMME 3: HOUSING DEVELOPMENT

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	128 848				43 014				43 014	171 862
2. Financial Interventions	339 157				118 624				118 624	457 781
3. Incremental Interventions	4 226 619			100 000	(311 007)				(211 007)	4 015 612
4. Social And Rental Intervention	510 427				246 007				246 007	756 434
5. Rural Intervention	82 210				(64 624)				(64 624)	17 586
<b>Total for Programme</b>	<b>5 287 261</b>			<b>100 000</b>	<b>32 014</b>				<b>132 014</b>	<b>5 419 275</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>126 643</b>				<b>43 014</b>				<b>43 014</b>	<b>169 657</b>
Compensation of employees	120 565				39 414				39 414	159 979
Salaries & wages	107 750				28 790				28 790	136 540
Social contribution	12 815				10 624				10 624	23 439
Goods and services	6 078				3 600				3 600	9 678
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>5 160 618</b>			<b>100 000</b>	<b>(11 000)</b>				<b>89 000</b>	<b>5 249 618</b>
Provinces and municipalities										
Households	5 160 618			100 000	(11 000)				89 000	5 249 618
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>5 287 261</b>			<b>100 000</b>	<b>32 014</b>				<b>132 014</b>	<b>5 419 275</b>

TABLE 8.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: HOUSING DEVELOPMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				<b>43 014</b>
Compensation of employees			Personnel funds mis-classified under (Corporate Services sub-unit) in Administration programme are re-classified to (Administration sub-unit) under Housing Development programme where functions are performed	39 414
Goods and services			Reallocation of mis-classified funds under travelling and subsistence and venues and facilities from Administration programme to Housing Development where functions are performed	3 600
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(375 631)</b>		<b>364 631</b>
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households	Departmental business plan realting to the Human Settlements Development Grant reprioritised	(375 631)	Departmental business plan realting to the Human Settlements Development Grant reprioritised	364 631
<b>Payments for capital assets</b>				
Buildings and other fixed structures Machinery and equipment Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(375 631)</b>		<b>407 645</b>

**Provincial roll-overs: R100 million**

An amount of R100 million is allocated to infrastructure implementation for the housing development in Syferfontein phase 2 project. The project will support the department's new strategy of mega human settlements and new cities as part of achieving decisive spatial transformation and modernising human settlements and urban development.

**Virements and shifts**

Through virements, the programme receives R43 million from Programme 1. This amount comprises R39.4 million allocated to compensation of employees which were funds mis-classified under (Corporate Services sub-unit) in Administration programme and are re-classified to (Administration sub-unit) under Housing Development programme where functions are performed. An amount of R3.6 million under goods and services is mis-classified funds under travelling and subsistence and venues and facilities from Administration programme to Housing Development where functions are performed.

A total of R376 million is reprioritized on the programme due to the reprioritization of the department's business plan. R364 million is reprioritized within the programmes as per the business plan whilst R11 million is reallocated to programme 4 to fund the Enhanced Extended Discount Benefit Scheme (EEDBS).

## Programme 4: Housing Assets and Property Management

TABLE 8.8: PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	11 699									11 699
2. Sales & Transfer Of Hous Props	51 000				11 000				11 000	62 000
3. Devolution Of Housing Properties	2 270									2 270
4. Housing Properties Naintenance	46 500									46 500
<b>Total for Programme</b>	<b>111 469</b>				<b>11 000</b>				<b>11 000</b>	<b>122 469</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>11 699</b>									<b>11 699</b>
Compensation of employees	8 229									8 229
Salaries & wages	5 786									5 786
Social contribution	2 443									2 443
Goods and services	3 470									3 470
Interest and rent on land										
Interest (Incl. interest on finance leases)										
Rent on land										
<b>Transfers and subsidies</b>	<b>99 770</b>				<b>11 000</b>				<b>11 000</b>	<b>110 770</b>
Provinces and municipalities										
Households	99 770				11 000				11 000	110 770
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>111 469</b>				<b>11 000</b>				<b>11 000</b>	<b>122 469</b>

TABLE 8.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				
Compensation of employees				
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>11 000</b>
Provinces and municipalities				

Economic classification	Motivation	From	Motivation	To
Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households			R11 million is reallocated from Programme 3 to fund the Enhanced Extended Discount Benefit Scheme Programme.	11 000
<b>Payments for capital assets</b>				
Buildings and other fixed structures Machinery and equipment Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>				<b>11 000</b>

### Virements and shifts

The programme receives R11 million from programme 3 to fund the Enhanced Extended Discount Benefit Scheme Programme which exceeded the planned target on residential properties to be transferred to beneficiaries. The move was informed by the reprioritisation of the departmental business plan.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 8.10 EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17: DEPARTMENT OF HUMAN SETTLEMENTS

Department	2015/16 Expenditure Outcome				2016/17 Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016 - September 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
1.Administration	398 543	153 895	364 915	92%	473 624	165 613	8%
2.Housing needs, Research and Planning	25 798	9 945	22 369	87%	33 298	9 145	(8%)
3.Housing Development	4 446 184	1 690 770	4 278 821	96%	5 419 275	2 611 679	54%
4.Housing Assets Management Property Management	215 379	36 272	81 221	38%	122 469	81 221	124%
<b>Total for programmes</b>	<b>5 085 904</b>	<b>1 890 882</b>	<b>4 747 326</b>	<b>93%</b>	<b>6 048 666</b>	<b>2 867 658</b>	<b>52%</b>
<b>Current payments</b>	<b>599 406</b>	<b>241 126</b>	<b>549 943</b>	<b>92%</b>	<b>642 193</b>	<b>252 475</b>	<b>6%</b>
Compensation of employees	378 489	176 291	360 240	95%	404 372	188 166	7%
Goods and Services	220 917	64 835	189 703	86%	237 821	64 309	(1%)
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>4 458 424</b>	<b>1 646 204</b>	<b>4 196 305</b>	<b>94%</b>	<b>5 361 004</b>	<b>2 604 864</b>	<b>58%</b>
Provinces and municipalities							
Households	4 458 424	1 646 204	4 196 305	94%	5 361 004	2 604 864	58%
<b>Payments for capital assets</b>	<b>28 074</b>	<b>3 552</b>	<b>1 059</b>	<b>4%</b>	<b>45 367</b>	<b>10 216</b>	<b>188%</b>
Buildings and other fixed structures							
Machinery and equipment	16 926	187	1 052		33 500	10 216	5 363%
Heritage assets							

Department	2015/16 Expenditure Outcome				2016/17 Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
Specialised military assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets	11 148	3 365	7		11 867		(1%)
Payments for financial assets			19		102	103	
<b>Total economic classification</b>	<b>5 085 904</b>	<b>1 890 882</b>	<b>4 747 326</b>	<b>93%</b>	<b>6 048 666</b>	<b>2 867 658</b>	<b>52%</b>

### Expenditure trend for 2015/16

The total appropriation for the financial year 2015/16 amounted to R5 billion as a result of the departments budget being revised downwards by R908 million. As at the end of the financial year, total expenditure amounted to R4.7 billion or 93 per cent of the total adjusted budget. The main driver of expenditure was Programme 3 which spent R4.3 billion or 96 per cent. Goods and services spent 86 per cent or R190 million of the allocated budget. Compensation of employees expenditure amounted to R360 million or 92 per cent of the total allocation whilst transfers and subsidies expenditure totalled R4.2 billion or 94 per cent of the total allocation.

### Expenditure trends for the first half of 2016/17

As at the end of September 2016, the department's spending was R2.9 billion or 47 per cent of the R6 billion overall budget. The slow spending is attributed to the late approval of the business plan by the National Department of Human Settlements (NDHS). The conditional grant funds were disbursed to department in the last week of April 2016.

#### Programme 1: Administration

As at 30 September 2016, spending on the programme amounted to R166 million or 35 per cent of the total budget of R474 million. The main drivers of expenditure is compensation of employees and accruals relating to the G-fleet account in goods and services. For the period under review, overall management of cash versus budget shows significant improvement when compared to the same period in the previous financial year.

#### Programme 2: Housing Needs, Research and Planning

For the period under review, the programme spent R9.1 million or 27 per cent against the total budget of R33.3 million. The spending on this programme relates to compensation of employees, travelling and subsistence and use of consultants under goods and services. The programme expenditure is mainly attributed to Sub-programme: Policy which spent R7.4 million or 70 per cent of the total annual budget of R10.6 million. The programme expenditure is projected to increase significantly due to studies which were concluded for the period under review.

#### Programme 3: Housing Development

Expenditure amounted to R2.6 billion or 48 per cent against the total budget of R5.4 billion in the first half of 2016/17. The spending for the first half of the year indicates that the department is on track in terms of the expected spending and is consistent with the department's business plan.

#### Programme 4: Housing Assets and Property Management

The programme expenditure amounted to R81 million or 66 per cent against the total budget of R122 million as at the end of September 2016. The spending on this programme relates to transfers and subsidies in respect of transfers and in respect of property maintenance.

## 6. Departmental receipts

Table 8.11 DEPARTMENTAL RECEIPTS

Department	2015/16				2016/17		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
<b>Tax receipts</b>							
Sales of goods and services other than capital assets	393	464	1 442	4%	414	1 121	1%
Of which Health patient fees							
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	344	13	1 500	4%	362	7	
Sales of capital assets						3 046	
Financial transactions in assets and liabilities	3 692	1 028	34 716	9%	3 888	6 058	5%
<b>Total receipts</b>	<b>4 429</b>	<b>1 505</b>	<b>37 658</b>	<b>17%</b>	<b>4 664</b>	<b>10 232</b>	<b>6%</b>

### Revenue trends for the first half of 2016/17

The revenue sources for the department are parking fees, sale of tender documents, income from servitude rights and sale of scrap assets valued under R5 000. Income from servitude rights is higher because of increase in the number of lines installed on the land of the department. As at end of first half of the year sales of goods and services other than capital assets over collected by 270 per cent or R707 000. This was due to once off payment for servitudes. There is a trend of increasing number of potential bidders in response to tenders advertised; this trend increases sales of tender documents. Sale of capital assets recorded an over collection due to sale of properties, these were sale of farms which the department did not budget for. Financial assets and liabilities over collected by R6 million due to a surrender from Ekurhuleni Metropolitan Municipality for installation of bulk infrastructure.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 8.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Programme 3	5 160 617									5 160 617
Household	5 160 617							100 000	100 000	5 260 617
Programme 4	99 770									99 770
Household	99 770									99 770
<b>Total changes in transfers</b>	<b>5 260 387</b>							<b>100 000</b>	<b>100 000</b>	<b>5 360 387</b>

### Additional provincial funding: R100 million

The total budget for transfers and subsidies increases by a net amount of R100 million which is allocated for the infrastructure implementation for the housing development in Syferfontein phase 2 project. The project will support the department's new strategy of mega human settlements and new cities as part of achieving decisive spatial transformation and modernising human settlements and urban development.

## 7.2 Changes to conditional grants

TABLE 8.13: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Programme 3	4 946 673	(21 569)							4 925 104	
Human Settlements Development Grant	4 922 899								4 922 899	
Housing disaster grant in Ekurhuleni	21569	(21 569)								
EPWP	2 205								2 205	
<b>Programme 4</b>	<b>99 770</b>								<b>99 770</b>	
Human Settlements Development Grant	99 770								99 770	
<b>Total changes in conditional grants</b>	<b>5 046 443</b>	<b>(21 569)</b>							<b>5 024 874</b>	

The conditional grants decreases by R21.6 million. The grant relates to the Emergency Relief Funding (Provincial Disaster Grant) to repair houses that were damaged by hail storm in Ekurhuleni Metropolitan Municipality in November 2015.

## 7.3 Changes to infrastructure

Please refer to 2016 Adjusted Estimates on Capital Expenditure (AECE).



# VOTE 9

## DEPARTMENT OF ROADS AND TRANSPORT

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	7 299 704	7 909 447		609 743
of which:				
Current payments	1 825 192	1 769 730	(55 462)	
Transfers and subsidies	4 025 902	5 184 248		1 158 346
Payments for capital assets	1 448 610	955 469	(493 141)	
Payment for financial assets				
Executive authority	MEC Roads and Transport			
Accounting officer	Head of the Department			

### 1. Vision and Mission

#### Vision

A modern integrated, efficient and sustainable transport and road infrastructure system in Gauteng.

#### Mission

To provide an environmentally sustainable road infrastructure and integrated transport system and services that are reliable, accessible, safe, and affordable and which promote socio-economic development in Gauteng.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 9.1: ROADS AND TRANSPORT

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	317 797				(20 326)				(20 326)	297 471
2. Transport Infrastructure	2 552 176				(498 543)				(498 543)	2 053 633
3. Transport Operations	2 298 425		29 743		139 312				169 055	2 467 480
4. Transport Regulation	299 217				(20 443)				(20 443)	278 774
5. Gautrain Rapid Rail Link	1 832 089				400 000			580 000	980 000	2 812 089
<b>Total for programmes</b>	<b>7 299 704</b>		<b>29 743</b>					<b>580 000</b>	<b>609 743</b>	<b>7 909 477</b>

  

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>1 825 192</b>				<b>(55 462)</b>				<b>(55 462)</b>	<b>1 769 730</b>
Compensation of employees	631 320									631 320
Salaries & wages	574 518				(35 322)				(35 322)	539 196
Social contribution	56 802				35 322				35 322	92 124
Goods and services	1 193 502				(55 282)				(55 282)	1 138 220
Interest and rent on land	370				(180)				(180)	190
<b>Transfers and subsidies</b>	<b>4 025 902</b>	<b>29 743</b>			<b>548 603</b>			<b>580 000</b>	<b>1 158 346</b>	<b>5 184 248</b>
Provinces and municipalities	2 500				(1 000)				(1 000)	1 500
Departmental agencies and accounts	1 832 089				400 000			580 000	980 000	2 812 089
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises	2 186 420		29 743		149 543				179 286	2 365 706
Non-profit institutions										
Households	4 893				60				60	4 953
<b>Payments for capital assets</b>	<b>1 448 610</b>				<b>(493 141)</b>				<b>(493 141)</b>	<b>955 469</b>
Buildings and other fixed structures	1 413 961				(544 471)				(544 471)	869 490
Machinery and equipment	31 849				51 330				51 330	83 179
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	2 800									2 800
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>7 299 704</b>		<b>29 743</b>					<b>580 000</b>	<b>609 743</b>	<b>7 909 447</b>

The Department of Roads and Transport embarked on a process of reviewing and re-aligning its 2016/17 budget priorities, programmes and projects to the ten pillar programme of radical economic Transformation, Modernization

and Re-industrialization by developing strategic pillars that directly contributes to the accelerated Social Transformation pillar and supports the other pillars.

During this process, spending projections for the second half of the financial year were reviewed. The areas of reprioritisation and cost-saving measures were identified and implemented, this resulted in savings realised in programmes 1, 2 and 4. The identified savings in programme 1 and 2 were then redirected to emerging priorities and areas of budgetary pressures in other programmes and in programme 5 on the basis of a court order. Funds were also shifted within and between programmes and economic classification primarily from compensation of employees and infrastructure projects to areas of budgetary pressures and emerging priorities within goods and services and capital assets.

The tables above indicate the main appropriation, adjustments for the current financial year as well as the resultant adjusted budget for the department as a whole. The department was allocated an original budget of R7.3 billion at the beginning of the financial year, and it was adjusted upwards by a total amount of R29.7 million from the approved rollover related to Public Transport Operation Grant (PTOG) and R580 million from Provincial Treasury to supplement the budget for Gautrain to cover legal settlements.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 9.2: ADMINISTRATION

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office of the MEC	10 758				(595)				(595)	10 163
2. Management of the Department	20 411				(200)				(200)	20 211
3. Corporate Support	280 935				(18 931)				(18 931)	262 004
4. Departmental Strategy	5 693				(600)				(600)	5 093
<b>Total for programme</b>	<b>317 797</b>				<b>(20 326)</b>				<b>(20 326)</b>	<b>297 471</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>300 396</b>				<b>(10 775)</b>				<b>(10 775)</b>	<b>289 621</b>
Compensation of employees	161 542				6 500				6 500	168 042
Salaries & wages	149 189				(3 050)				(3 050)	146 139
Social contributions	12 353				9 550				9 550	21 903
Goods and services	138 754				(17 275)				(17 275)	121 479
Interest and rent on land	100									100
<b>Transfers and subsidies</b>	<b>500</b>									<b>500</b>
Provinces and municipalities										
Departmental agencies and accounts										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	500									500
<b>Payments for capital assets</b>	<b>16 901</b>				<b>(9 551)</b>				<b>(9 551)</b>	<b>7 350</b>
Buildings and other fixed structures					1 034				1 034	1 034

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Machinery and equipment	15 901				(10 585)				(10 585)	5 316
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	1 000									1 000
Payments for financial assets										
<b>Total economic classification</b>	<b>317 797</b>				<b>(20 326)</b>				<b>(20 326)</b>	<b>297 471</b>

TABLE 9.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(34 021)</b>		<b>23 246</b>
Compensation of employees	This shift from salaries and wages within this item is to ensure that the budget is correctly aligned at the lower level. Funds are shifted to where personnel are placed in the departmental structure.	(3 050)	Funds are redirected to where functions are performed in relation to individual placement on the organisational structure and to address budget pressures in social contributions.	9 550
Goods and services	The anticipated savings is a result of cost containment measures implemented internally by the department. These include fleet services due to minimal use of the GG cars and implementation of subsidized vehicles, consumables stationery due to centralisation of functions, contractors as the budget was incorrectly allocated under this programme, training and development due to slow recruitment process.	(30 971)	Funds are redirected to cover the costs which were not adequately budgeted for at the beginning of the financial year. The shift to this programme will cater for the International Association of Public Transport registration; operating lease; computer consumables; transport provided; dept. activities; and rental & hiring.	13 696
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(200)</b>		<b>200</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households	The budget for other household transfers was erroneously allocated. The shift from this item is to ensure that there is proper alignment of the budget for the other household.	(200)	The shift from other transfers household is to correct the budget on social benefits and to accommodate expenditure in social benefits already incurred.	200
<b>Payments for capital assets</b>		<b>(33 887)</b>		<b>24 336</b>
Buildings and other fixed structures	Delay in the implementation of certain infrastructure projects resulted in underspending.	(23 287)	Budget moved from Transport admin (Zwartkop) due to correction of budget allocation as this centre report to Human Resources Development in the organisational structure.	24 321
Machinery and equipment	Delay in the procurement of machinery and equipment due to delays in certain infrastructure projects.	(10 600)	The shift from advert is to cover over expenditure within the Demand & acquisition sub-sub programme.	15

Economic classification	Motivation	From	Motivation	To
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(68 108)</b>		<b>47 782</b>

### Virements and shifts

The budget of the programme decreases by R21 million from R318 million to R297 million. This is a result of internally applied cost containment measures such as fleet services due to minimal use of the GG cars and implementation of subsidized vehicles, consumables stationery due to centralisation of functions, contractors as the budget was incorrectly allocated under this programme, training and development due to slow recruitment process. An amount of R11 million is shifted within this programme to address the areas of under/over-expenditure. These include compensation of employees within the Office of the MEC; management of the department and corporate services sub-programmes; as well as to cover the items within goods & services and payments for capital assets which were not adequately budgeted for at the beginning of financial year.

A virement for an amount of R57 million is implemented to cater for the legal settlements in Programme 3. In addition, centralisation of functions e.g. cell phones and landlines are implemented to ease the administration associated with the payment process within the department.

### Programme 2: Transport Infrastructure

TABLE 9.4: PROGRAMME 2: TRANSPORT INFRASTRUCTURE

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Infrastructure Planning	72 924				(20 209)				(20 209)	52 715
2. Infrastructure Design	230 298				(17 840)				(17 840)	212 458
3. Construction	1 161 626				(485 202)				(485 202)	676 424
4. Maintenance	1 029 504				35 458				35 458	1 064 962
5. Programme Support Infrastructure	57 824				(10 750)				(10 750)	47 074
<b>Total for programme</b>	<b>2 552 176</b>				<b>(498 543)</b>				<b>(498 543)</b>	<b>2 053 633</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>1 296 683</b>				<b>(95 796)</b>				<b>(95 796)</b>	<b>1 200 887</b>
Compensation of employees	346 727				(63 809)				(63 809)	282 918
Salaries & wages	320 736				(82 006)				(82 006)	238 730
Social contributions	25 991				18 197				18 197	44 188
Goods and services	949 886				(31 987)				(31 987)	917 899
Interest and rent on land	70									70
<b>Transfers and subsidies</b>	<b>6 701</b>				<b>(1 000)</b>				<b>(1 000)</b>	<b>5 701</b>
Provinces and municipalities	2 500				(1 000)				(1 000)	1 500
Departmental agencies and accounts										
Higher education institutions										

Vote 9 - Roads and Transport

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households	4 201								4 201	
<b>Payments for capital assets</b>	<b>1 248 792</b>				(401 747)			(401 747)	<b>847 045</b>	
Buildings and other fixed structures	1 241 590				(463 702)			(463 702)	777 888	
Machinery and equipment	7 202				61 955			61 955	69 157	
Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>2 552 176</b>				<b>(498 543)</b>			<b>(498 543)</b>	<b>2 053 633</b>	

**TABLE 9.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: TRANSPORT INFRASTRUCTURE**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(397 964)</b>		<b>302 168</b>
Compensation of employees	The departmental recruitment drive has been slower than planned.	(85 206)	To cover the anticipated over spending within social contributions	21 397
Goods and services	Certain projects are delayed due to readiness for implementation. The projects are expected to be finalized in the next financial year.	(312 758)	Funds shifted to cover over expenditure on various items such as advertising, laboratory service, infrastructure & planning, consumables supply, operating lease, T&S, venues and machinery & equipment in the core outputs as well as unbudgeted court order.	280 771
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(2 020)</b>		<b>1 020</b>
Provinces and municipalities	This item is allocated with funding for the payment of license discs for the construction fleet. The budget was over allocated at the beginning of the financial year, the shift is redirected to arrears where the expenditure is incurred.	(1 000)		
Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises				
Non-profit institutions	The budget was erroneously allocated at the beginning of the financial year. The shift from this item is to ensure that the budget is allocated to where the expenditure is incurred.	(1 020)	Funds are shifted to where the function is performed.	1 020
Households				

Economic classification	Motivation	From	Motivation	To
<b>Payments for capital assets</b>		<b>(637 236)</b>		<b>235 489</b>
Buildings and other fixed structures	Certain projects are delayed as they are not ready for implementation. The projects are expected to be finalized in the next financial year.	(636 192)	Funds are re-directed from Construction to Maintenance equitable share infrastructure projects.	172 490
Machinery and equipment	Delays in the procurement of machinery and equipment due to delays in certain infrastructure projects.	(1 044)	To finalise the payment of plant that was purchased during 2015/16 financial year, as well as strategy and other capex related items.	62 999
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(1 037 220)</b>		<b>538 677</b>

### Virements and shifts

Funds were reprioritized due to the implementation of cost containment measures in order to address the areas of under/over-expenditure. A virement of R57 million is redirected to personnel budget within Transport Regulation to supplement the inadequate budget allocated at the beginning of the financial year. In addition, the budget for this programme shows a decline of R499 million. Major shifts effected within this programme are to align the budget where expenditure has already been incurred and to augment spending pressures within Maintenance infrastructure projects. This amount is shifted from Infrastructure construction.

A virement of R400 million is shifted from Transport infrastructure projects to Gautrain for additional support. Furthermore, R28 million is also shifted from Transport infrastructure projects to Public transport services in order to defray expenses for the legal settlement which was made against the department.

Transfers to provinces and municipalities decline by R1 million in order to fund the payment of license discs for the construction fleet. The department will not use the full R2.5 million by the end of the year. Machinery and equipment shifts to this item to finalise the payment for plant that was purchased during the 2015/16 financial year, as well as strategy and other capex related items within this programme.

### Programme 3: Transport Operations

TABLE 9.6: PROGRAMME 3: TRANSPORT OPERATIONS

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Public Transport Services	2 283 945		29 743		142 902				172 645	2 456 590
2. Programme Support Operations	14 480				(3 590)				(3 590)	10 890
<b>Total for programme</b>	<b>2 298 425</b>		<b>29 743</b>		<b>139 312</b>				<b>169 055</b>	<b>2 467 480</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Current payments	64 385				(2 800)				(2 800)	61 585
Compensation of employees	28 575									28 575
Salaries & wages	24 621									24 621
Social contribution	3 954									3 954
Goods and services	35 810				(2 800)				(2 800)	33 010

Vote 9 - Roads and Transport

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Interest and rent on land										
<b>Transfers and subsidies</b>	2 186 550		29 743		149 543			179 286	2 365 836	
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises	2 186 420		29 743		149 543			179 286	2 365 706	
Non-profit institutions										
Households	130								130	
<b>Payments for capital assets</b>	47 490				(7 431)			(7 431)	40 059	
Buildings and other fixed structures	45 850				(6 741)			(6 741)	39 109	
Machinery and equipment	1 640				(690)			(690)	950	
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>2 298 425</b>		<b>29 743</b>		<b>139 312</b>			<b>169 055</b>	<b>2 467 480</b>	

**TABLE 9.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: TRANSPORT OPERATIONS**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(3 000)</b>		<b>200</b>
Compensation of employees				
Goods and services	The anticipated savings is a result of cost containment measures implemented internally by the department. These include communication due to centralisation for this function to programme 1; the advertising budget was incorrectly allocated at the beginning of financial year; travel and subsistence, and consumable stationery in order to fund the court order	(3 000)	To cater for anticipated expenditure on software and intangible assets in Programme 3	200
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>149 543</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				

Economic classification	Motivation	From	Motivation	To
Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households			To cater for court order	149 543
<b>Payments for capital assets</b>		<b>(7 490)</b>		<b>59</b>
Buildings and other fixed structures	Certain projects are delayed as they are not ready for implementation. The projects are expected to be finalized in the next financial year.	( 6 800)	The shift to this item within this programme is to augment the Shovakalula budget in order to cover the VAT amount that was not covered in the initial budget allocation.	59
Machinery and equipment	Delays in the procurement of machinery and equipment are due to delays in implementation of certain infrastructure projects.	( 690)		
Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(10 490)</b>		<b>149 802</b>

### National roll-over: R29.7 million

An amount of R29.7 million has been rolled over and approved for the Public Transport Operations Grant for the funds that remained within this grant at the end of the 2015/16 financial year.

### Virements and shifts

Funds are reprioritized due to the implementation of cost containment measures implemented internally in the department and to address the areas of under/over-expenditure. The budget for this programme increases by R169 million from R2.3 billion to R2.5 billion mainly to make provision for the legal settlement that was not budgeted for. The shift of R6.8 million from buildings and other fixed structures is due to certain projects that are delayed as they are not ready for implementation, the projects will be finalized in the next financial year.

## Programme 4: Transport Regulation

TABLE 9.8: PROGRAMME 4: TRANSPORT REGULATION

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Transport Admin & Licensing	221 053				(18 256)				(18 256)	202 797
2. Operator Licence & Permits	78 164				(2 187)				(2 187)	75 977
<b>Total for programme</b>	<b>299 217</b>				<b>(20 443)</b>				<b>(20 443)</b>	<b>278 774</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Current payments	163 728				53 909				53 909	217 637
Compensation of employees	94 476				57 309				57 309	151 785
Salaries & wages	79 972				49 734				49 734	129 706

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Social contribution	14 504				7 575				7 575	22 079
Goods and services	69 052				(3 220)				(3 220)	65 832
Interest and rent on land	200				(180)				(180)	20
<b>Transfers and subsidies</b>	<b>62</b>				<b>60</b>				<b>60</b>	<b>122</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	62				60				60	122
<b>Payments for capital assets</b>	<b>135 427</b>				<b>(74 412)</b>				<b>(74 412)</b>	<b>61 015</b>
Buildings and other fixed structures	126 521				(75 062)				(75 062)	51 459
Machinery and equipment	7 106				650				650	7 756
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets	1 800									1 800
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>299 217</b>				<b>(20 443)</b>				<b>(20 443)</b>	<b>278 774</b>

TABLE 9.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: TRANSPORT REGULATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(25 396)</b>		<b>82 445</b>
Compensation of employees			To cater for over expenditure from planning, design and construction subprogramme (Salaries and social contributions)	57 309
Goods and services	The shifted funds were mainly reallocation of budget from one item to another. The allocation for the gazetting of public transport license applications was not in the correct item, therefore this shift was to correct that. Furthermore, there was R10 million that was allocated to the Computer Learner License Testing (CLLTs) that could not be implemented as a result of the TASIMA case. This amount was shifted to augment the budget for the gazetting.	(25 216)	The amount was shifted mainly for the gazetting of public transport licenses, and to cover the over-spending in other lower level items.	25 136

Economic classification	Motivation	From	Motivation	To
Interest and rent on land	The budget was over allocated. The shift identified is to cater for the expenditure already incurred within the sub-programme	(180)		
<b>Transfers and subsidies</b>		<b>(50)</b>		<b>110</b>
Provinces and municipalities Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households	The budget was erroneously allocated at the beginning of the financial year. The shift from this item is to ensure that the budget is allocated to where the expenditure is incurred.	(50)	Funds shifted to where the function is performed.	110
<b>Payments for capital assets</b>		<b>(79 562)</b>		<b>5 150</b>
Buildings and other fixed structures	A delay in the implementation of Driver Licence Testing Centres (DLTCs) and Transport Operating Licensing Administration Bodies (TOLAB) projects due to readiness for implementation. The projects are expected to be finalized in the next financial year.	(79 562)	Reprioritisation of infrastructure budget allocation within the Driver Licence Testing Centres (DLTCs)	4 500
Machinery and equipment			Funds shifted from advertising to cover anticipated over expenditure.	650
Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(105 008)</b>		<b>87 705</b>

### Virements and shifts

An amount of R25 million is shifted from goods and services mainly for reallocation of budget from one item to another. The allocation for the gazetting of public transport license applications was not in the correct item, therefore this shift was to correct that. Furthermore, there was R10 million that was allocated to the Computer Learner License Testing (CLLTs) that could not be implemented as a result of the TASIMA case. This amount was shifted to augment the budget for the gazetting

The shift is also effected from buildings and other fixed structures mainly to cover for the delay in the implementation of the Driver Licence Testing Centre (DLTC) and Transport Operating Licence Administration Bodies (TOLABS) projects due to readiness for implementation, the projects are expected to be finalized in the next financial year. A virement of R57 million is also made to supplement compensation of employees within this programme.

### Programme 5: Gautrain

TABLE 9.10: PROGRAMME 5: GAUTRAIN

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Gautrain	1 832 089				400 000			580 000	980 000	2 812 089
Total for programme	1 832 089				400 000			580 000	980 000	2 812 089

Vote 9 - Roads and Transport

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>										
Compensation of employees										
Salaries & wages										
Social contribution										
Goods and services										
Interest and rent on land										
<b>Transfers and subsidies</b>	1 832 089				400 000			580 000	2 812 089	
Provinces and municipalities										
Departmental agencies and accounts	1 832 089				400 000			580 000	2 812 089	
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	1 832 089				400 000			580 000	2 812 089	

TABLE 9.11: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: GAUTRAIN

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				
Compensation of employees				
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>400 000</b>
Provinces and municipalities				
Departmental agencies and accounts			Provision is made from Transport infrastructure budget allocation, to fund court orders.	400 000
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				

Economic classification	Motivation	From	Motivation	To
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>				<b>400 000</b>

### Virements and shifts

Provision is made from the Transport infrastructure budget allocation for an amount of R400 million to defray expenses associated with a court order under this programme.

### Provincial additional funding: R580 million

A total of R580 million is made available to fund the Gautrain Management Agency in respect of settlement of court orders related to disputes, R400 million of which is from Gautrain Management Agency.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 9.12: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted Appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of Adjusted Appropriation	Adjusted Appropriation	April 2016 - September 2016	% change 15/16 - 16/17 Apr-Sept
<b>R thousand</b>							
1. Administration	309 110	113 002	239 213	77%	297 471	136 146	20%
2. Transport Infrastructure	2 197 685	996 106	2 177 112	99%	2 053 633	930 328	(7%)
3. Transport Operations	2 148 764	808 097	2 019 168	94%	2 467 480	990 551	23%
4. Transport Regulation	264 591	108 750	262 357	99%	278 744	134 348	24%
5. Gautrain Rapid Rail Link	1 561 451	805 858	1 561 451	100%	2 812 089	977 386	21%
<b>Total for programmes</b>	<b>6 481 601</b>	<b>2 831 813</b>	<b>6 259 301</b>	<b>97%</b>	<b>7 909 447</b>	<b>3 168 759</b>	<b>12%</b>
<b>Current payments</b>	<b>1 570 800</b>	<b>591 666</b>	<b>1 336 094</b>	<b>85%</b>	<b>1 769 730</b>	<b>836 679</b>	<b>41%</b>
Compensation of employees	548 968	265 074	549 027	100%	631 320	292 265	10%
Goods and Services	1 021 332	326 583	786 608	77%	1 138 220	544 412	67%
Interest and rent on land	500	9	459	92%	190	2	(78%)
<b>Transfers and subsidies</b>	<b>3 591 921</b>	<b>1 594 626</b>	<b>3 527 500</b>	<b>98%</b>	<b>5 184 248</b>	<b>1 939 652</b>	<b>22%</b>
Provinces and municipalities	1 606	314	1 079	67%	1 500	546	74%
Departmental agencies and accounts	1 561 451	805 858	1 561 451	100%	2 812 089	977 386	21%
Higher education institutions							
Foreign governments & international organisations							
Public corporations & private enterprises	2 024 761	785 249	1 959 610	97%	2 365 706	959 299	22%
Non-profit institutions							
Households	4 103	3 205	5 360	131%	4 953	2 421	(24%)
<b>Payments for capital assets</b>	<b>1 318 880</b>	<b>645 461</b>	<b>1 378 676</b>	<b>105%</b>	<b>955 469</b>	<b>392 395</b>	<b>(39%)</b>
Buildings and other fixed structures	1 256 998	638 332	1 179 703	94%	869 490	343 855	(46%)

Machinery and equipment	58 782	6 789	198 836	3	83 179	48 341	612%
Heritage assets							
Specialised military assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets	3 100	340	137	4%	2 800	199	(41%)
Payments for financial assets		60	17 031	0%		33	(45%)
<b>Total economic classification</b>	<b>6 481 601</b>	<b>2 831 813</b>	<b>6 259 301</b>	<b>97%</b>	<b>7 909 447</b>	<b>3 168 759</b>	<b>12%</b>

### Expenditure trends for 2015/16

During the 2015/16 financial year, the department received an allocation of R6.6 billion which was then adjusted to R6.5 billion. The under-spending is attributed to all programmes.

Programmes 1 under-spending amounts to R55 million as a result of the following reasons:

- The non-implementation of a comprehensively new air-conditioning system for the department's head office building.
- The delays in the designs for the refurbishment of the Zwartkop Training Centre.
- The delays in the full implementation of planned security upgrades for the department at its regional offices because of legal matters surrounding the security service providers. This has not yet been finalised.
- The other items that under-spent their budgets were operational items that were managed through the department's strict implementation of the cost-containment measures as required by National Treasury.

Programme 2 underspent by R38.5 million because of the inability to award and spend on its tender relating to road marking services due to investigative processes undertaken that were still pending at the end of the financial year.

Programme 3 under-spent or savings by R122 million and the breakdown is as follows:

- A total amount of R65.2 million was realised within the Public Transport Operations Grant. The unspent funds were as a result of penalties levied by the department against the bus operators. In addition, the allocation that formed part of the NW Star for the West-Rand bus service was not spent because the plans for this service were put on hold pending the outcome of discussions with the applicable municipalities and bus operators.
- The remaining amount of R57 million relates primarily to under spending that occurred in respect of the infrastructure projects within this programme (Intermodal facilities and Non-Motorised Transport projects) that were plagued with work stoppages by the contractor for which penalties were levied by the department.

Programme 4 also under-spent by R6 million. The reported under-spending is mainly as a result of the department's strict application of the National Treasury's cost containment measures.

The department's total spending for the first half of the current financial year amounted to R3.2 billion (43 per cent) of the allocated budget of R7.3 billion. This is further explained below per programme:

### Expenditure trends for the first half of 2016/17

#### Programme 1: Administration

The programme spent 43 per cent of the allocated budget at the end of the second quarter, which is 7 per cent less than the 50 per cent projected as per section 40. The under spending is mainly as a result of the slow recruitment drive and the delays in implementing the non-infrastructure projects within Corporate Services. Part of the savings realized is as a result of the cost-containment measures being implemented and shifting of items to other areas experiencing budget pressures.

#### Programme 2: Transport Infrastructure

A total of 36 per cent of the allocated budget has been spent at the end of the second quarter, which is 14 per cent less than the 50 per cent in second quarter as per section 40. The under spending within this programme is due to the delay in tender processes, on site issues, termination of contracts and poor performance of contractors and non-implementation of new projects. All areas that may have impacted negatively on the spending have been addressed and funds have been shifted within the programme. Virements between the programmes have also been effected.

**Programme 3: Transport Operations**

The programme has spent 43 per cent of the allocated budget at the end of the second quarter, which is 7 per cent less than the 50 per cent targeted milestone. The under spending is due to the slow progress on the Non-motorised Transport infrastructure projects. The identified savings were then redirected to emerging priorities and areas of budgetary pressures within the programme.

**Programme 4: Transport Regulations**

A total of 45 per cent of the allocated budget has been spent at the end of the second quarter, which is 5 per cent less than 50 per cent in second quarter as per section 40. The DLTC infrastructure projects implementation is progressing as anticipated compared to the previous years. Part of the savings realized as a result of the cost-containment measures being implemented are shifted to other areas experiencing budget pressures.

**Programme 5: Gautrain**

All transfers to Gautrain are in line with the payment schedule, the shifts and additional funding is made available to assist with court orders.

**6. Departmental receipts**

TABLE 9.13: DEPARTMENTAL RECEIPTS

Department	2015/16				2016/17		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
<b>Tax receipts</b>	<b>2 987 393</b>	<b>1 621 949</b>	<b>3 217 032</b>	<b>108%</b>	<b>3 142 737</b>	<b>1 748 680</b>	<b>8%</b>
Casino taxes							
Horse racing taxes							
Liquor licences							
Motor vehicle licences	2 987 393	1 621 949	3 217 032	108%	3 142 737	1 748 680	8%
Sales of goods and services other than capital assets	67 993	28 180	54 970	81%	71 597	30 859	10%
Of which Health patient fees							
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	50	6	61	122%	55	8	33%
Sales of capital assets			4 491			7	
Financial transactions in assets and liabilities	1 500	847	1 673	112%	1 500	375	(56%)
<b>Total receipts</b>	<b>3 056 936</b>	<b>1 650 982</b>	<b>3 278 227</b>	<b>107%</b>	<b>3 215 889</b>	<b>1 779 929</b>	<b>8%</b>

**Revenue trends for the first half of 2016/17**

The table above shows the contribution of each revenue source towards the total revenue generated as at end of the second quarter of the 2016/17 financial year. The revenue estimates from the previous financial year has increased from R3 billion to R3.2 billion in the current financial year. Revenue collection for the current financial year as at 30 September 2016 was R1.8 billion, and this represents a growth rate of 8 per cent as compared to the 2015/16 financial year in the second quarter.

Motor vehicle licenses collection amounted to R1.7 billion, the R49.9 million over collection is due to an advance payment on G-fleet. The actual collection on Sale of goods & services other than capital assets is the second contributor with the collection amounting to R30.9 million for the second quarter of the current financial year, and financial transaction in assets and liabilities being the third contributor collecting R375 000 for the second quarter of the current financial year. Interest, dividends and rent on land as well as sale of capital assets collection amounted to R8 000 and R7 000 respectively.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfer and subsidies

No changes.

### 7.2 Changes to conditional grant

TABLE 9.14: CONDITIONAL GRANTS

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Programme 2	504 233									504 233
Provincial Roads Maintenance Grant	501 784									501 784
Expanded Public Works programme Infrastructure Grant	2 449									2 449
<b>Programme 3</b>	<b>2 033 590</b>		<b>29 743</b>						<b>29 743</b>	<b>2 063 333</b>
Public Transport Operations Grant	2 033 590		29 743						29 743	2 063 333
<b>Total changes in conditional grants</b>	<b>2 537 823</b>		<b>29 743</b>						<b>29 743</b>	<b>2 567 566</b>

#### National roll-over: R29.7 million

An amount of R29.7 million has been rolled over and approved for the Public Transport Operations Grant for the funds that remained within this grant at the end of the 2015/16 financial year from the approved rollover Public Transport Operation Grant (PTOG).

### 7.3 Changes to Infrastructure

Please refer to the 2016/17 Adjusted Estimates of Capital Expenditure (AECE).

# VOTE 10

## DEPARTMENT OF COMMUNITY SAFETY

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>				
<b>of which:</b>	<b>652 880</b>	<b>683 580</b>		<b>33 170</b>
Current payments	631 476	659 296		27 820
Transfers and subsidies	5 610	3 140	(2 470)	
Payments for capital assets	15 794	21 099		5 305
Payment for financial assets		45		45
<b>Executive authority</b>	<b>MEC for Community Safety</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

The vision of the Department of Community Safety is to realize Gauteng as a Province where people feel and are safe.

#### Mission

To be an innovative, effective and proactive department that ensures the safety of communities through:

- Improving the Quality of Policing,
- Deepening Meaningful Community Participation,
- Enhancing Social Crime Prevention,
- Fostering Integrity,
- Initiating and Sustaining Sound and Supportive Institutional Arrangements,
- Promoting Pedestrian Safety,
- Intensifying Traffic Law Enforcement; and
- Creating a Safer Road Environment.

### 2. Changes to programme purpose, objective and measures.

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

Table 10.1: DEPARTMENT OF COMMUNITY SAFETY

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1.Administration	95 742				2 260				2 260	98 002
2.Civilian Oversight	201 351			10 000	(17 671)			10 000	2 329	203 680
3.Traffic Management	355 787				15 411			10 700	26 111	381 898
<b>Total for programmes</b>	<b>652 880</b>			<b>10 000</b>				<b>20 700</b>	<b>30 700</b>	<b>683 580</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>631 476</b>			<b>10 000</b>	<b>( 2 880)</b>			<b>20 700</b>	<b>27 820</b>	<b>659 296</b>
Compensation of employees	459 177				( 98)			10 700	10 602	469 779
Salaries & wages	393 347				(98)			10 700	10 602	403 949
Social contribution	65 830									65 830
Goods and services	172 299			10 000	(2 782)			10 000	17 218	189 517
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>5 610</b>				<b>(2 470)</b>				<b>(2 470)</b>	<b>3 140</b>
Provinces and municipalities	1 575				(720)				(720)	855
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises	1 240				(1 240)				(1 240)	
Non-profit institutions	1 800				(1 800)				(1 800)	
Households	995				1 290				1 290	2 285
<b>Payments for capital assets</b>	<b>15 794</b>				<b>5 305</b>				<b>5 305</b>	<b>21 099</b>
Buildings and other fixed structures										
Machinery and equipment	15 794				5 305				5 305	21 099
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>					<b>45</b>				<b>45</b>	<b>45</b>
<b>Total economic classification</b>	<b>652 880</b>			<b>10 000</b>				<b>20 700</b>	<b>30 700</b>	<b>683 580</b>

The department's budget is adjusted upwards in the 2016/17 financial year. The budget is increasing by R30.7 million which is attributed to a rollover of R10 million allocated for the patrollers' protective clothing, R10 million for the deliverology projects and the remaining R10.7 million for the stipends of traffic college graduates.

An amount of R2.7 million is shifted from Civilian Oversight due to the delay in finalizing the departmental structure, audit cost, cleaning services and rates and taxes.

An amount of R5.3 million is received by Administration, Civilian Oversight and Traffic management to cater for the capital portion of the financial lease for vehicles and the procurement of office equipment while R1.8 million is shifted from non-profit institutions as a result of the undertaking by the Department of Social Development to continue with the programme of providing support to victims of domestic violence. Funds amounting to R1.2 million are shifted within to make provision for injury on duty claims.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 10.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office of the MEC	8 352								8 352	
2. Office of the HOD	17 185								17 185	
3. Financial Management	19 728				900			900	20 628	
4. Corporate Services	50 477				1 360			1 360	51 837	
<b>Total for programme</b>	<b>95 742</b>				<b>2 260</b>			<b>2 260</b>	<b>98 002</b>	

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>94 239</b>				<b>1 415</b>			<b>1 415</b>	<b>95 654</b>	
Compensation of employees	71 433								71 433	
Salaries & wages	64 488								64 488	
Social contribution	6 945								6 945	
Goods and services	22 806				1 415			1 415	24 221	
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>18</b>				<b>165</b>			<b>165</b>	<b>183</b>	
Provinces and municipalities					155			155	155	
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	18				10			10	28	
<b>Payments for capital assets</b>	<b>1 485</b>				<b>680</b>			<b>680</b>	<b>2 165</b>	
Buildings and other fixed structures										
Machinery and equipment	1 485				680			680	2 165	
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Software and other intangible assets										
Payments for financial assets										
<b>Total economic classification</b>	<b>95 742</b>				<b>2 260</b>				<b>2 260</b>	

TABLE 10.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(5 073)</b>		<b>6 488</b>
Compensation of employees	Funds shifted within the HOD office due to the cancelation of contract workers.	(1 700)	Funds reclassification within the HOD office due to the appointment of the additional staff.	1 700
Goods and services	Funds shifted due to the slow spending and delay in the procurement of Wi-Fi and network installation. Funds will be reprioritized to cover spending pressures identified within the programme.	(3 373)	Provision is made for the increase of audit cost, employee wellness programme and for rates and taxes.	4 788
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>165</b>
Provinces and municipalities			Provision is made for payment of traffic fines incurred on vehicles for official use. During the process of transferring these vehicles to g-fleet the department was instructed to settle the outstanding amounts related to traffic fines prior the finalization of transfer.	155
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households			Funds allocated to defray excess expenditure on payments for injury on duty and leave gratuity.	10
<b>Payments for capital assets</b>				<b>680</b>
Buildings and other fixed structures				
Machinery and equipment			Funds to cover the capital portion of vehicles which is classified as finance lease.	680
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(5 073)</b>		<b>7 333</b>

### Virements and shifts

The programme is receiving R2.3 million from Programme 2: Civilian Oversight. Of this amount, R900 000 is allocated for audit costs while R1.4 million is shifted to make provision for payments of utilities and employee wellness.

Funds amounting to R5.1 million are shifted within the programme to enhance the department's capacity to effectively and efficiently achieve its strategic objectives. Included in this amount is R560 000 for consumables, communication and contractors. Furthermore, R4.5 million is reallocated within the office of the HOD to make provision for costs such as legal costs, property payments and contractors.

## Programme 2: Civilian Oversight

**TABLE 10.4: PROGRAMME 2: CIVILIAN OVERSIGHT**

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Programme support	8 662				(996)				(996)	7 666
2. Policy and Research	8 550							1 000	1 000	9 550
3. Monitoring and Evaluation	33 500				(6 014)			2 000	(4 014)	29 486
4. Safety Promotion	107 141				(10 661)			7 000	(3 661)	103 480
5. Community Police Relation	43 498			10 000					10 000	53 498
<b>Total for programme</b>	<b>201 351</b>			<b>10 000</b>	<b>(17 671)</b>			<b>10 000</b>	<b>2 329</b>	<b>203 680</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>197 580</b>			<b>10 000</b>	<b>(19 621)</b>			<b>10 000</b>	<b>379</b>	<b>197 959</b>
Compensation of employees	92 529				(2 098)				(2 098)	90 431
Salaries & wages	84 178				( 2 098)				( 2 098)	82 080
Social contribution	8 351									8 351
Goods and services	105 051			10 000	(17 523)			10 000	2 477	107 528
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>1 800</b>				<b>(1 140)</b>				<b>(1 140)</b>	<b>660</b>
Provinces and municipalities					600				600	600
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions	1 800				(1 800)				(1 800)	
Households					60				60	60
<b>Payments for capital assets</b>	<b>1 971</b>				<b>3 075</b>				<b>3 075</b>	<b>5 046</b>
Buildings and other fixed structures										
Machinery and equipment	1 971				3 075				3 075	5 046
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>					<b>15</b>				<b>15</b>	<b>15</b>
<b>Total economic classification</b>	<b>201 351</b>			<b>10 000</b>	<b>(17 671)</b>			<b>10 000</b>	<b>2 329</b>	<b>203 680</b>

**TABLE 10.5 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: CIVILIAN OVERSIGHT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(43 356)</b>		<b>23 735</b>
Compensation of employees	Funds are shifted due to delays in the approval of organizational structure.	(2 098)		
Goods and services	Funds reprioritized due to cost containment measures through the use of internal venues and facility. Funds also reclassified under professional services to the correct SCoA items .e.g. contractors and property payments.	(41 258)	Provision for advertising, maintenance and catering during the awareness campaigns and maintenance of social welfare facilities which housed the victims of domestic violence	23 735
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(1 800)</b>		<b>660</b>
Provinces and municipalities			Provision is made for rates and taxes.	600
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions	Funds shifted due to the undertaking by Gauteng Social Development to continue funding the programme.	(1 800)		
Households			Provision is made for injury on duty claims.	60
<b>Payments for capital assets</b>				<b>3 075</b>
Buildings and other fixed structures				
Machinery and equipment			Funds to cover the capital portion of vehicles which is classified as finance lease	3 075
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>			Provision for debtors written off as irrecoverable	<b>15</b>
<b>Total economic classification</b>		<b>(45 156)</b>		<b>27 485</b>

### Provincial roll-over: R10 million

The programme received a roll-over funds amounting to R10 million for the procurement of protective clothing for patrollers.

### Virements and shifts

A total amount of R17.7 million is shifted from the programme as a result of delays in the approval of the organizational structure. An amount of R2.3 million is moved to Programme 1: Administration to make provision for legal costs, rates and taxes and cleaning services. R15.4 million is shifted to Programme 3: Traffic management to enhance road safety awareness campaigns aimed at the reduction of road fatalities and the appointment of traffic officers.

Funds amounting to R27.5 million are shifted within the programme as follows:

- Policy and research – R202 000 is shifted to make provision for accessing data information for research and development.
- Monitoring and evaluation - an amount of R2.7 million is to defray excess expenditure on capital assets and to cover the capital portion of vehicles which is classified as finance lease.
- Promotion of Safety - R17.7 million is shifted to support victims of domestic violence and maintenance of social welfare facility (Ikhaya Lethemba) and to enhance public awareness campaigns that results in continued communication and engagement of all stakeholders.
- Promotion of Safety also reprioritized its budget to sustain the prevention of trio crimes and substance abuse, and to conduct more outreach programmes.
- Community Police Relations - an amount of R6.9 million made available for training of patrollers.

### Provincial additional funding: R10 million

An additional R10 million is for deliverology projects, which are as follows:

- Policy and research: R1 million to conduct research surveys.
- Monitoring and evaluation: R2 million for ICT enabled oversight of service delivery by 40 police stations precincts. Funds are allocated for the installation of 24 hours camera to identified police stations in order to monitor the performance.

- Promotion of safety: R2 million to roll out the Memeza Community Alarm project to the houses of the elderly and child headed households. The purpose of this project is to identify and support the elderly and child headed households in the community.
- The Civilian Secretariat: R5 million for enhancing the public awareness campaigns through outreach programmes and media which includes communication, community engagement sessions and project management.

### Programme 3: Traffic Management

TABLE 10.6: PROGRAMME 2: TRAFFIC MANAGEMENT

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Management	1 373								1373	
2. Transport Inspection	38 747				(555)			(555)	38 192	
3. Road Safety Education	17 899				(276)			(276)	17 623	
4. Road Safety Project	28 100				(96)			(96)	28 004	
5. Special Services	31 931				(3 306)			(3 306)	28 625	
6. Traffic Law Enforcement	202 481				25 464		10 700	36 164	238 645	
7. Training Traffic College	35 256				(5 820)			(5 820)	29 436	
<b>Total for programme</b>	<b>355 787</b>				<b>15 411</b>		<b>10 700</b>	<b>26 111</b>	<b>381 898</b>	

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>339 657</b>				<b>15 326</b>		<b>10 700</b>	<b>26 026</b>	<b>365 683</b>	
Compensation of employees	295 215				2 000		10 700	12 700	307 915	
Salaries & wages	244 681				2 000		10 700	12 700	257 381	
Social contribution	50 534								50 534	
Goods and services	44 442				13 326			13 296	57 768	
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>3 792</b>				<b>(1 495)</b>			<b>(1 495)</b>	<b>2 297</b>	
Provinces and municipalities	1 575				(1 475)			(1 475)	100	
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises	1 240				(1 240)			(1 240)		
Non-profit institutions										
Households	977				1 220			1 220	2 197	
<b>Payments for capital assets</b>	<b>12 338</b>				<b>1 550</b>			<b>1 550</b>	<b>13 888</b>	

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Buildings and other fixed structures	12 338				1 550				1 550	13 888
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>					30				30	30
<b>Total economic classification</b>	<b>355 787</b>				<b>15 411</b>			<b>10 700</b>	<b>26 111</b>	<b>381 898</b>

TABLE 10.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: TRAFFIC MANAGEMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(11 398)</b>		<b>26 724</b>
Compensation of employees			Provision is made for the stipends of traffic officers that recently graduated.	2 000
Goods and services	Centralizing the operational budget such as communication costs and fleet service to Traffic Law Enforcement.	(11 398)	Provision is made for operating lease of the pound and G-Fleet expenses	24 724
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(3 315)</b>		<b>1 820</b>
Provinces and municipalities	Funds moved due to the process of transferring motor vehicle to g-fleet as part of lease-back agreement therefore no renewal of license.	(1 475)		
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises	Funds shifted due to correction of items to goods and services.	(1 240)		
Non-profit institutions				
Households	Funds shifted within the programme due to anticipated transfer of Training Traffic College.	(600)	Provision for the payment of injury on duty claims.	1 820
<b>Payments for capital assets</b>		<b>(500)</b>		<b>2 050</b>
Buildings and other fixed structures				
Machinery and equipment	Centralizing office equipment to Information Technology.	(500)	Funds shifted to defray excess expenditure to cover the capital portion of G-fleet expenditure which is classified as finance leases	2 050
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>			Provision for debtors written off as irrecoverable	<b>30</b>
<b>Total economic classification</b>		<b>(15 213)</b>		<b>30 624</b>

### Virements and shifts

A virement of R15.4 million is received from Programme 2: Civilian Oversight and funds of R15.2 million shifted within the programme to cater for operational costs, which includes the lease of the office building, motor vehicle impounding facility at Germiston and fleet services in Traffic Law Enforcement and fleet services within the programme.

**Additional provincial funding: R10.7 million**

Additional funding of R10.7 million is received to pay stipends of graduates from the Traffic College to assist with visibility on the road.

**5. Expenditure 2015/16 and preliminary expenditure 2016/17****TABLE 10.8: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17: COMMUNITY SAFETY**

Department	2015/16 Expenditure Outcome				2016/17 Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 April 2016 - September 2017
<b>R thousand</b>							
1.Administration	99 767	50 158	92 222	92%	98 002	47 918	(4%)
2.Civilian Oversight	194 130	72 559	167 430	86%	203 680	60 248	(17%)
3.Traffic Management	442 183	236 105	433 900	98%	381 898	188 140	(20%)
<b>Total for programmes</b>	<b>736 080</b>	<b>358 822</b>	<b>693 552</b>	<b>94%</b>	<b>683 580</b>	<b>296 306</b>	<b>(17%)</b>
<b>Current payments</b>	<b>610 276</b>	<b>284 048</b>	<b>559 974</b>	<b>92%</b>	<b>659 296</b>	<b>288 759</b>	<b>(100%)</b>
Compensation of employees	418 149	199 460	396 289	95%	469 779	208 024	4%
Goods and Services	192 127	84 554	163 484	85%	189 517	80 735	(5%)
Interest and rent on land		34	201				(100%)
<b>Transfers and subsidies</b>	<b>50 971</b>	<b>25 868</b>	<b>54 440</b>	<b>107%</b>	<b>3 140</b>	<b>1 248</b>	<b>72%</b>
Provinces and municipalities	1 819	273	1 819	100%	855	315	15%
Departmental agencies and accounts							
Higher education institutions							
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions	50 000	25 000	50 000	100%			
Households	971	595	2 621	270%	2 285	933	57%
<b>Payments for capital assets</b>	<b>74 767</b>	<b>48 853</b>	<b>79 063</b>	<b>100%</b>	<b>21 099</b>	<b>6 248</b>	<b>(87)</b>
Buildings and other fixed structures	1 000		440	44%			
Machinery and equipment	73 767	48 853	78 623	107%	21 099	6 248	(87%)
Heritage assets							
Specialised military assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets							
<b>Payments for financial assets</b>	<b>66</b>	<b>53</b>	<b>75</b>	<b>114%</b>	<b>45</b>	<b>51</b>	<b>(4%)</b>
<b>Total economic classification</b>	<b>736 080</b>	<b>358 822</b>	<b>693 552</b>	<b>94%</b>	<b>683 580</b>	<b>296 306</b>	<b>(17%)</b>

**Expenditure trends for 2015/16**

The department underspent by 3 per cent during the 2015/16 financial year and the amount has been surrendered to the Provincial Treasury Revenue Fund. The under spending is due to the delay in the approval of the Civilian secretariat structure and other vacant post that were not filled, as well as the cancelled tender of R10 million for procurement of patrollers uniform.

**Programme 1: Administration**

Total expenditure for this programme stands at R92.2 million which translates to 99 per cent of the appropriated budget. The underspending of 1 per cent is due to a transaction which was authorised for payment but was never paid. The BAS system recorded the amount as an expense and a payable.

**Programme 2: Civilian Oversight**

Civilian Oversight underspent by 89 per cent during the 2015/16 financial year and this is due to the delay encountered in the procurement of the patroller uniform which was allocated R10 million. However a roll over request was submitted and approved for spending in 2016/17.

**Programme 3: Traffic Management**

Traffic Management spent 100 per cent of its appropriated budget. The actual expenditure included R50 million that was received from RTMC for road safety campaigns which the department worked on in partnership with the Self Help Association of Paraplegics (SHAP). The shock therapy road safety campaigns were conducted to change driver attitude.

**Expenditure trends for the first half of 2016/17****Programme 1: Administration**

The actual expenditure outcome of R50 million for the period 2015/16 is higher when compared to the first quarter expenditure of R47.9 million in the current fiscal year 2016/17. The slow spending emanated from the delay in appointment of interns and non-renewal of contract workers.

**Programme 2: Civilian Oversight**

The first two quarters of the 2016/17 financial year's spending is less by 17 per cent when compared to 2015/16. The slow spending is partly due to the delay in the approval of organizational structure.

**Programme 3: Traffic Management**

The spending for the first half of the 2016/17 financial year is less by 20 per cent when compared to the previous year's expenditure. The main reason for the slow spending is due to fact that the department paid a large amount towards g-fleet accruals during the same period in 2015/16.

**6. Departmental receipts**

TABLE 10.9: DEPARTMENTAL RECEIPTS

Department	2015/16 Audited Outcome				2016/17 Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr- Sep
<b>R thousand</b>							
<b>Tax receipts</b>							
Casino taxes							
Horse racing taxes							
Liquor licenses							
Motor vehicle licenses							
Sales of goods and services other than capital assets	4 250	2 685	8 753	(37%)	7 390	6 075	126%
Of which Health patient fees							
Transfers received							
Fines, penalties and forfeits	10 405	15 150	27 993	46%	17 119	13 449	(11%)
Interest, dividends and rent on land		6	17			3	
Sales of capital assets							
Financial transactions in assets and liabilities	432	2 407	7 447	457%	4 078	3 026	
<b>Total receipts</b>	<b>15 087</b>	<b>20 248</b>	<b>44 210</b>	<b>34%</b>	<b>28 587</b>	<b>22 553</b>	<b>11%</b>

## Revenue trends for the first half of 2016/17

The table above shows the contribution of each revenue source towards the total revenue generated as at end of the second quarter of the 2016/17 fiscal year. The revenue estimates from previous fiscal year has increased from R15 million to R28.6 million in the current fiscal year. The current year revenue collection as at 30 September is R22.6 million and this represents a growth rate of 11 per cent as compared to the previous fiscal year.

The sale of goods and services collection for the first six months of the current financial period is R6 million, this revenue emanates from rental parking fees, boarding fees, course fees, rental dwellings, meals and refreshments provided at traffic training college.

Fines, penalties and forfeits actual collection is R13.4 million which is recovered from traffic fines following the implementation of zero-tolerance on offenders and motorists who are in violation of traffic laws, which include amongst others, reckless, negligent and drunken driving and excessive speeding.

Financial transactions in assets and liabilities contributed R3 million and this is due to the outstanding debt owed by Stakeholders.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 10.10: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Programme 1</b>	<b>18</b>				<b>165</b>				<b>165</b>	<b>183</b>
Provinces and municipalities					155				155	155
Households	18				10				10	28
<b>Programme 2</b>	<b>1 800</b>				<b>(1 140)</b>				<b>(1 140)</b>	<b>660</b>
Provinces and municipalities					600				600	600
Non-profit institutions	1 800				(1 800)				(1 800)	
Households					60				60	60
<b>Programme 3</b>	<b>3 792</b>				<b>(1 495)</b>				<b>(1 495)</b>	<b>2 297</b>
Provinces and municipalities	1 575				(1 475)				(1 475)	100
Public corporations and private enterprise	1 240				(1 240)				(1 240)	
Households	977				1 220				1 220	2 197
<b>Total changes in transfer</b>	<b>5 610</b>				<b>(2 470)</b>				<b>(2 470)</b>	<b>3 140</b>

### Virements and shifts

An amount of R1.8 million is shifted from non-profit institutions as a result of the undertaking by the Department of Social Development to continue with the programme of providing support to victims of domestic violence. R1.2 million is shifted to households to cater for injury on duty.

### 7.2 Changes to conditional grants

No changes.

### 7.3 Changes to infrastructure

Not applicable.



# VOTE 11

## DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>777 853</b>	<b>831 585</b>		<b>53 732</b>
<b>of which:</b>				
Current payments	717 548	772 941		55 393
Transfers and subsidies	18 090	10 671	(7 420)	
Payments for capital assets	42 214	47 945		5 731
Payment for financial assets		28		28
<b>Executive authority</b>	<b>MEC for Agriculture and Rural Development</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

An economically transformed agricultural sector and sustainable environmental management for healthy, food secure, developed rural and urban communities in Gauteng.

#### Mission

To radically modernize and transform agriculture, the environment and rural development by:

- Promoting environmental protection and management;
- Expanding access to agricultural opportunities;
- Maximising food security;
- Up-scaling rural development;
- Promoting the One Health System; and
- Supporting sustainable livelihoods and communities.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 11.1: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Administration	181 196				(1 500)			5 000	3 500	184 696
2. Agriculture and Rural Development	379 368				(1 200)			4 500	3 300	382 668
3. Environmental Affairs	217 289				2 700			44 232	46 932	264 221
<b>Total for programmes</b>	<b>777 853</b>							<b>53 732</b>	<b>53 732</b>	<b>831 585</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Current payments	717 548				3 161			52 232	55 393	772 941
Compensation of employees	409 708				(4 309)				(4 309)	405 400
Salaries & wages	355 684				(4 811)				(4 811)	350 874
Social contributions	54 024				502				502	54 526
Goods and services	307 840				7 470			52 232	59 702	367 541
<b>Transfers and subsidies</b>	<b>18 090</b>				<b>(8 920)</b>			<b>1 500</b>	<b>(7 420)</b>	<b>10 671</b>
Departmental agencies and accounts	12 847				(9 271)				(9 271)	3 577
Higher education institutions	4 210				(224)				(224)	3 986
Public corporations and private enterprises	400							1 500	1 500	1 900
Households	633				575				575	1 208
<b>Payments for capital assets</b>	<b>42 214</b>				<b>5 731</b>				<b>5 731</b>	<b>47 945</b>
Buildings and other fixed structures	30 839				4 119				4 119	34 958
Machinery and equipment	11 060				1 612				1 612	12 672
Software and other intangible assets	315									315
<b>Payments for financial assets</b>					<b>28</b>				<b>28</b>	<b>28</b>
<b>Total economic classification</b>	<b>777 853</b>							<b>53 732</b>	<b>53 732</b>	<b>831 585</b>

The table above indicates the main appropriation and adjustments for the current financial year. The department was allocated an original budget of R777.9 million which comprises of the equitable share and conditional grants. An amount of R53.7 million is availed to the department to fund various clean development projects under the Gauteng Cleaner Production and Remediation programme financed by the Development Bank of Southern Africa (R39 million); Bontle ke Botho (BkB) greening campaigns (R5.2 million); completion of the hydroponics tunnels in De Deur Emfuleni as well as the establishment of the chicken processing facility in Kaalbasfontein (R2.5 million); tenant installation services at the department's new office building (R5 million) and the Ntirhisano food security programme (R2 million).

Funds amounting to R51 million are reprioritized and shifted within the programmes under compensation of employees to fill critical vacant posts within programmes and to goods and services to ease pressures within various items. Furthermore, funds are also moved from projects which are progressing slowly to projects that are ready for implementation.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

### Programme 1: Administration

TABLE 11.2: PROGRAMME 1: ADMINISTRATION

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1. Office of the MEC	5 766				(1 435)				(1 435)	4 331
2. Senior Management	25 987				(405)				(405)	25 582
3. Corporate Services	74 604				(195)				(195)	74 409
4. Financial Management	74 839				535			5 000	5 535	80 374
<b>Total for programmes</b>	<b>181 196</b>				<b>(1 500)</b>			<b>5 000</b>	<b>3 500</b>	<b>184 696</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Current payments	176 314				(2 011)			5 000	2 989	179 303
Compensation of employees	113 273				(1 300)				(1 300)	111 973
Salaries & wages	98 190				(1 515)				(1 515)	96 675
Social contributions	15 083				215				215	15 298
Goods and services	63 041				(711)			5 000	4 289	67 330
<b>Transfers and subsidies</b>	<b>1 176</b>				<b>362</b>				<b>362</b>	<b>1 538</b>
Departmental agencies and accounts	962				(85)				(85)	877
Households	214				447				447	661
<b>Payments for capital assets</b>	<b>3 706</b>				<b>121</b>				<b>121</b>	<b>3 827</b>
Machinery and equipment	3 706				121				121	3 827
Heritage assets										
<b>Payments for financial assets</b>					<b>28</b>				<b>28</b>	<b>28</b>
<b>Total economic classification</b>	<b>181 196</b>				<b>(1 500)</b>			<b>5 000</b>	<b>3 500</b>	<b>184 696</b>

TABLE 11.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(7 693)</b>		<b>5 682</b>
Compensation of employees	Funds are shifted due to delays in the appointment of Knowledge and Project Management staff and migration of some officials in MEC's office to the Department of Economic Development.	(4 000)	Funds shifted to cover shortfall in Communication branch due to filling of critical vacant posts.	2 700
Goods and services	Funds are shifted due to slow spending in: active litigation matters; Travel and subsistence costs due to fewer international trips by MEC; Venues and facilities due to events being held in cost free municipal venues; and Catering due to minimal catering services provided on stakeholder engagements, including contracts for maintenance and repairs that were delayed due to change in department's official buildings.	(3 693)	Funds shifted to cover computer services due to department moving offices, printing of business cards and publishing the braille annual report as well as rental of photocopying machines at regional offices.	2 982
<b>Transfers and subsidies</b>		<b>(85)</b>		<b>447</b>
Departmental agencies and accounts	Funds are shifted from budget for skills levy as all PSETA transfers have been paid.	(85)		

Economic classification	Motivation	From	Motivation	To
Households			Funds are provided for leave gratuity and injury on duty benefits.	447
<b>Payments for capital assets</b>				<b>121</b>
Machinery and equipment			Funds are shifted to cover office furniture and portable PA system, including provision of microphones for HOD's office.	121
<b>Payments for financial assets</b>			Funds are shifted to cover for debts written off	<b>28</b>
<b>Total economic classification</b>		<b>(7 778)</b>		<b>6 278</b>

### Virements and shifts

An amount of R4 million from compensation of employees is shifted within the programme due to some officials in the office of the MEC who migrated to the Department of Economic Development. These funds will ease spending pressures at sub-programs level as a result of filling critical posts within the programme. The department shifted an amount of R3.7 million within goods and services due to cost-saving measures implemented on items such as legal services, travel and subsistence. Funds are reprioritised from contractors to cover computer services and office rentals due to the department's moving of offices; printing of business cards; and publishing the braille annual report.

The virement of R1.5 million is shifted to Programme 2: Agriculture and Rural Development which relates to BBBEE functions which were previously under Corporate Services.

### Additional provincial funding: R5 million

An amount of R5 million is allocated to the department for the tenant installation services at the department's new office building.

### Programme 2: Agriculture and Rural Development

TABLE 11.4: PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1.Sustainable Resource Management	39 244				(500)				(500)	38 744
2.Farmer Support & Development	176 665				(2 700)			2 000	(700)	175 965
3.Veterinary Services	85 767				500				500	86 267
4.Research & Technology Development Services	39 699									39 699
5.Agricultural Economics Services	29 771							2 500	2 500	32 271
6.Rural Development and Coordination	8 222				1 500				1 500	9 722
<b>Total for programme</b>	<b>379 368</b>				<b>(1 200)</b>			<b>4 500</b>	<b>3 300</b>	<b>382 668</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>354 994</b>				<b>8 618</b>			<b>4 500</b>	<b>13 118</b>	<b>368 111</b>
Compensation of employees	150 056				(1 400)				(1 400)	148 657
Salaries & wages	131 066				(1 025)				(1 025)	130 043
Social contributions	18 990				(375)				(375)	18 614
Goods and services	204 936				10 018			4 500	14 518	219 454
<b>Transfers and subsidies</b>	<b>16 705</b>				<b>(9 368)</b>				<b>(9 368)</b>	<b>7 338</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Provinces and municipalities										
Departmental agencies and accounts	11 885				(9 186)			(9 186)	2 700	
Higher education institutions	4 210				(224)			(224)	3 986	
Public corporations and private enterprises	400								400	
Households	210				42			42	252	
<b>Payments for capital assets</b>	<b>7 669</b>				<b>(450)</b>			<b>(450)</b>	<b>7 219</b>	
Machinery and equipment	7 354				(450)			(450)	6 904	
Software and other intangible assets	315								315	
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>379 368</b>				<b>(1 200)</b>			<b>4 500</b>	<b>3 300</b>	

TABLE 11.5 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(13 302)</b>		<b>21 920</b>
Compensation of employees	Funds are shifted due to delays in the approval for appointment of new extension officers and other staff categories in Land Care sub-programme.	(3 200)	Funds are shifted to cover expenditure for compensation of employees in Rural Development due to the disbanded Transformation Unit because functions and personnel moved to Rural Development.	1 800
Goods and services	Funds are shifted due to: Costs over-estimation for the establishment of the new Agri park; less fuel and oil consumed as tractors were not fully operational due to the drought season; livestock census project completed in a day which was less than anticipated; and budget for training of farmers centralised under Extension Recovery.	(10 102)	Funds are shifted to cover: Tractors audit, evaluation and verification costs for operational status; on-farm infrastructure such as piggery, poultry and shade nets structures in Sedibeng, Westrand and City of Tshwane; Agri parks maintenance; training and capacity building for smallholder farmers as well as office rentals.	20 120
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(9 410)</b>		<b>42</b>
Departmental agencies and accounts	Funds are shifted due to budget for Agricultural Information Management System incorrectly allocated. Funds were already transferred to departmental agency National Agricultural Marketing Council (NAMC) in 2015/16.	(9 186)		
Higher education institutions	Funds are shifted due to the budget allocated to higher education institutions is more than the proposal received from higher education institutions.	(224)		
Households			Funds are shifted to cover for leave gratuity benefits and unexpected injury on duty.	42
<b>Payments for capital assets</b>		<b>(3 266)</b>		<b>2 816</b>
Machinery and equipment	Funds are shifted from budget for computers due to delays in submission of approvals to effect appointments, as well as farming activities that are no longer a priority because of the drought.	(3 266)	Funds are shifted to cover diagnostic equipment's for mobile clinics in the South and West corridors of Gauteng	2 816
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(25 978)</b>		<b>24 778</b>

### Virements and shifts

An amount of R3.2 million is shifted within compensation of employees due to delays in approval for appointment of new extension officers to ease spending pressure at sub-programs level and to fill critical posts within the programme. An amount of R10 million is shifted within goods and services to fund on-farm infrastructure such as piggery, poultry and shade nets structures which will optimize farm production at Sedibeng, Westrand and City of Tshwane developmental corridor. These funds will allow an increase in training and capacity building for emerging small farmers. Lastly, provision is made to Rural Social Compact implementation and construction of boreholes.

Furthermore, an amount of R9 million a once-off allocation erroneously captured under Agricultural Information Management System under transfers and subsidies. The funds were already transferred to departmental agency in 2015 and is shifted to goods and services for the Agri park maintenance services and South African society for agricultural extension (SASAE) conference and symposium. Funds amounting to R3 million are shifted within capital assets to fund diagnostic equipment for mobile clinics in the South and West corridors of Gauteng.

The virement of R1.5 million is received from Administration programme due to migration of transformation officials from Corporate Services to the Rural Development sub-programme.

### Additional provincial funding: R4.5 million

An amount of R4.5 million is received as additional funding in this programme. An amount of R2.5 million is surrendered by Rand Water Foundation which relates to the construction of hydroponic tunnels in De Deur Emfuleni in 2014/15 as well as the establishment of the chicken processing facility in Kaalbasfontein. The projects contribute to the development and upgrading of agro-processing infrastructure in order to comply with the food safety standards. In addition, an amount of R2 million is allocated for production inputs such as vegetable seedlings, broilers and potato tubers for household food security, a project that is linked to Ntirhisano Food Security programme.

### Programme 3: Environmental Affairs

TABLE 11.6: PROGRAMME 3: ENVIRONMENTAL AFFAIRS

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
1.Environment Policy, Planning and Coordination	17 432				1 100			34 668	35 768	53 200
2.Compliance and Enforcement	41 067				(2 950)				(2 950)	38 117
3.Environmental Quality Management	42 005				11 570			9 564	21 134	63 139
4.Biodiversity Management	116 785				(7 020)				(7 020)	109 765
<b>Total for Programmes</b>	<b>217 289</b>				<b>2 700</b>			<b>44 232</b>	<b>46 932</b>	<b>264 221</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Current payments	186 241				(3 446)			42 732	39 286	225 527
Compensation of employees	146 379				(1 609)				(1 609)	144 770
Salaries & wages	126 427				(2 271)				(2 271)	124 156
Social contribution	19 952				662				662	20 614

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Goods and services	39 832				(1 837)			42 732	40 895	80 757
Transfers and subsidies	209				86			1 500	1 586	1 795
Public corporations and private enterprises								1 500	1 500	1 500
Households	209				86				86	295
Payments for capital assets	30 839				6 060				6 060	36 899
Buildings and other fixed structures	30 839				4 119				4 119	34 958
Machinery and equipment					1 941				1 941	1 941
<b>Total economic classification</b>	<b>217 289</b>				<b>2 700</b>			<b>44 232</b>	<b>46 932</b>	<b>264 221</b>

**TABLE 11.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: ENVIRONMENTAL AFFAIRS**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(21 364)</b>		<b>17 918</b>
Compensation of employees	Funds are shifted from the budget of Infrastructure Development Management System (IDMS) capacity building due to slow progress in the recruitment process. Funds are also shifted from Conservation agencies sub-programme as the budget for compensation of employees is adequately funded.	(9 970)	Funds are shifted to fund shortfalls in compensation of employees due to filling of critical vacant posts.	8 361
Goods and services	Funds are shifted due to implementation of saving measures on items: Travel and subsistence - fewer travelling claims processed due to vacant posts; communications due to usage limits given to officials' telephones; property payments as overhead expenditure adequately funded; and from the budget of IDMS infrastructure projects which was incorrectly classified as contractors.	(11 394)	Funds are shifted to cover: Advertising costs for climate change event; shortfall on Environmental Impact Assessment (EIA) review system support; Bontle ke Botho campaigns; purchases of animals feed in the departmental nature reserves due to drought; MEC EIA open day; and cleaning materials for chalets in the departmental nature reserves.	9 557
<b>Transfers and subsidies</b>				<b>86</b>
Households			Funds are shifted to cover for injury on duty and leave gratuity benefits.	86
<b>Payments for capital assets</b>				<b>6 060</b>
Buildings and other fixed structures			Funds are shifted to cover shortfall in budget for the IDMS projects such as southern waterline, new pipe network and renovation of oxidation tank at nature reserves which were wrongly classified as contractors.	4 119
Machinery and equipment			Funds are shifted to cover accrual expenditure for motor vehicles.	1 941
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(21 364)</b>		<b>24 064</b>

### Virements and shifts

An amount of R10 million on compensation of employees is shifted, whereby R5 million is shifted within programme to ease spending pressure at sub-programs level and to fill critical vacant posts within the programme while an amount of R4.8 million is shifted from compensation of employees' budget for IDMS capacity building due to slow progress in the recruitment process to goods and services to make provision for Bontle ke Botho campaigns.

An amount of R4.7 million is shifted within goods and services for advertising costs for climate change event to cover shortfalls on Environmental Impact Assessment (EIA) review system support, make provision for purchases of animals feed in the departmental nature reserves as a result of drought and also cater for MEC EIA open day.

An amount of R6 million is shifted from goods and services to capital assets to make provision for the shortfall in the budget for the IDMS projects such as southern waterline; new pipe network; renovation of oxidation tank at nature reserves as well as machinery; and equipment in the form of motor vehicles.

The virement received by this programme amount to R2.7 million to fund shortfall in compensation of employees and make provision for the filling of critical posts.

#### **Additional provincial funding: R44.2 million**

An amount of R39 million was received from the Development Bank of Southern Africa (DBSA) Gauteng Cleaner Production and Remediation funds. An amount to the tune of R34.6 million will be disbursed under Environment Policy, Planning and Coordination sub-programme to implement the projects as follows :

- R1.5 million will be transferred to Council of Scientific and Industrial Research (CSIR) National Cleaner Production to co-fund the Gauteng Industrial Symbiosis Programme (GISP) which will contribute to waste minimization and cleaner production. The cleaner production project is in partnership with the National Cleaner Production Centre of South Africa which is a national programme that promotes the implementation of resource efficiency and cleaner production methodologies to assist industry to lower costs through reduced energy, water and materials usage, and waste management.
- R30 million for pilot project to integrate Gauteng waste pickers into the main waste economy by developing and undertaking material, marketing and finance for waste pickers, procurement of trikes such as Kariki - waste collection motorized transport. This is a flagship TER initiative that is about transforming the waste sector and bring the actors in the economic periphery that are marginalized and excluded from the main core of the waste economy.
- An amount of R2.5 million makes provision for developing a Gauteng City Region Climate Change Strategy which is in line with the Transformation, Modernization and Re-industrialization mandate of the province in order to change the Gauteng City Region into a low carbon economic footprint in line with the vision of the National Development Plan 2030 objective of sustainable development.
- Furthermore, funds to the value of R9.5 million are allocated to Environmental Quality Management and are disaggregated as follows:
  - The department has been allocated an amount of R5.2 million for implementation of the Bontle ke Botho campaigns (BKB) through implantation of rehabilitating dump sites, greening and green cadet programmes. The programme aims to mobilize unemployed youth in the province, intensify education and awareness that will help community members at all levels gain the necessary knowledge, skills, attitude and values that enable them to participate meaningfully in addressing complex waste management and greening issues in their communities.
  - An amount of R2.3 million from the DBSA is allocated for modernization and upgrading of the 31 Gauteng Air Quality Monitoring Infrastructure.
  - Lastly, the department allocated R2 million to update the Gauteng air quality management plan ensuring air quality monitoring, modelling and mapping of pollution.

## **5. Expenditure 2015/16 and preliminary expenditure 2016/17**

TABLE 11.8: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sep
<b>R thousand</b>							
1. Administration	174 919	83 184	173 025	100%	184 696	95 348	15%
2. Agriculture and Rural Development	431 785	116 419	434 443	101%	382 668	149 204	28%
3. Environmental affairs	205 236	77 128	203 968	100%	264 221	104 960	36%
<b>Total</b>	<b>811 940</b>	<b>276 731</b>	<b>811 436</b>	<b>100%</b>	<b>831 585</b>	<b>349 512</b>	<b>26%</b>

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sep
R thousand							
Current payments	729 608	253 862	732 764	101%	772 941	320 778	26%
Compensation of employees	379 178	186 171	382 201	100%	405 400	196 958	6%
Goods and Services	350 430	67 691	350 563	102%	367 541	123 820	83%
Transfers and subsidies	26 245	9 651	26 846	102%	10 671	5 542	(43%)
Provinces and municipalities	9 816	2 901	8 230	84%		2 376	(18%)
Departmental agencies and accounts	6 324	2 234	12 354	195%	3 577	2 786	(25%)
Higher education institutions	3 806	2 786	3 786	99%	3 986		(100%)
Public corporations & private enterprises	5 703	1 000	1 000	18%	1 900		(100%)
Households	596	730	1 476	248%	1 208	380	
Payments for capital assets	56 087	13 213	51 797	92%	47 945	23 164	75%
Buildings and other fixed structures	20 892	1 051	18 647	89%	34 958	18 283	1640%
Machinery and equipment	33 195	12 162	33 069	100%	12 672	4 881	(60%)
Software and other intangible assets	2 000		81	4%	315		
Payments for financial assets		5	30		28	28	460%
Total economic classification	811 940	276 731	811 437	100%	831 585	349 512	26%

### Expenditure trend for 2015/16

In the 2015/16 financial year, the department spent 100 per cent of its total adjusted budget allocation. The department initially received an allocation of R707 million which was then adjusted to R811 million.

### Compensation of Employees

The department has spent the entire budget of R382 million which is equivalent to 100 per cent of its adjusted budget allocation. The department received an additional R15 million during adjustment budget to fill critical funded posts.

### Goods and Services

The department spent R351 million with 2 per cent overspending of the R350 million adjusted budget allocated. The overspending is mainly due to removal of alien vegetation and waste management permaculture projects which were implemented through the tender process and were awarded in the third quarter. These projects were finalised in the fourth quarter. And therefore, expenditure increased drastically for the fourth quarter of the financial year.

### Transfers and Subsidies

The department transferred R27 million which is equivalent to 102 per cent of the budget allocation. The transfers were as follows; R8 million to municipalities for maintenance of mechanisation inputs; R2 million to the Agricultural Research Council (ARC) for diagnostic laboratory services and research agenda projects; R9 million to the National Agricultural Marketing Council (NAMC) for information management systems project; R734 948 to the Agriseta and Cathseta for skills development levy; R4 million to Higher Education and Institutions for researches and bursaries; R1 million to Rand Water Foundation for Mma Tsepo Khumbane (MTK) awards; and expenditure incurred under Households relates to leave gratuity and injury on duty.

### Payments for Capital Assets

The department spent R52 million which is equivalent to 92 per cent of its adjusted budget allocation. R29 million of the total expenditure on capital asset relates to infrastructure projects which were implemented in partnership with DID. The departmental expenditure of R25.8 million relates to acquisition of poultry and red meat mobile abattoirs and acquisition of desktop laptops and motor vehicles.

### Expenditure trends for the first half of 2016/17

#### Compensation of Employees

The department spent R197 million of the main appropriation which is equivalent to 48 per cent. The 2 per cent under expenditure is attributed to the fact that performance bonuses for the 2016/17 financial year have not been paid.

#### Goods and Services

The department spent R124 million of the main appropriation which is equivalent to 40 per cent. The underspending is due to the fact that from the 1 July 2016, all infrastructure projects are required to follow the National Treasury IDMS process when undertaking infrastructure delivery. The IDMS requires the services of registered qualified Engineers, Architects, Town-Planners, and Quantity Surveyors to sign-off all TOR's and monitor these projects for delivery. GDARD has already started the process of creating a complete structure for infrastructure delivery. This is currently with DPSA awaiting approval. Furthermore, the department has issued a tender for the appointment of professional services for built environment in order to mitigate the current year projects.

#### Transfers and Subsidies

The department transferred R6 million of the main appropriation which is equivalent to 60 per cent. The expenditure incurred under households amounting to R380 000 relates to leave gratuity. The total amount of R876 000 under departmental agencies and accounts expenditure relates to skills development transferred to Agri Seta and Cath Seta, and R1.5 million was transferred to Agricultural Research Council (ARC) for diagnostic laboratory services. Lastly, an amount of R2.7 million was transferred to higher education institutions for research and bursaries.

### Payments for Capital Assets

The department spent R23 million of the main appropriation which translates to 46 per cent.

## 6. Departmental receipts check percentages in the table and content

TABLE 11.9: DEPARTMENTAL RECEIPTS

Department	2015/16 Audited Outcome				2016/17 Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sep
<b>R thousand</b>							
<b>Tax receipts</b>							
Sales of goods and services other than capital assets	1 850	1 618	7 218	390%	8 140	5 574	244%
Transfers received							
Fines, penalties and forfeits					6 468		
Interest, dividends and rent on land	4	4	7	0%	5	7	
Sales of capital assets							
Financial transactions in assets and liabilities		189	819		200	1 374	627%
<b>Total</b>	<b>1 854</b>	<b>1 811</b>	<b>8 044</b>	<b>390%</b>	<b>14 813</b>	<b>6 955</b>	<b>871%</b>

### Revenue trends for the first half of 2016/17

The table above shows the contribution of each revenue source towards the total revenue generated as at the end of the second quarter of the 2016/17 financial year. The revenue estimates from the previous financial year has increased from R1.8 million to R14.8 million. This high escalation is due to revenue collected from departmental services which was previously in the Cost Recovery Trading Account; which is currently collected in the department's account. Revenue collection for the current financial year as at 30 September was R6.9 million which represents a huge growth when compared to the 2015/16 financial year in the second quarter.

The department is not adjusting the 2016/17 main appropriation. Own revenue generated from sales of goods and services increased from R1.6 million to R5.5 million in 2015/16 and 2016/17 financial years. This item consists of staff parking and accommodation, environmental authorisation application fees and commission insurance. Financial transactions in assets and liabilities increased collections from R189 000 to R1.4 million between the two financial years for the period under review. This consists of recoveries from previous year's expenditure and private sector debt and recoveries.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 11.10 CHANGES TO TRANSFERS AND SUBSIDIES

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Programme 1:	1 176				362				362	1 538
Departmental Agencies and accounts	962				(85)				(85)	877
Households	214				447				447	661
Programme 2:	16 706				(9 368)				(9 368)	7 338
Departmental Agencies and accounts	11 886				(9 186)				(9 186)	2 700
Higher education institutions	4 210				(224)				(224)	3 986
Public corporations and private enterprises	400									400
Households	210				42				42	252
Programme 3:	209				86				1 586	1 795
Households	209				86				86	295
Departmental Agencies and accounts								1 500	1 500	1 500
<b>Total changes in transfer payments</b>	<b>18 091</b>				<b>(8 920)</b>			<b>1 500</b>	<b>(7 420)</b>	<b>10 671</b>

#### Virements and shifts

Departmental agencies and accounts is reduced by R8.7 million since this amount was transferred to NAMC for Agricultural Information Management System in the previous financial year. Provision made under households is for leave gratuity and injury on duty anticipated expenditure. Funds allocated to higher education institutions is more than the amount in the proposals received from higher education institutions, as such an amount of R224 000 is moved from this item.

#### Additional provincial funding: R1.5 million

An additional funding of R1.5 million under Public Corporations & Private Enterprises will be transferred to Council for Scientific and Industrial Research (CSIR) to co-fund the Gauteng Industrial Symbiosis project (GISP) which contributes to waste minimisation and cleaner production.

### 7.2 Changes to Infrastructure

Refer to 2016 Adjusted Estimates of Capital Expenditure (AECE)



# VOTE 12

## DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>821 059</b>	<b>849 001</b>		<b>27 942</b>
<b>of which:</b>				
Current payments	485 578	478 489	(7 089)	
Transfers and subsidies	170 684	182 376		11 692
Payments for capital assets	164 797	187 371		22 574
Payment for financial assets		765		765
<b>Executive authority</b>	<b>MEC for Sport, Arts Culture and Recreation</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

“An active, creative and modernized Gauteng City Region contributing to sustainable economic growth and social cohesion.”

#### Mission

In pursuit of the above vision, the Department of Sport, Arts, Culture and Recreation (DSACR) will work interactively to create an enabling environment towards radical economic and accelerated social transformation for sporting, artistic, and cultural excellence through:

- Facilitating talent identification and development in partnership with key stakeholders;
- Positioning the business of sport and creative industries as catalysts for sustainable economic growth;
- Modernization of the economy through the bidding and hosting of major sporting and cultural events; and
- Providing universal access to sport, arts, cultural activities, library, archival services and facilities and identifying, promoting and preserving heritage.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 12.1 DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Administration	114 001				2 606				2 606	116 607
2. Cultural Affairs	189 757			1 355	(26)				1 329	191 086
3. Library and Archives Services	274 007		17 813	10 242	(1 380)				26 675	300 682
4. Sport and Recreation	243 294				(1 200)		(17 468)	16 000	(2 668)	240 626
<b>Total for programmes</b>	<b>821 059</b>		<b>17 813</b>	<b>11 597</b>			<b>(17 468)</b>	<b>16 000</b>	<b>27 942</b>	<b>849 001</b>

  

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
<b>Current payments</b>	<b>485 578</b>			<b>1 355</b>	<b>(7 663)</b>		<b>(16 781)</b>	<b>16 000</b>	<b>(7 089)</b>	<b>478 489</b>
Compensation of employees	239 300				(21 153)		(681)		(21 834)	217 466
Salaries & wages	211 421				(19 110)		(606)		(19 716)	191 705
Social contribution	27 879				(2 043)		(75)		(2 118)	25 761
Goods and services	246 278			1 355	13 282		(16 100)	16 000	14 537	260 815
Interest and rent on land					208				208	208
<b>Transfers and subsidies</b>	<b>170 684</b>				<b>12 379</b>		<b>(687)</b>		<b>11 692</b>	<b>182 376</b>
Provinces and municipalities	117 138				8 978				8 978	126 116
Departmental agencies and accounts	27 397				1 000				1 000	28 397
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions	24 406				1 931		(687)		1 244	25 650
Households	1 743				470				470	2 213
<b>Payments for capital assets</b>	<b>164 797</b>		<b>17 813</b>	<b>10 242</b>	<b>(5 481)</b>				<b>22 574</b>	<b>187 371</b>
Buildings and other fixed structures	153 096		17 813	7 362	(4 549)				20 626	173 722
Machinery and equipment	11 701			2 880	(932)				1 948	13 649
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>					<b>765</b>				<b>765</b>	<b>765</b>
<b>Total economic classification</b>	<b>821 059</b>		<b>17 813</b>	<b>11 597</b>			<b>(17 468)</b>	<b>16 000</b>	<b>27 942</b>	<b>849 001</b>

The 2016/17 main appropriation of R821 million is adjusted upwards to R849 million. The net increase of R27.9 million is attributable to the additional funding of R16 million for the enhancement of the provincial community festive games over the holiday season, the envisaged increase in mass participation programmes combined with commemoration celebrations, and the enhancement of acknowledgement for excellence in the sport and recreation sector. Included in this increase is an amount of R11.6 million which is related to the approved equitable share rollovers from the previous financial year. In addition, R17.8 million for the Community Library Conditional Grant was rolled over from the 2015/16 financial year to cover specific obligations and complete certain projects whilst the Mass Participation Programme Grant has been decreased by R17.5 million due to a correction in the grant allocation on a National level.

The department reprioritized the 2016/17 budget to identify funding for specific priority areas and spending pressures. An amount of R21.2 million is shifted from compensation of employees due to the delays in the implementation of the redesigned decentralized organisational structure not yet approved by DPSA and confirmed by Treasury, and also reclassifying funds from transfers and expenditure for capital assets to defray spending pressures in most departmental programmes.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 12.2: PROGRAMME 1: ADMINISTRATION

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1.Office of the MEC	6 338				(1 474)				(1 474)	4 864
2.Corporate Services	107 663				4 080				4 080	111 743
<b>Total for programme</b>	<b>114 001</b>				<b>2 606</b>				<b>2 606</b>	<b>116 607</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
<b>Current payments</b>	<b>111 706</b>				<b>2 137</b>				<b>2 137</b>	<b>113 843</b>
Compensation of employees	77 305				2 669				2 669	79 974
Salaries & wages	67 436				2 299				2 299	69 735
Social contribution	9 869				370				370	10 239
Goods and services	34 401				(740)				(740)	33 661
Interest and rent on land					208				208	208
<b>Transfers and subsidies</b>	<b>143</b>				<b>411</b>				<b>411</b>	<b>554</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	143				411				411	554

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Payments for capital assets</b>	2 152				(707)				(707)	1 445
Buildings and other fixed structures					29				29	29
Machinery and equipment	2 152				(736)				(736)	1 416
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>					765				765	765
<b>Total economic classification</b>	<b>114 001</b>				<b>2 606</b>				<b>2 606</b>	<b>116 607</b>

TABLE 12.3 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(15 677)</b>		<b>17 814</b>
Compensation of employees	Funds are shifted due to delays in the implementation of the redesigned decentralized organisational structure not yet approved by DPSA.	(5 411)	The department is implementing the auditor general's recommendation to reverse the movement of staff back which was moved to core programmes.	8 080
Goods and services	Funds are reallocated to follow the function of awarding excellence in programme 4 and to enhance the operationalisation of the hubs in programme 2.	(10 266)	Provision to cater for unforeseen legal fees that the department could not have budgeted for and high increase in audit costs and software licenses.	9 526
Interest and rent on land			Funds for the payment of interests charged on late payments for legal services.	208
<b>Transfers and subsidies</b>				<b>411</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households			To fund subsidies to households and leave gratuity payments.	411
<b>Payments for capital assets</b>		<b>(1 536)</b>		<b>829</b>
Buildings and other fixed structures			To defray an overspending relating to the refurbishment of the MEC's office.	29
Machinery and equipment	The budget for computers has been decentralized to core programmes	(1 536)	The reclassification of budget for GG vehicles as capital budget in line with SCOA	800
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>			Provision for bad debts written off as irrecoverable	765
<b>Total economic classification</b>		<b>(17 213)</b>		<b>19 819</b>

## Virements and shifts

The programme increase with a net of R2.6 million to address budget shortfalls and the unforeseen high litigation costs and the costs of an extensive audit programme. The net decrease of R740 000 in goods and services are attributable to an amount of R5.5 million that is reallocated to Programme 2: Cultural Affairs and Programme 4: Sports and Recreation, of which R1.5 million is shifted to the schools holiday programmes. The purpose of these programmes are to enhance community based mass participation in the arts and culture and recreation sector leading to increased social cohesion and creating awareness on the values of healthy lifestyles. In addition, R4 million for the Gauteng sports awards is moved to programme 4 where the function is performed and it forms part of their business plans.

## Programme 2: Cultural Affairs

TABLE 12.4: PROGRAMME 2: CULTURAL AFFAIRS

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1.Management	6 708				63				63	6 771
2.Arts & Culture	105 264			1 355	669				2 024	107 288
3.Heritage Resource Services	75 501				(758)				(758)	74 743
4.Language Services	2 284									2 284
<b>Total for programme</b>	<b>189 757</b>			<b>1 355</b>	<b>(26)</b>				<b>1 329</b>	<b>191 086</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>117 884</b>			<b>1 355</b>	<b>1 376</b>				<b>2 731</b>	<b>120 615</b>
Compensation of employees	49 818				(13 400)				(13 400)	36 418
Salaries & wages	43 275				(12 716)				(12 716)	30 559
Social contribution	6 543				(684)				(684)	5 859
Goods and services	68 066			1 355	14 776				16 131	84 197
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>39 157</b>				<b>(402)</b>				<b>(402)</b>	<b>38 755</b>
Provinces and municipalities										
Departmental agencies and accounts	27 397				1 000				1 000	28 397
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions	11 760				(1 430)				(1 430)	10 330
Households					28				28	28
<b>Payments for capital assets</b>	<b>32 716</b>				<b>(1 000)</b>				<b>(1 000)</b>	<b>31 716</b>
Buildings and other fixed structures	30 000									30 000
Machinery and equipment	2 716				(1 000)				(1 000)	1 716

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
<b>Total economic classification</b>	<b>189 757</b>			<b>1 355</b>	<b>(26)</b>				<b>1 329</b>	<b>191 086</b>

TABLE 12.5 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: CULTURAL AFFAIRS

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(35 922)</b>		<b>37 298</b>
Compensation of employees	Funds are shifted due to delays in the implementation of the redesigned decentralised organisational structure not yet approved by DPSA.	(14 296)	Provision is made for personnel under Sub-programme: Management and Heritage service	896
Goods and services	Logistical services for major heritage events were classified under professional services. Funds are shifted to the correct SCoA line items e.g. catering, venues and transport provided: departmental activities.  Funds for the National Heritage Monument project allocated under agency and outsourced services are moved to transfers and subsidies.  Funds are also shifted due to cost containment measures effected from the hosting of events by entering into partnerships with the National Department of Arts and Culture in relation to the carnival event.	(21 626)	Funds are classified to the correct line items including, catering, venues and transport provided: departmental activities.  Provision is also made to increase support for performing arts and the operational costs of at hubs.	36 402
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(6 260)</b>		<b>5 858</b>
Provinces and municipalities			Provision to increase support of identified block buster film.	1 000
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions	The department decided to no longer transfer funds through NPI and will offer support through normal procurement processes.	(6 260)	Funds for the environmental impact assessment and the heritage impact assessment studies in relation to the National Heritage Monument.	4 830
Households			To fund subsidies to households and leave gratuity payments	28
<b>Payments for capital assets</b>		<b>(1 013)</b>		<b>13</b>
Buildings and other fixed structures				
Machinery and equipment	The budget is reprioritized within the Sub-programme: Arts and Culture as the item is adequately funded.	(1 013)	Provision for assets within the Sub-Programme: Management.	13

Economic classification	Motivation	From	Motivation	To
Heritage assets				
Specialized military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(43 195)</b>		<b>43 169</b>

### Provincial roll-overs: R1.4 million

Unspent funds of R1.4m are rolled over from the previous financial year for the refurbishment, upgrading and construction of infrastructure projects in Ratanda, Diepsloot, Magaliesburg and South, East and Western corridors.

### Virements and shifts

The programme received R1.5 million from Programme 1: Administration for the focused projects on School Holiday Programmes and Arts through the arts and culture community cluster whilst an amount of R1.5 million is reallocated to Programme 4: Sport and Recreation for the Nelson Mandela Remembrance Walk project with the focus on mass participation. In addition, a total amount of R14.8 million is moved to goods and services to implement arts and culture cluster programmes in communities and to increase support for the operationalisation of hubs. The arts and culture programmes includes performing arts, creative industries and cultural activities.

An amount of R1 million is shifted to the Gauteng Film Commission to augment the support for films that contributes to transformation and potential growth in the film sector at production level through the reprioritization of funds allocation to transfers and subsidies.

### Programme 3: Library and Archives Services

TABLE 12.6: PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1.Management	1 554				201				201	1 755
2.Library Services	194 847		17 813	5 037	(1 249)				21 601	216 448
3.Archives	77 606			5 205	(332)				4 873	82 479
<b>Total sfor programme</b>	<b>274 007</b>		<b>17 813</b>	<b>10 242</b>	<b>(1 380)</b>				<b>26 675</b>	<b>300 682</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>28 143</b>				<b>(7 435)</b>				<b>(7 435)</b>	<b>20 708</b>
Compensation of employees	15 618				(3 180)				(3 180)	12 438
Salaries & wages	13 888				(2 080)				(2 080)	11 808
Social contribution	1 730				(1 100)				(1 100)	630
Goods and services	12 525				(4 255)				(4 255)	8 270
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>119 488</b>				<b>10 009</b>				<b>10 009</b>	<b>129 497</b>
Provinces and municipalities	117 138				8 978				8 978	126 116
Departmental agencies and accounts										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions	750				1 000			1 000	1 750	
Households	1 600				31			31	1 631	
<b>Payments for capital assets</b>	<b>126 376</b>		<b>17 813</b>	<b>10 242</b>	<b>(3 954)</b>			<b>24 101</b>	<b>150 477</b>	
Buildings and other fixed structures	121 096		17 813	7 362	(4 578)			20 597	141 693	
Machinery and equipment	5 280			2 880	624			3 504	8 784	
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>274 007</b>		<b>17 813</b>	<b>10 242</b>	<b>(1 380)</b>			<b>26 675</b>	<b>300 682</b>	

TABLE 12.7 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(12 600)</b>		<b>5 165</b>
Compensation of employees	The department is implementing the Auditor General's recommendation to reverse the movement of staff back which was moved to core programmes.	(3 280)	To cater for personnel cost that was inadequately budgeted for.	100
Goods and services	Funds are shifted due to the delays finalising the construction of libraries.	(9 320)	Provision for books subscription fees, catering for training of records and archives council meetings for the national archives week, awareness sessions for reading and outreach programmes and computer licensing fees.	5 065
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(250)</b>		<b>10 259</b>
Provinces and municipalities			The provision is for the operationalization of libraries.	8 978
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions			Reclassifying funds in line with grant's approved business plan.	1 000
Households	The budget is reprioritised within the grant as the item is adequately budgeted for.	(250)	Funds to cover costs relating to leave gratuities.	281

Economic classification	Motivation	From	Motivation	To
<b>Payments for capital assets</b>		<b>(7 178)</b>		<b>3 224</b>
Buildings and other fixed structures	The budget is reprioritised within the grant due to the delay of the construction of libraries	(7 178)	Provision for the upgrading of Ratanda and Venterspoort community libraries  To cater for the procurement of computers for libraries	2 600
Machinery and equipment				624
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(20 028)</b>		<b>18 648</b>

### National roll-overs: R17.8 million

The Community Library Services Grant amounting to R17.8 million is rolled over for the completion of the additional scope of work in community libraries such as furniture, guard houses, electronic security system, burglar bars and professional fees.

### Provincial roll-overs: R10.2 million

An amount of R10.2 million is approved to be rolled over from the previous financial year for the completion of the Provincial Archive Centre (R5.2 million) and R5 million to fund library equipment and furniture for Rust Ter Vaal and Impumelelo Library, as well as network cabling of the new libraries, the computer services at Randfontein and the completion of the Olivenhoutbosch Library.

### Virements and shifts

The programme shifted R1.4 million to Programme 1: Administration due to the implementation of the recommendation from the Auditor General to reverse the movement of staff which was moved to core programmes in the previous financial year until the new structure can be fully implemented. In addition, R4.3 million is shifted from goods and services for the upgrading of two community libraries and an amount of R8.9 million is reclassified within the community libraries grant to increase transfers to municipalities for the operationalization of the libraries of which R7.2 million is from payments of capital assets and R1.8 million is from compensation of employees.

### Programme 4: Sport and Recreation

TABLE 12.8: PROGRAMME 4: SPORT AND RECREATION

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1.Management	9 007								9 007	
2.Sport	100 478				5 500		(9 468)	10 000	6 032	
3.Recreation	86 933				(6 700)		(2 469)	6 000	(3 169)	
4.School Sport	46 876						(5 531)		(5 531)	
<b>Total for programme</b>	<b>243 294</b>				<b>(1 200)</b>		<b>(17 468)</b>	<b>16 000</b>	<b>(2 668)</b>	

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>227 845</b>				<b>(3 741)</b>		<b>(16 781)</b>	<b>16 000</b>	<b>(4 522)</b>	
Compensation of employees	96 559				(7 242)		(681)		(7 923)	
Salaries & wages	86 822				(6 613)		(606)		(7 219)	
Social contribution	9 737				(629)		(75)		(704)	
Goods and services	131 286				3 501		(16 100)	16 000	3 401	
Interest and rent on land										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Transfers and subsidies</b>	11 896				2 361		(687)		1 674	13 570
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions	11 896				2 361		(687)		1 674	13 570
Households										
<b>Payments for capital assets</b>	3 553				180				180	3 733
Buildings and other fixed structures	2 000									2 000
Machinery and equipment	1 553				180				180	1 733
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	243 294				(1 200)		(17 468)	16 000	(2 668)	240 626

TABLE 12.9 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: SPORT AND RECREATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(17 489)</b>		<b>13 748</b>
Compensation of employees	The department is implementing the Auditor General's recommendation to reverse the movement of staff back which was moved to core programmes	(7 430)	Provision is made to cater for an increase in conditions of services.	188
Goods and services	Reduced allocation of the Mass Participation and Sport Development Grant to align with the approved business plan.	(10 059)	Funds for branding and awareness of Mass participation programmes in the province and coordination of sports and recreation programmes.  Funds for reclassification of sports awards and the Nelson Mandela remembrance walk functions.	13 560
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(180)</b>		<b>2 541</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				

Economic classification	Motivation	From	Motivation	To
Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions	Reduced allocation of the Mass Participation and Sport Development Grant to align with the approved business plan.	(180)	Provision for the transfer of funds to the Gauteng Sports Council to strengthen the structures within the Sports Federations.	2 541
Households				
<b>Payments for capital assets</b>				<b>180</b>
Buildings and other fixed structures Machinery and equipment			Provision for new computer equipment required for implementation of School Sport programs.	180
Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>( 17 669)</b>		<b>16 469</b>

### Virements and shifts

Programme 4 is shifting an amount of R6.7 million from compensation of employees to Programme 1: Administration to implement the recommendation of the Auditor General. Movements also include the receipt of R5.5 million of which R1.5 million is moved from programme 2 in relation to the Nelson Mandela Remembrance Walk, and R4 million from programme 1 for the Gauteng Sports Awards.

### Additional national funding: R17.5 million

The allocation for the Mass Participation and Sport Development Grant is reduced by R17.5 million due to an erroneous grant allocation published in the 2016 Division of Revenue Act.

### Additional provincial funding: R16 million

The department is receiving a total of R16 million and R6 million is for the enhancement of provincial community festive games over the holiday season. The aim is to engage the youth over the holiday period by coordinating various activities in communities in the quest to promote active healthy lifestyles. Furthermore, an amount of R5 million is made available to provide for the anticipated increase in mass participation programmes combined with commemoration celebrations, specifically the Nelson Mandela Remembrance Walk as one of the major attractions and opportunities to build social cohesion in Gauteng. The remaining R5 million is allocated to fund the shortfall in the amount appropriated for the increased acknowledgement of excellence in the Sport and Recreation sector by hosting the Gauteng Sports awards.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 12.10: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17: SPORT, ARTS, CULTURE AND RECREATION

Department	2015/16 Expenditure Outcome				2016/17 Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 -March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
1.Administration	109 071	74 987	130 629	120%	116 607	59 872	(20%)
2.Cultural Affairs	120 932	47 998	113 430	94%	191 086	117 161	144%
3.Library and Archives Services	344 914	169 108	278 178	81%	300 682	158 167	(6%)
4.Sport and Recreation	220 007	63 608	182 096	83%	240 626	94 188	48%
<b>Total for programmes</b>	<b>794 924</b>	<b>355 701</b>	<b>704 333</b>	<b>89%</b>	<b>849 001</b>	<b>429 388</b>	<b>21%</b>

<b>Current payments</b>	<b>399 080</b>	<b>154 282</b>	<b>386 916</b>	<b>97%</b>	<b>478 489</b>	<b>229 026</b>	<b>112%</b>
Compensation of employees	188 440	91 873	183 836	98%	217 466	106 227	16%
Goods and Services	210 640	62 409	202 493	96%	260 815	122 592	96%
Interest and rent on land			587		208	207	
<b>Transfers and subsidies</b>	<b>146 916</b>	<b>117 565</b>	<b>155 391</b>	<b>106%</b>	<b>182 376</b>	<b>105 561</b>	<b>(28%)</b>
Provinces and municipalities	99 479	83 627	103 111	104%	126 116	77 738	(7%)
Departmental agencies and accounts	25 993	19 494	25 993	100%	28 397	20 547	5%
Higher education institutions						20	
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions	20 029	13 610	25 249		25 650	6 189	(55%)
Households	1 415	834	1 038		2 213	1 067	28%
<b>Payments for capital assets</b>	<b>248 899</b>	<b>83 825</b>	<b>161 636</b>	<b>65%</b>	<b>187 371</b>	<b>94 036</b>	<b>12%</b>
Buildings and other fixed structures	224 883	79 941	152 774	68%	173 722	90 142	13%
Machinery and equipment	23 856	3 732	8 646	36%	13 649	3 894	4%
Heritage assets							
Specialised military assets							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets	160	152	216				
<b>Payments for financial assets</b>	<b>29</b>	<b>29</b>	<b>390</b>		<b>765</b>	<b>765</b>	
<b>Total economic classification</b>	<b>794 924</b>	<b>355 701</b>	<b>704 333</b>	<b>89%</b>	<b>849 001</b>	<b>429 388</b>	<b>21%</b>

### Expenditure trends for 2015/16

The department's total expenditure for 2015/16 financial year amounted to R704.3 million which translates to 89 per cent of the adjusted budget of R794.9 million. The department underspent with an amount of R90.6 million largely due to the slow spending on infrastructure projects.

**Programme 1:** Administration exceeded the compensation of employees' budget by R12.8 million the due to the misalignment of personnel costs against the budget.

**Programme 2:** Cultural Affairs recorded and underspending of R5.9 million which was due to unpaid invoices at the end of the financial year.

**Programme 3:** The underspending of R67.5 million by Library and Information Services is mainly due to the incomplete construction of libraries.

**Programme 4:** Sport and Recreation underspending amounts to R29.9 million. R18 million under infrastructure was due to delays in the implementation of operation Mabaleng while R10.8 million for compensation of employees was due to the misalignment of personnel cost against the budget. R6.4 million under goods & services was due to unpaid invoices which were not processed at the end of the financial year.

### Expenditure trends for the first half of 2016/17

The total departmental expenditure at the end of the second quarter of 2016/17 is R429.4 million which is more than

the comparative figure of R355.7 million in the 2015/16 financial year. The increase in spending is due to the payment of accruals.

#### Programme 1: Administration

The total expenditure up to the second quarter of 2016/17 amounts to R59.9 million and translates to 53 per cent of the main budget compared to the 69 per cent of 2015/16. The slower spending is due to the misalignment of personnel costs against the budget.

#### Programme 2: Cultural Affairs

The total expenditure up to the second quarter of 2016/17 amounts to R117 million and translates to 62 per cent of the main budget compared to the 40 per cent of 2015/16. The higher spending is due to the implementation of the Carnival project, the operationalization of the hubs and the Living Women's Monument.

#### Programme 3: Library and Information Services

The total expenditure up the second quarter of 2016/17 is R158 million and translates to 58 per cent of the main budget compared to the 49 per cent of 2015/16. The accelerated spending is due to an increase in spending related to the construction of the Provincial Archive Centre.

#### Programme 4: Sport and Recreation

The total expenditure for the first half of 2016/17 is R94 million and translates to 39 per cent of the main allocation compared to the 29 per cent of the 2015/16 financial year. The higher spending is due to the misalignment of personnel cost against the budget.

## 6. Departmental receipts

TABLE 12.11: DEPARTMENTAL RECEIPTS

Department	2015/16 Audited Outcome				2016/17 Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
<b>Tax receipts</b>							
Casino taxes							
Horse racing taxes							
Liquor licences							
Motor vehicle licences							
Sales of goods and services other than capital assets	237	140	291	123%	317	149	6%
Of which Health patient fees							
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	12	8	162	1350%	250	225	2713%
Sales of capital assets							
Financial transactions in assets and liabilities	60	39	206	343%	100	60	54%
<b>Total receipts</b>	<b>309</b>	<b>187</b>	<b>659</b>	<b>213%</b>	<b>667</b>	<b>434</b>	<b>132%</b>

#### Revenue trends for the first half of 2016/17

The department has adjusted the revenue appropriation for 2016/17 financial year upward from R320 000 to R667 000 and as at the end of September 2016 the department managed to collect R434 000 which translates to 65 per cent. The lowest contributor is sales of goods and services other than capital assets with a total amount collected as at the end of the second quarter amounting to R149 000. This was due to more parking being utilised.

The second highest contributor is financial transactions in assets and liabilities with a total amount collected as at the end of the second quarter amounting to R60 000 translated to 60 per cent. This was due to increase in debt collection done by the collecting agent.

The highest contributor is Interest, dividends and rent on land with a total amount collected as at the end of the second quarter amounting to R225 000 translated to 90 per cent. This was due to increase in debt collection done by the collecting agent.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 12.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Programme 1</b>	<b>143</b>				<b>411</b>				<b>411</b>	<b>554</b>
Households	143				411				411	554
<b>Programme 2</b>	<b>39 157</b>				<b>(402)</b>				<b>(402)</b>	<b>38 755</b>
Departmental agencies and accounts	27 397				1 000				1 000	28 397
Non-profit institutions	11 760				(1 430)				(1 430)	10 330
Households					28				28	28
<b>Programme 3</b>	<b>119 488</b>				<b>10 009</b>				<b>10 009</b>	<b>129 497</b>
Provinces and municipalities	117 138				8 978				8 978	126 116
Non-profit institutions	750				1 000				1 000	1 750
Households	1 600				31				31	1 631
<b>Programme 4</b>	<b>11 896</b>				<b>2 361</b>			<b>(687)</b>	<b>1 674</b>	<b>13 570</b>
Non-profit institutions	11 896				2 361			(687)	1 674	13 570
<b>Total changes in conditional Name of transfer payments</b>	<b>170 684</b>				<b>12 379</b>			<b>(687)</b>	<b>11 692</b>	<b>182 376</b>

#### Virements and shifts

The department moved an amount of R411 000 to Programme 1: Administration to make provision for subsidies to households and leave gratuity.

The total amount allocated to transfers and subsidies under programme 2: Cultural Affairs is decreased by R402 000 due to the decision to implement the programmes internally through procurement of goods and services. The programme received an additional R1 million to be transferred to the Gauteng Film Commission towards the finalisation of the production of blockbuster films.

Programme 3: Library and Information Services reclassified R8.9 million within the Community Library Conditional Grant allocation to increase transfers to municipalities to cater for the operationalisation of libraries. An amount of R31 000 is shifted to households for provision of leave gratuities.

Programme 4: Sport and Recreation received a net amount of R 1.7 million due to the alignment of budget with planned activities of the conditional grant business plan.

## 7.2 Changes to conditional grants

TABLE 12.13: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Programme 2</b>	<b>2 024</b>								<b>2 024</b>	
EPWP Integrated Grant	2 024								2 024	
<b>Programme 3</b>	<b>163 339</b>		<b>17 813</b>					<b>17 813</b>	<b>181 152</b>	
Recap Of Community Libraries Conditional Grant	163 339		17 813					17 813	181 152	
<b>Programme 4</b>	<b>103 284</b>						<b>(17 468)</b>	<b>(17 468)</b>	<b>85 816</b>	
Mass Sport and Participation	101 084						(17 468)	(17 468)	83 616	
EPWP Incentive Grant	2 200								2 200	
<b>Total changes in conditional grants</b>	<b>268 647</b>		<b>17 813</b>				<b>(17 468)</b>	<b>345</b>	<b>268 992</b>	

### National roll-overs: R17.8 million

The Community Library Services Grants received a roll over of R 17.8 million for the completion of the additional scope of work in 8 community libraries namely Drieziek, Evaton North, Kagiso Ext 6, Kingsway, Naturena, Olievenhoutbosch, Rietvallei, and Roodekop.

### National additional funding: R17.5 million

The National Department of Sport and Recreation reduced the allocation for the Mass Participation and Sport Development Grant from R101.1 million to R83.6 million, a decrease of R17.5 million to correct an error in the allocation published at the beginning of the financial year.

## 73. Changes to infrastructure

Refer to 2016 Adjusted Estimates of Capital expenditure (AECE)



# VOTE 13

## DEPARTMENT OF e-GOVERNMENT

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 216 132</b>	<b>1 263 186</b>		<b>47 054</b>
<b>of which:</b>				
Current payments	1 191 308	1 211 630		20 322
Transfers and subsidies	550	23 350		22 800
Payments for capital assets	24 274	28 206		3 932
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for e-Government</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

A Connected Gauteng City-Region that leverages technology to provide quality services to citizens.

#### Mission

To realize the intent of a connected government through:

- Provision of relevant technologies, standards and governance;
- Creation of an environment of collaboration between key stakeholders; and
- Facilitation of the evolution of the Gauteng City-Region (GCR) service delivery.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 13.1: DEPARTMENT OF E-GOVERNMENT

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Administration	225 760	(149)		10 600	(41 392)				(30 941)	194 819
2. Policy Planning, Strategy Development and Support Services	413 618				90 295				90 295	503 913
3. Solutions, Systems and Operations	552 220	(1 375)		1 978	(33 962)			36 000	2 641	554 861
4. Regulations, Compliance and Public Relations	24 534				(14 941)				(14 941)	9 593
<b>Total for programmes</b>	<b>1 216 132</b>	<b>(1 524)</b>		<b>12 578</b>				<b>36 000</b>	<b>47 054</b>	<b>1 263 186</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
<b>Current payments</b>	<b>1 191 308</b>	<b>(1 524)</b>		<b>12 578</b>	<b>(26 732)</b>			<b>36 000</b>	<b>20 322</b>	<b>1 211 630</b>
Compensation of employees	503 991	(1 053)			(178 393)				(179 446)	324 545
Salaries & wages	452 623	(1 053)			(158 416)				(159 469)	293 154
Social contribution	51 368				(19 977)				(19 977)	31 391
<b>Goods and services</b>	<b>687 317</b>	<b>(471)</b>		<b>12 578</b>	<b>151 661</b>			<b>36 000</b>	<b>199 768</b>	<b>887 085</b>
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>550</b>				<b>22 800</b>				<b>22 800</b>	<b>23 350</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions					22 800				22 800	22 800
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	550									550
<b>Payments for capital assets</b>	<b>24 274</b>				<b>3 932</b>				<b>3 932</b>	<b>28 206</b>
Buildings and other fixed structures										
Machinery and equipment	7 874				20 332				20 332	28 206
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Software and other intangible assets	16 400				(16 400)				(16 400)	
Payments for financial assets										
<b>Total economic classification</b>	<b>1 216 132</b>	<b>( 1 524)</b>		<b>12 578</b>				<b>36 000</b>	<b>47 054</b>	<b>1 263 186</b>

The 2016/17 main appropriation increases by an amount of R47 million from R1.2 billion to an adjusted appropriation of R1.3 billion. This increase is a net effect of the approved rollover amounting to R12.6 million and R2.3 million that is being suspended to the Office of the Premier to provide for personnel costs and operational costs for the Employee Wellness and Health Programme function that migrated with effect from 1<sup>st</sup> October 2016 and R842 000 received from GPT for compensation of employees budget relating to three employees under the Document Management Centre that are being transferred back to the department. The department receives an additional amount of R36 million to fund a budget shortfall for Microsoft licenses caused by the variance between the exchange spot rate and the rate at which respective departments had based their provisions for the licenses.

An amount of R12.5 million in unspent funds is rolled over from the 2015/16 financial year for the completion and settlement of the following projects that could not be completed in the previous financial year:

- R1.9 million: SAP functional upgrade;
- R750 000: installation of security booths at 75 Fox Street building;
- R1.3 million: security scanners at 75 Fox Street building; and
- R8.5 million: refurbishment of 75 Fox Street building.

The department obtained the treasury approval to reallocate unspent R171.3 million for vacant posts to provide funding for additional sites as part of the GPG's broadband network rollout project and funding for DAV Centre operations; audit of ICT functions within the province; application monitoring software; fully managed data centre resources and software licenses. These funds will contribute towards the department's mandate to continue transforming how GPG manages its infrastructure in order to support the delivery of programmes and services to citizens and implementing the adopted GCR-wide e-Government strategy.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 13.2: PROGRAMME ADMINISTRATION

Sub programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office of the HOD	7 859				(698)				( 698)	7 161
2. Risk Management	6 267				(2 673)				(2 673)	3 594
3. Office of the CFO	56 979	(19)			(5 358)				(5 377)	51 602
4. Corporate Services	154 655	(130)		10 600	(32 663)				(22 193)	132 462
<b>Total for programme</b>	<b>225 760</b>	<b>(149)</b>		<b>10 600</b>	<b>(41 392)</b>				<b>(30 941)</b>	<b>194 819</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>224 770</b>	<b>(149)</b>		<b>10 600</b>	<b>(43 640)</b>				<b>(33 189)</b>	<b>191 581</b>
Compensation of employees	145 481				(41 353)				(41 353)	104 128
Salaries & wages	129 738				(39 753)				(39 753)	89 985
Social contribution	15 743				(1 600)				(1 600)	14 143
Goods and services	79 289	(149)		10 600	(2 287)				8 164	87 453
Interest and rent on land										
Rent on land										
<b>Transfers and subsidies</b>	<b>550</b>				<b>(39)</b>				<b>(39)</b>	<b>511</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	550				(39)				(39)	511
<b>Payments for capital assets</b>	<b>440</b>				<b>2 287</b>				<b>2 287</b>	<b>2 727</b>
Buildings and other fixed structures										
Machinery and equipment	440				2 287				2 287	2 727
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>225 760</b>	<b>(149)</b>		<b>10 600</b>	<b>(41 392)</b>				<b>(30 941)</b>	<b>194 819</b>

TABLE 13.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(59 680)</b>		<b>16 040</b>
Compensation of employees	Underspending on compensation of employees is due to non-approval of the structure, funds reprioritised for the provision for GBN increased scope and increased sites to connect.	(49 079)	Adjustment of salaries and wages with social contributions within compensation of employee's budget in line with the current structure.	7 726
Goods and services		(10 601)	Provision for maintenance and repairs for security access; SMS Competency Assessments and Qualifications verification and Robotic training	8 314
Interest and rent on land				

Economic classification	Motivation	From	Motivation	To
<b>Transfers and subsidies</b>		<b>(137)</b>		<b>98</b>
Provinces and municipalities Departmental agencies and accounts Higher education institutions Foreign governments and international organisations Public corporations and private enterprises Non-profit institutions Households	Centralised budget for transfers to households is reallocated to where the expenditure is incurred.	(137)	Payments of leave gratuity for former employees and claims for injury on duty	98
<b>Payments for capital assets</b>				<b>2 287</b>
Buildings and other fixed structures Machinery and equipment  Heritage assets Specialized military assets Biological assets Land and sub-soil assets Software and other intangible assets			Purchase of office equipment, furniture and audio visual equipment initially not budgeted for, and stand-alone printers for managers; hydro-coolers.	2 287
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(59 817)</b>		<b>18 425</b>

**Function shift: R149 000**

An amount of R149 000 under goods and services is suspended to the Office of the Premier to cater for bursaries, cell phones, parking fees and stationery for the Employee Wellness and Health Programme function that migrated with effect from 1<sup>st</sup> October 2016.

**Provincial roll-overs: R10.6 million**

An amount of R10.6 million is rolled over for the following incomplete projects that commenced in the 2015/16 financial year:

- Installation of security booths at 75 Fox Street building - R750 000;
- Installation of security scanners at 75 Fox Street building - R1.3 million; and
- Refurbishment of Imbumba House - R8.5 million.

**Virements and shifts**

An unutilized R41.3 million for funded vacant posts is reallocated to Programme 2: Policy Planning, Strategy Development and Support Services to provide connectivity funding for additional sites as part of the GPG's broadband network rollout project. Funds are reallocated from the centralised budget for transfers to households in Internal HR to provide for leave gratuity and injury on duty expenditure in Programme 3: Solutions, Systems and Operations. Funds are reallocated from compensation of employees to fund operational requirements and the SMS competency assessment and qualification verification. An amount of R2.2 million is shifted from goods and services to cater for the procurement of office equipment.

## Programme 2: Policy Planning, Strategy Development and Support Services

TABLE 13.4 : PROGRAMME: POLICY PLANNING, STRATEGY DEVELOPMENT AND SUPPORT SERVICES

Sub programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Policy planning programme support	1 797				(1 797)				(1 797)	
2. ICT Architecture	32 290				(25 876)				(25 876)	6 414
3. Program management	16 708				(8 802)				(8 802)	7 906
4. Innovation platforms	13 332				(10 831)				(10 831)	2 501
5. BN connectivity	349 491				137 601				137 601	487 092
<b>Total for programme</b>	<b>413 618</b>				<b>90 295</b>				<b>90 295</b>	<b>503 913</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
<b>Current payments</b>	<b>398 618</b>				<b>89 079</b>				<b>89 079</b>	<b>487 697</b>
<b>Compensation of employees</b>	70 192				(46 464)				(46 464)	23 728
Salaries & wages	65 252				(43 338)				(43 338)	21 914
Social contribution	4 940				(3 126)				(3 126)	1 814
Goods and services	328 426				135 543				135 543	463 969
<b>Interest and rent on land</b>										
Rent on land										
<b>Transfers and subsidies</b>										
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>	<b>15 000</b>				<b>1 216</b>				<b>1 216</b>	<b>16 216</b>
Buildings and other fixed structures										
Machinery and equipment					16 216				16 216	16 216
Heritage assets										
Specialised military assets										
Biological assets										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Land and sub-soil assets										
Software and other intangible assets	15 000				(15 000)				(15 000)	
Payments for financial assets										
<b>Total economic classification</b>	<b>413 618</b>				<b>90 295</b>				<b>90 295</b>	<b>503 913</b>

**TABLE 13.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: POLICY PLANNING, STRATEGY DEVELOPMENT AND SUPP. SERVICE**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(49 749)</b>		<b>138 828</b>
Compensation of employees	Underspending on compensation of employees is due to non-approval of the structure, funds reprioritized for the provision for GBN increased scope and increased sites to connect	(47 783)	Adjustment of salaries and wages with social contributions within compensation of employee's budget in line with the current structure.	1 319
Goods and services		(1 966)	Provision for increased scope of GBN project. The department increased the connectivity sites from the number of sites originally budgeted for	137 509
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(15 000)</b>		<b>16 216</b>
Buildings and other fixed structures				
Machinery and equipment			Provision for GBN capital expenditure such as fibre links and capital equipment for the sites	16 216
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets	Realignment of the GBN budget in line with invoices. The budget is for software but spending relates to capital items such as fibre links	(15 000)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(64 749)</b>		<b>155 044</b>

### Virements and shifts

The programme receives a combined amount of R90.2 million from Programme 1; Programme 3; and Programme 4: Regulations Compliance and Public Relations. Of this amount, R89.5 million is connectivity funding for additional sites as part of the GPG's broadband network rollout project and capital expenditure such as fibre links. The initial GBN project was scoped for providing connectivity to 400 sites but the scope increased to cover all 3000 sites by 2019 and therefore the target for the current year is increased.

### Programme 3: Solutions, Systems and Operations

TABLE 13. 6: PROGRAMME 3: SOLUTIONS, SYSTEMS AND OPERATIONS

Sub programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Programme support: Operations	2 058				(509)				(509)	1 549
2. Operations Management	256 038	(6)			1 267			36 000	37 261	293 299
3. Applications	123 436			1 978	(10 215)				(8 237)	115 199
4. Infrastructure Management	43 629				(11 207)				(11 207)	32 422
5. Business Automation Processes	127 059	(1 369)			(13 298)				(14 667)	112 392
<b>Total for programme</b>	<b>552 220</b>	<b>(1 375)</b>		<b>1 978</b>	<b>(33 962)</b>			<b>36 000</b>	<b>2 641</b>	<b>554 861</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>543 386</b>	<b>(1 375)</b>		<b>1 978</b>	<b>(57 230)</b>			<b>36 000</b>	<b>( 20 627)</b>	<b>522 759</b>
Compensation of employees	263 784	(1 053)			(68 636)				(69 689)	194 095
Salaries & wages	234 679	(1 053)			(54 591)				(55 644)	179 035
Social contribution	29 105				(14 045)				(14 045)	15 060
Goods and services	279 602	( 322)		1 978	11 406			36 000	49 062	328 664
Interest and rent on land										
<b>Transfers and subsidies</b>					<b>22 839</b>				<b>22 839</b>	<b>22 839</b>
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions					22 800				22 800	22 800
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households					39				39	39
<b>Payments for capital assets</b>	<b>8 834</b>				<b>429</b>				<b>429</b>	<b>9 263</b>
Buildings and other fixed structures										
Machinery and equipment	7 434				1 829				1 829	9 263
Heritage assets										
Specialised military assets										
Biological assets										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Land and sub-soil assets										
Software and other intangible assets	1 400				(1 400)				(1 400)	
Payments for financial assets										
<b>Total economic classification</b>	<b>552 220</b>	<b>(1 375)</b>		<b>1 978</b>	<b>(33 962)</b>			<b>36 000</b>	<b>2 641</b>	<b>554 861</b>

**TABLE 13.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: SOLUTIONS, SYSTEMS AND OPERATIONS**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(140 106)</b>		<b>82 876</b>
Compensation of employees	Unused funds are as a result of the department's organizational structure that was not approved by DPSA in time for implementation in the current financial year.	(83 215)	Adjustment of salaries and wages with social contributions within compensation of employee's budget in line with the current structure.	14 579
Goods and services	Reallocating the DAV centre budget under contractors to operating lease for non-infrastructure items, i.e. hosting of the second internet access point and reprioritization to fund GBN sites.	(56 891)	Provision for priority projects such as Website redesign and e-mail as service	68 297
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>22 839</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions			Provision for transfers and subsidies for DAV centre to support e-government services	22 800
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households			Payments of leave gratuity for former employees and claims for injury on duty	39
<b>Payments for capital assets</b>		<b>(1 400)</b>		<b>1 829</b>
Buildings and other fixed structures				
Machinery and equipment			Purchase of E-Government buses for Ntirhisano programme that offer Wi-Fi services; and procurement of air conditioners.	1 829
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets	Fire wall upgrade expenditure has been reduced to reprioritize purchase of e-Government buses relating to the Ntirhisano programme.	(1 400)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(141 506)</b>		<b>107 544</b>

**Function shift: R1.3 million**

The migration of the EHWP function to the Office of the Premier as from 1<sup>st</sup> October 2016 results in the reallocation of R2. 2 million to the Office of the Premier to fund the operational requirements of the migrated function.

An amount of R842 000 is received from the Gauteng Provincial Treasury for three employees (from Document Management Centre) who were transferred, together with their budget, to the Provincial Treasury in 2015/16 and a decision was taken later to return them to e-Government.

**Provincial roll-overs: R1. 9 million**

An amount of R1.9 million is allocated as a rollover in order to provide funding for the completion of the SAP functional upgrades and enhancement to include SAP E-tendering systems, SAP Treasury and Risk solution, SAP supplier self-services and SAP vendor rotation.

**Virements and shifts**

The programme reallocates R69 million from compensation of employee's budget to fund spending pressures within and the balance of R33.9 million is re-allocated to cater for priority projects under programme 2: Policy Planning, Strategy Development and support Services. Furthermore funds are shifted to cater for priority projects under goods and services for the website redesign and e-mail as a service project.

R22.8 million is transferred to Wits University, Tshimologong Precinct, for the operation and management of the DAV centre that will evaluate and pilot ICT projects for the GPG before the rollout of such ICT projects in the province.

An amount of R39 000 is reallocated from the centralised budget for transfers to households in Human Capital Management to provide for leave gratuity and injury on duty expenditure and R1.4 million is reallocated to provide for the Ntirhisano buses.

**Additional provincial funding : R36 million**

The department receives an additional amount of R36 million to fund a budget shortfall for Microsoft licenses caused by the variance between the exchange spot rate and the rate at which respective departments had based their provisions for the licenses.

**Programme 4: Regulations, Compliance and Public Relations**

TABLE 13.8: PROGRAMME: REGULATIONS, COMPLIANCE AND PUBLIC RELATIONS

Sub programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Programme Support: Regulations	1 784				(1 784)				(1 784)	
2. Regulations And Compliance	11 375				(11 375)				(11 375)	
3. Public Relations And Oversight	11 375				(1 782)				(1 782)	9 593
<b>Total for programme</b>	<b>24 534</b>				<b>(14 941)</b>				<b>(14 941)</b>	<b>9 593</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>24 534</b>				<b>(14 941)</b>				<b>(14 941)</b>	<b>9 593</b>
Compensation of employees	24 534				(21 940)				(21 940)	2 594
Goods and services					6 999				6 999	6 999
Interest and rent on land										
Interest (Incl. interest on finance leases)										
Rent on land										
<b>Transfers and subsidies</b>										
Provinces and municipalities										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households										
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Heritage assets										
Specialised military assets										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>24 534</b>				<b>(14 941)</b>				<b>(14 941)</b>	<b>9 593</b>

**TABLE 13.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: REGULATIONS, COMPLIANCE AND PUBLIC RELATIONS**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(21 940)</b>		<b>6 999</b>
Compensation of employees	Unused funds are as a result of the department's organizational structure that was not approved by DPSA in time for implementation in the current financial year.	(21 940)		
Goods and services			Provision of subscription to research and advisory professionals	6 999
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		(21 940)		<b>6 999</b>
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		(21 940)		<b>6 999</b>

### Virements and shifts

After providing R7 million for expenditure relating to subscription to research and advisory professionals in the programme, the balance amounting to R14.9 million from the funds for vacant posts is reallocated to Programme 2 to be used for increasing the number of sites to be provided with connectivity and for providing e-services connectivity of tablets and Wi-Fi connectivity through Ntirhisano buses.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 13.10: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 16/17

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
1. Administration	179 912	71 752	156 024	87%	194 819	76 467	7%
2. Policy Planning, Strategy Development and Support Service	382 462	204 792	476 082	125%	503 913	185 870	(9%)
3. Solutions, Systems and Operations	616 429	279 164	523 947	85%	554 861	233 851	(16%)
4. Regulations, Compliance and Public Relations					9 593	189	
<b>Total for programs</b>	<b>1 178 803</b>	<b>555 708</b>	<b>1 156 053</b>	<b>98%</b>	<b>1 263 186</b>	<b>496 377</b>	<b>(11%)</b>
<b>Current payments</b>	<b>1 022 905</b>	<b>452 992</b>	<b>779 757</b>	<b>76%</b>	<b>1 211 631</b>	<b>478 737</b>	<b>15%</b>
Compensation of employees	301 464	139 541	271 830	90%	324 546	155 458	11%
Goods and Services	721 441	313 451	507 927	70%	887 085	323 279	3%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>525</b>	<b>444</b>	<b>23 498</b>	<b>4476%</b>	<b>23 350</b>	<b>190</b>	<b>(57%)</b>
Provinces and municipalities							
Departmental agencies and accounts							
Universities and technikons			22 800				
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions							
Households	525	444	698	133%	23 350	190	(57%)
<b>Payments for capital assets</b>	<b>155 373</b>	<b>102 272</b>	<b>352 457</b>	<b>227%</b>	<b>28 205</b>	<b>17 448</b>	<b>(83%)</b>
Buildings and other fixed structures							
Machinery and equipment	47 869	2 272	250 431	661%		17 448	668%
Heritage assets							
Specialised military assets							
Biological assets							

Land and sub-soil assets							
Software and other intangible assets	107 504	100 000	102 026	87%	28 205		
Payments for financial assets			341			2	
<b>Total economic classification</b>	<b>1 178 803</b>	<b>555 709</b>	<b>1 156 053</b>	<b>98%</b>	<b>1 263 186</b>	<b>496 377</b>	<b>(11%)</b>

### Expenditure trends for 2015/16

The department's total expenditure for the 2015/16 financial year amounted to R1.1 billion against the total budget of R1.2 billion, an underspending of R22.7 million was realised, mainly due to certain projects that were initiated but not completed by the end of 2015/16 financial year, namely, the refurbishment of 75 Fox Street, the conversion of the canteen into office space and the SAP functional upgrade.

### Expenditure trends for the first half of 2016/17

The adjusted appropriation for the 2015/16 financial year amounted to R1.1 billion in comparison to R1.3 billion in 2016/17 financial year. The main cost drivers in 2015/16 were GBN, software licences for Sita services, GPG information security maintenance, internet charges, utilities, property payments and data services. At financial year-end an amount of R22.7 million was not spent mainly due to funded vacant post and incompleteness of SAP functional upgrade, ground floor security booth at 75 Fox Street building, security scanners and refurbishment of Imbumba House projects.

The total expenditure for the department amounts to R555.7 million in the first six months of 2015/16 financial year in comparison to an amount of R496.3 million that is spent in the same period in 2016/17 financial year, which is 11 percent lower. The main factor being the once-off payment for software licences that was made in 2015/16 (SAP ERP licences agreement (UDD))

### Expenditure trends for the first half of 2016/17

#### Programme 1: Administration

Spending amounts to R76 million in the first half of 2016/17, compared to R71 million spent in 2015/16 during the same period. The main drivers for the expenditure during the period under review in Programme 1 are the payments for performance bonuses and notch progression for qualifying officials, including expenditure arising from the commencement of the refurbishment of 75 Fox Street building project during the second quarter.

#### Programme 2: Policy Planning, Strategy Development and Support Service

The aggregate expenditure incurred during the first half of 2016/17 amounts to R185 million, which is 10 percent lower than the R205 million expenditure outlay during the corresponding period in 2015/16. This variance is caused by the expenditure incurred in respect of the capital acquisitions relating to the rollout of the Gauteng Broadband Network project.

#### Programme 3: Solutions, Systems and Operations

Spending for the first half of the 2016/17 financial year amounts to R233 million, relative to R279 million expenditure incurred during the corresponding period in the 2015/16 financial year, which is 18 percent lower year-on-year. The renewal of SAP's UDD software licences is main cause of the variance.

#### Programme 4: Regulations, Compliance and Public Relations

This programme was created in the current financial year, spending is currently on compensation of employee's budget.

## 6. Departmental receipts

TABLE 13.11: DEPARTMENTAL RECEIPTS

Department	2015/16				2016/17		
	Adjusted appropriation	Audited Outcome		April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Actual Receipts	
April 2015 - Sep 2015		April 2015 - Mar 2016	Apr 2016-Sep 2016			% change 15/16-16/17 Apr-Sept	
<b>R thousand</b>							
Tax receipts							
Casino taxes							
Horse racing taxes							
Liquor licences							

Department	2015/16				2016/17		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sept
Motor vehicle licences							
Sales of goods and services other than capital assets	744	333	572	77%	538	248	(26%)
Of which Health patient fees							
Transfers received							
Fines, penalties and forfeits	10	4	11	100%	11	2	(50%)
Interest, dividends and rent on land							
Sales of capital assets							
Financial transactions in assets and liabilities	160	540	1224	765%	39	6	(99%)
<b>Total</b>	<b>914</b>	<b>877</b>	<b>1 807</b>	<b>198%</b>	<b>588</b>	<b>256</b>	<b>(71%)</b>

### Revenue trends for the first half of 2016/17

The departmental revenue comprises of sale of goods and services other than capital assets namely: parking fees, commission on garnishee orders, gym fees, sale of tender documents and replacement of security cards; interest on outstanding debts; and financial transactions in assets and liabilities which includes receipts of previous years' expenditure.

The revenue estimates from previous financial year has decreased from R914 000 to R588 000 in the current financial year. The department is anticipating to collect below its 2016/17 financial year projection and is therefore adjusting the main projection to R589, 000. The reason for the 2016/17 adjustment being that the Department's revenue projections were overstated. The number of employees, on which the revenue depends, has been reducing based on the migration of functions from the Department of e-Government to other provincial departments.

Revenue collection for the current financial year as at 30 September is R256, 000 and this represents a decrease of 71 percent as compared to the 2015/16 financial year in the second quarter. Own revenue generated from sales of goods and services decreased by 26 percent from 2015/16 and 2016/17 financial years. Fines, penalties and forfeits have decreased by 50 per cent. The sales of goods and services is R248, 000 in 2016/17 compared to R333 000 in 2015/16 while fines, penalties and forfeits actual collection is R2, 000 compared to R4 000 in 2015/16. Financial transactions in assets and liabilities contribute R6 000 which is a 99 percent decrease from the 2015/16 collection.

## 7. Changes to transfers and subsidies

TABLE 13.11: DEPARTMENTAL TRANSFERS AND SUBSIDIES

R thousand	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
Solutions, Systems and Operations										
Higher education institutions					22 800				22 800	22 800
<b>Total</b>					<b>22 800</b>				<b>22 800</b>	<b>22 800</b>

An amount of R22.8 million is allocated for the management, maintenance and operations of the Design and Validation Centre (DAV centre) under Wits University Tshimologong Precinct that is responsible for evaluating and piloting the GPG ICT projects before the rollout of such projects in the province. The partnership is aimed at realizing ICT innovations and efficiencies.

# VOTE 14

## GAUTENG PROVINCIAL TREASURY

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>				
<b>of which:</b>	<b>607 394</b>	<b>641 552</b>		<b>34 158</b>
Current payments	552 102	524 608	(27 494)	
Transfers and subsidies	52 888	112 540		59 652
Payments for capital assets	2 404	4 404		2 000
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Finance</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

To provide strategic leadership in financial and fiscal matters to ensure sustainable and inclusive social and economic development of the people of Gauteng so that all may enjoy value for money services of the highest quality

#### Mission

We are an activist Treasury that enables and promotes quality service delivery for the citizens of Gauteng through:

- Sustainable financing and funding that ensures developmentally focused allocation of resources and innovative revenue generation;
- Efficient cash management that ensures sustainable liquidity levels in the province;
- Effective financial management and reporting that ensures responsible stewardship and transparent resource utilization and expenditure; and
- A well-structured governance framework that ensures accountability, transparency and fiscal discipline in line with statutory obligations.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 14.1: GAUTENG PROVINCIAL TREASURY

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousands</b>										
1. Administration	121 342				2 000				2 000	123 342
2. Sustainable Fiscal										
3. Resource Management	149 645				(10 000)			35 000	25 000	174 645
4. Financial Governance	128 028	(842)			5 350				4 508	132 536
5. Provincial Supply Chain Management	91 537				4 100				4 100	95 637
6. Municipal Financial Governance	36 303				1 550				1 550	37 853
7. Gauteng Audit Services	80 539				(3 000)				(3 000)	77 539
<b>Total for programmes</b>	<b>607 394</b>	<b>(842)</b>						<b>35 000</b>	<b>34 158</b>	<b>641 552</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousands</b>										
<b>Current payments</b>	<b>552 102</b>	<b>(842)</b>			<b>(26 652)</b>				<b>(27 494)</b>	<b>524 608</b>
Compensation of employees	453 361	(842)			(34 052)				(34 894)	418 467
Salaries & wages	385 698	(842)			(29 140)				(29 982)	355 716
Social contribution	67 663				(4 912)				(4 912)	62 751
Goods and services	98 741				7 400				7 400	106 141
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>52 888</b>				<b>24 652</b>			<b>35 000</b>	<b>59 652</b>	<b>112 540</b>
Departmental agencies and accounts	52 650				23 955			35 000	58 955	111 605
Public corporations and private enterprises										
Non-profit institutions										
Households	238				697				697	935
<b>Payments for capital assets</b>	<b>2 404</b>				<b>2 000</b>				<b>2 000</b>	<b>4 404</b>
Buildings and other fixed structures										
Machinery and equipment	2 404				2 000				2 000	4 404
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>607 394</b>	<b>(842)</b>						<b>35 000</b>	<b>34 158</b>	<b>641 552</b>

The main appropriation increases by R34.1 million from R607.3 million to R641.5 million during the adjustment budget process. The department suspends an amount of R842 000 to the Department of e-Government in respect of three employees who migrated to the invoice scanning function under Document Management Centre (DMC).

An additional funding of R35 million is received by Gauteng Infrastructure Funding Agency (GIFA) to provide a capital amount for the Project Preparation Facility (PPF) from which the feasibility studies for infrastructure projects are funded. This will contribute towards providing alternative funding for government programmes and projects.

The department redirects an unutilized amount of R34 million from funded vacant posts emanating from delays in the approval of organisational structure. These funds are reallocated to fund goods and services amounting to R7.4 million; capital assets amounting to R2 million; and transfers and subsidies amounting to R24.6 million. The increase in transfers and subsidies includes R15 million allocated to GIFA to augment funding for the PPF and R8.9 million for a new transfer to the the South African Supplier Diversity Council (SASDC). The aim of the partnership with SASDC is for SMME development and industrial growth within Gauteng Province, with an aim of enhancing Township Economy Revitalization programme and strategy, which will promote access to markets for township based businesses. R697 000 is allocated to cater for injury on duty claims and leave gratuity payments to employees exiting the public sector.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

##### Programme 1: Administration

TABLE 14.2: PROGRAMME 1: ADMINISTRATION

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office of the MEC	8 270								8 270	
2. Office of the HOD	16 789				600			600	17 389	
3. Corporate Management	70 936				(162)			(162)	70 774	
4. Financial Management Services (CFO)	25 347				1 562			1 562	26 909	
<b>Total for programme</b>	<b>121 342</b>				<b>2 000</b>			<b>2 000</b>	<b>123 342</b>	

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>120 100</b>				(65)			(65)	<b>120 035</b>	
Compensation of employees	78 862				(65)			(65)	78 797	
Salaries & wages	63 680				(65)			(65)	63 615	
Social contribution	15 182								15 182	
Goods and services	41 238								41 238	
Interest and rent on land										
Rent on land										
<b>Transfers and subsidies</b>	<b>238</b>				65			65	<b>303</b>	
Provinces and municipalities										
Departmental agencies and accounts										
Higher education institutions										
Foreign governments and international organisations										
Public corporations and private enterprises										
Non-profit institutions										
Households	238				65			65	303	
<b>Payments for capital assets</b>	<b>1 004</b>				2 000			2 000	<b>3 004</b>	
Buildings and other fixed structures										
Machinery and equipment	1 004				2 000			2 000	3 004	
Heritage assets										
Specialised military assets										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
Biological assets										
Land and sub-soil assets										
Software and other intangible assets										
Payments for financial assets										
<b>Total economic classification</b>	<b>121 342</b>				<b>2 000</b>			<b>2 000</b>	<b>123 342</b>	

TABLE 14.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(4 925)</b>		<b>4 860</b>
Compensation of employees	Alignment of salaries and wages with social contributions within the budget for compensation of employees	(65)		
Goods and services	Funds became available due to lower than expected expenditure relating to municipal costs caused by sharing costs with the Department of e-Government. The department also implemented cost cutting strategies on non-core items	(4 860)	Provision for operational requirements such as operational leases, travel and subsistence, payment of legal costs incurred by the department, fleet services and Microsoft licenses	4 860
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>65</b>
Departmental agencies and accounts				
Public corporations and private enterprises				
Non-profit institutions				
Households			Payment of leave gratuity for former employees and claims for injury on duty	65
<b>Payments for capital assets</b>				<b>2 000</b>
Buildings and other fixed structures				
Machinery and equipment			Purchase of laptops for new employees	2 000
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(4 925)</b>		<b>6 925</b>

### Virements and shifts

The programme receives an amount of R2 million from Programme 2: Sustainable Fiscal Resource Management to procure new laptops and desktops for employees. An amount of R4.8 million is attributed to GPT currently sharing the building with the Department of E-Government which results in the reduction in municipal costs and is attributed to the implementation of cost cutting strategies under non-core items such as communication, venues and facilities and advertising. These funds are directed to operational expenses such as operating leases, computer services, legal services and fleet services.

An amount of R65 000 is shifted from compensation of employees to increase transfers to households to make provision for leave gratuity payments.

## Programme 2: Sustainable Fiscal Resource Management

TABLE 14.4: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Programme Support/Office of DDG	59 166				14 779			35 000	49 779	108 945
2. Budget Management	21 483				(4 750)				(4 750)	16 733
3. Economic & Fiscal Policy Oversight	12 058				(990)				(990)	11 068
4. Infrastructure Management	27 734				(20 539)				(20 539)	7 195
5. Financial & Asset & Liability Management	12 040				(2 500)				(2 500)	9 540
6. Public Finance	17 164				4 000				4 000	21 164
<b>Total for programme</b>	<b>149 645</b>				<b>(10 000)</b>			<b>35 000</b>	<b>25 000</b>	<b>174 645</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>95 595</b>				<b>(25 032)</b>				<b>(25 032)</b>	<b>70 563</b>
Compensation of employees	71 629				(10 032)				(10 032)	61 597
Salaries & wages	61 165				(6 870)				(6 870)	54 295
Social contributions	10 464				(3 162)				(3 162)	7 302
Goods and services	23 966				(15 000)				(15 000)	8 966
Interest and rent on land										
<b>Transfers and subsidies</b>	<b>52 650</b>				<b>15 032</b>			<b>35 000</b>	<b>50 032</b>	<b>102 682</b>
Departmental agencies and accounts	52 650				15 000			35 000	50 000	102 650
Public corporations and private enterprises										
Non-profit institutions										
Households					32				32	32
<b>Payments for capital assets</b>	<b>1 400</b>									<b>1 400</b>
Buildings and other fixed structures										
Machinery and equipment	1 400									1 400
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>149 645</b>				<b>(10 000)</b>			<b>35 000</b>	<b>25 000</b>	<b>174 645</b>

TABLE 14.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(29 283)</b>		<b>4 251</b>
Compensation of employees	Unused funds result from the organizational structure that is not yet approved by the DPSA	(14 032)	Funds from COE redirected to critical posts within the departmental programmes as per the current departmental structure	4 000

Economic classification	Motivation	From	Motivation	To
Goods and services	Requirements of the provincial infrastructure function reviewed and streamlined. Unutilized funds being reprioritised	(15 251)	Provision for the printing of government gazettes in respect of provincial budget	251
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>15 032</b>
Provinces and municipalities				
Departmental agencies and accounts			Funds directed to the Project Preparation Facility under GIFA, which conducts feasibility studies on infrastructure projects	15 000
Public corporations and private enterprises				
Non-profit institutions				
Households			Funds required to pay leave gratuity and injury on duty claims	32
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(29 283)</b>		<b>19 283</b>

### Virements and shifts

From unutilized funds for vacant posts, R10 million is reallocated to other programmes within the department. Unspent funds result from the new organisational structure not being implemented whilst awaiting approval from the DPSA.

Within the programme, R4 million is reallocated from unutilized personnel budget for vacant posts to fund critical posts and personnel requirements of business units. A balance of R32 000 from unutilized personnel budget is reallocated towards transfers to households to provide for the payment of leave gratuity and injury on duty claims.

The streamlining of the provincial infrastructure function availed funds that could be reallocated for prioritized interventions to improve service delivery. Therefore, R15 million from the provincial infrastructure function under goods and services is reallocated to increase the capital amount required for the Project Preparation Facility within GIFA. In line with provincial cost containment measures, there is a reduction in the use of hired venues and departmental catering that has availed R251 000 from the budget for goods and services; this amount is reallocated towards the printing of GPG publications such as the provincial budget books and economic reviews.

### Additional provincial funding: R35 million

Additional funding of R35 million is allocated to GIFA to build up a capital amount for the Project Preparation Facility, the PPF conducts feasibility studies for infrastructure projects. There has been a rising demand in feasibility studies based on increased number of projects submitted for PPF funding. Feasibility studies cost between R5 million and R15 million per project and it is envisaged that this facility will become self-sustaining as feasibility costs spent will be recovered when projects reach financial close.

### Programme 3: Financial Governance

TABLE 14.6: PROGRAMME 3: FINANCIAL GOVERNANCE

Sub-Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Programme Support/ Office of the DDG	4 315				(751)				(751)	3 564
2. Provincial Accounting Services	53 597				(4 395)				(4 395)	49 202
3. Provincial Forensic Audits	23 171				3 500				3 500	26 671

Sub-Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
4. Transversal Internal Audit and Risk Management	16 797				-				-	16 797
5. Compliance	6 948				3 008				3 008	9 956
6. Financial Information Management Systems	23 200				3 988				3 146	26 346
<b>Total for programme</b>	<b>128 028</b>				<b>5 350</b>				<b>4 508</b>	<b>132 536</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>128 028</b>	<b>(842)</b>			<b>5 180</b>				<b>4 338</b>	<b>132 366</b>
Compensation of employees	116 097	(842)			(170)				(1 012)	115 085
Salaries & wages	98 888	(842)			1 580				738	99 626
Social contributions	17 209				(1 750)				(1 750)	15 459
Goods and services	11 931				5 350				5 350	17 281
Interest and rent on land										
<b>Transfers and subsidies</b>					<b>170</b>				<b>170</b>	<b>170</b>
Departmental agencies and accounts										
Public corporations and private enterprises										
Non-profit institutions										
Households					170				170	170
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>128 028</b>	<b>(842)</b>			<b>5 350</b>				<b>4 508</b>	<b>132 536</b>

TABLE 14.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: FINANCIAL GOVERNANCE

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(42 181)</b>		<b>47 361</b>
Compensation of employees	Funds for unfilled posts due to the unapproved structure	(41 411)	Funds from COE redirected to critical posts within the programme as per the current departmental structure	41 241
Goods and services	Lower spending on advertising; and higher use of government venues to lower the costs	(770)	Provision for software licences and travelling costs as per the department's continuous stakeholder engagements	6 120
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>170</b>
Departmental agencies and accounts				
Public corporations and private enterprises				
Non-profit institutions				

Economic classification	Motivation	From	Motivation	To
Households			Funds directed to the payment of leave gratuity and injury on duty claims	170
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(42 181)</b>		<b>47 531</b>

**Suspension: R842 000**

An amount of R842 000 is suspended to the Department of e-Government for three employees who migrated to the invoice scanning function under the Document Management Centre. The realignment of functions aims to improve efficiency in service delivery.

**Virements and shifts**

The programme receives R5.3 million from Programme 2 to provide for the provincial forensic assignments undertaken to improve transparency and accountability in the use of public resources; training on annual financial statements to improve financial reporting; and software licences for an electronic system that automates the provincial reporting process. Unutilized funds in goods and services results from the implementation of cost-saving measures on advertising and promoting the use of government venues to lower the expenditure.

An amount of R170 000 is reallocated from compensation of employees to transfers to households to provide for leave gratuity payments, injury on duty claims and severance packages.

**Programme 4: Provincial Supply Chain Management**

TABLE 14.8: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousands</b>										
1. Programme Support/ Office of the DDG	20 047				8 000				8 000	28 047
2. SCM Policy, Norms & Standards	10 000				(3 900)				(3 900)	6 100
3. Governance, Compliance, Monitoring & Evaluation	4 836									4 836
4. SCM Client Support	31 025									31 025
5. Strategic Procurement	7 868									7 868
6. Transversal Contract Management	17 761									17 761
<b>Total for programme</b>	<b>91 537</b>				<b>4 100</b>				<b>4 100</b>	<b>95 637</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>91 537</b>				<b>(5 220)</b>				<b>(5 220)</b>	<b>86 317</b>
Compensation of employees	77 013				(13 220)				(13 220)	63 793
Salaries & wages	66 240				(13 220)				(13 220)	53 020
Social contributions	10 773									10 773
Goods and services	14 524				8 000				8 000	22 524
Interest and rent on land										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Transfers and subsidies</b>					9 320				9 320	9 320
Departmental agencies and accounts					8 955				8 955	8 955
Public corporations and private enterprises										
Non-profit institutions										
Households					365				365	365
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	91 537				4 100				4 100	95 637

TABLE 14.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(13 276)</b>		<b>8 056</b>
Compensation of employees	Underspending on compensation of employees is due to non-approval of the structure	(13 220)		
Goods and services	Cost-saving applied on operating payments under the support function within the programme	(56)	Funds shifted to fund probity audits on tenders above R50 million and the hosting of the Open Tender Seminar	8 056
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>9 320</b>
Departmental agencies and accounts			Transfer to SASDC to facilitate SMME development and industrial growth for the province with the aim of enhancing Township Economy Revitalization	8 955
Public corporations and private enterprises				
Non-profit institutions				
Households			Funds redirected from personnel to fund leave gratuity payments for employees that exit the department	365
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(13 276)</b>		<b>17 376</b>

### Virements and shifts

The programme receives an amount of R4.1 million from Programme 2 and Programme 6: Gauteng Audit Services in order to fund the Open Tender Seminar which aims to restore public confidence in the procurement processes of the provincial government.

The department shifts a total amount of R13.3 million within the programme in order to fund probity audits for open tenders valued above R50 million, advertising campaign for the Open Tender Seminar and a new transfer to the South African Supplier Diversity Council to support and develop the SMMEs within Gauteng Province.

Included in the total amount is R365 000 reallocated from compensation of employees to household transfers to pay for leave gratuity and severance packages to officials who resigned from the public sector.

Also included in the total amount is R8.9 million that is allocated for a new transfer to the the South African Supplier Diversity Council. The aim of the partnership with SASDC is the SMME development and industrial growth within Gauteng Province in line with the Township Economy Revitalization programme and strategy, which will promote access to markets for township based businesses. Mechanisms include facilitating the development of sustainable enterprises through incubators and other forms of interventions; and developing a pool of sustainable Black Owned (BO), Black Woman Owned (BWO) and local suppliers within South Africa.

### Programme 5: Municipal Financial Governance

TABLE 14.10: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Program Support/ Office of the DDG	5 374				32 479				32 479	37 853
2. Local Government Financial Services	12 305				(12 305)				(12 305)	
3. Municipal Accounting and Asset Management	12 249				(12 249)				(12 249)	
4. Municipal Compliance and Financial Management Support	6 375				(6 375)				(6 375)	
<b>Total for programme</b>	<b>36 303</b>				<b>1 550</b>				<b>1 550</b>	<b>37 853</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>36 303</b>				<b>1 500</b>				<b>1 500</b>	<b>37 803</b>
Compensation of employees	35 130				(4 050)				(4 050)	31 080
Salaries & wages	30 021				(4 050)				(4 050)	25 971
Social contributions	5 109									5 109
Goods and services	1 173				5 550				5 550	6 723
Interest and rent on land										
<b>Transfers and subsidies</b>					<b>50</b>				<b>50</b>	<b>50</b>
Departmental agencies and accounts										
Public corporations and private enterprises										
Non-profit institutions										
Households					50				50	50
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>36 303</b>				<b>1 550</b>				<b>1 550</b>	<b>37 853</b>

TABLE 14.11: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(31 114)</b>		<b>32 614</b>
Compensation of employees	Available budget resulting from vacant posts due to the department's unapproved structure	(30 979)	COE budget restructuring due to the departments unapproved personnel structure.	26 929
Goods and services	Reallocation of funds identified after a review of licence fees	( 135)	Funds directed to the departments critical funding areas i.e. legal support for litigation cases in Emfuleni Local Municipality and the data cleansing project	5 685
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>50</b>
Departmental agencies and accounts				
Public corporations and private enterprises				
Non-profit institutions				
Households			Payment of leave gratuity and injury on duty claims	50
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(31 114)</b>		<b>32 664</b>

### Virements and shifts

The programme receives a total amount of R1.5 million from Programme 2 to fund legal support interventions in Emfuleni Local Municipality. Funds shift within the programme includes realignment of budget for compensation of employees with current operational requirements. R5.6 million is shifted for the data cleansing project which is meant for the detection of unconfirmed government properties and the verification of accounts information which will assist in the reduction of municipal debt. R50 000 is shifted from compensation of employees to household transfers to pay leave gratuity and injury on duty claims.

### Programme 6: Gauteng Audit Services

TABLE 14.12: PROGRAMME 6: GAUTENG AUDIT SERVICES

Sub-Programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Programme Support/ Office of the DDG	7 981				3 280				3 280	11 261
2. Risk and Compliance Audit Services (Cluster 1,2,3)	25 378				(3 780)				(3 780)	21 598
3. Risk and Compliance Audit Services (Cluster 4,5,6)	25 487									25 487
4. Performance and Computer Audit Services	21 693				(2 772)				(2 772)	18 921
5. Financial Audit and Risk Compliance					272				272	272
<b>Total for Programme</b>	<b>80 539</b>				<b>(3 000)</b>				<b>(3 000)</b>	<b>77 539</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>80 539</b>				(3 015)				(3 015)	<b>77 524</b>
Compensation of employees	74 630				(6 515)				(6 515)	68 115
Salaries & wages	65 704				(6 515)				(6 515)	59 189
Social contributions	8 926									8 926
Goods and services	5 909				3 500				3 500	9 409
Interest and rent on land										
<b>Transfers and subsidies</b>					15				15	<b>15</b>
Departmental agencies and accounts										
Public corporations and private enterprises										
Non-profit institutions										
Households					15				15	15
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>80 539</b>				<b>(3 000)</b>				<b>(3 000)</b>	<b>77 539</b>

TABLE 14.13: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: GAUTENG AUDIT SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(7 051)</b>		<b>4 036</b>
Compensation of employees	Funds from vacant posts due to the unapproved budget personnel structure	(6 887)	To fund other critical posts within the programme.	372
Goods and services	Cost-saving applied on operating payments under the support function within the programme	(164)	Funds directed to the probity audits that are conducted on tenders above R50 million and to the open tender seminar	3 664
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>15</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households			Funds redirected to the payment of leave gratuity	15
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				

Economic classification	Motivation	From	Motivation	To
Payments for financial assets				
<b>Total economic classification</b>		<b>(7 051)</b>		<b>4 051</b>

### Virements and shifts

The programme shifts an amount of R3.6 million from compensation of employees to goods and services in order to fund the outsourcing of specialized audit services in order to eliminate backlogs in the project of addressing the recommendations of the Auditor-General regarding annual audit, subscriptions to publications of professional bodies such as the Institute of Internal Audits (IIA) and the South African Institute of Chartered Accountants (SAICA). Unutilized funds for vacant posts due to the department's unapproved personnel structure are reallocated to Programme 4.

An amount of R15 000 is shifted from the budget for compensation of employees to pay leave gratuity and injury on duty claims under transfers and subsidies.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 14.14: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
1. Administration	120 853	48 847	106 291	88%	123 342	62 993	29%
2. Sustainable Fiscal Resource Management	194 500	99 773	183 041	94%	174 645	86 423	(13%)
3. Financial Governance	128 478	65 971	124 477	97%	132 536	66 155	0%
4. Provincial Supply Chain Management	58 907	27 115	56 456	96%	95637	27 931	3%
5. Municipal Financial Governance	32 777	14 993	29 995	92%	37853	15 913	6%
6. Gauteng Audit Services	73 756	26 997	55 724	76%	77 539	40 531	50%
<b>Total for programmes</b>	<b>609 271</b>	<b>283 696</b>	<b>555 984</b>	<b>91%</b>	<b>641 552</b>	<b>299 946</b>	<b>6%</b>
<b>Current payments</b>	<b>481 973</b>	<b>213 125</b>	<b>429 839</b>	<b>89%</b>	<b>524 608</b>	<b>246 574</b>	<b>53%</b>
Compensation of employees	391 434	182 959	365 142	93%	418 467	203 706	11%
Goods and Services	90 539	30 166	64 697	71%	106 141	42 868	42%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>120 604</b>	<b>70 314</b>	<b>120 658</b>	<b>100%</b>	<b>112 540</b>	<b>53 261</b>	<b>70%</b>
Provinces and municipalities							
Departmental agencies and accounts	120 000	70 000	120 000	100%	111 605	52 650	(25%)
Universities and technikons							
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions							
Households	604	314	658	109%	935	611	95%
<b>Payments for capital assets</b>	<b>6 694</b>	<b>257</b>	<b>5 487</b>	<b>82%</b>	<b>4 404</b>	<b>111</b>	<b>(57%)</b>
Buildings and other fixed structures							
Machinery and equipment	6 694	257	5 487	82%	4 404	111	(57%)
Heritage assets							
Specialised military assets							

Department	2015/16				2016/17		
	Expenditure Outcome				Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2015	April 2015 - March 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	April 2016-September 2016	% change 15/16-16/17 Apr-Sept
<b>R thousand</b>							
Biological assets							
Land and sub-soil assets							
Software and other intangible assets							
Payments for financial assets							
<b>Total economic classification</b>	<b>609 271</b>	<b>283 696</b>	<b>555 984</b>	<b>91%</b>	<b>641 552</b>	<b>299 946</b>	<b>6%</b>

### Expenditure trends for 2015/16

The adjusted budget for the 2015/16 financial year amounted to R609.3 million. This amount included personnel budget of R391.4 million; and goods and services totalling R90.5 million to provide for various key funding priorities such as printing of treasury publications, costs of utilities, training and development for GPG departments and municipalities as well as audit costs. Funds allocated for transfers totalled R120.6 million (comprising of R120 million for GIFA and R604 000 for injury on duty claims and leave gratuity payments to former officials; and payments for capital assets totalling to R6.7 million for the office equipment.

The department spent R555.9 million (or 91 percent of the total budget) in 2015/16. This spending level comprised of 100 percent transfers made to GIFA; 82 percent spending on purchases of office equipment and computer equipment; 76 percent spending on households transfers; and 71 percent spending on goods and services.

### Expenditure trends for the first half of 2016/17

#### Programme 1: Administration

The expenditure for the first six months of the financial year amounts to R62.9 million in 2016/17 financial year, which is 29 percent higher than R48.8 million spent in same period in the previous financial year. The main factors for the increase are payments for software licences, operating leases, legal services, audit fees, training and development.

#### Programme 2: Sustainable Fiscal Resource Management

The programme spent R86.4 million at the end of September 2016 compared to R99.8 million spent at the end of second quarter in 2015/16. The programme redirected R17 million to fund new priorities in line with the TMR programme.

#### Programme 3: Financial Governance

The aggregate expenditure for this programme remains the same for six months in this financial year compared to the same period in the previous financial year. R27.1 million was spent as at 30 September 2015 versus R27.9 million spent as at 30 September 2016. The main cost drivers for this programme include the printing of gazettes on municipal matters, software licenses and training and development.

#### Programme 4: Provincial Supply Chain Management

The increased number of probity audits led to 3 percent increased expenditure compared to the same period last year. Spending was R27.1 million in 2015/16 and R27.9 million in the current financial year. The department's interventions to improve transparency in government's procurement processes and to improve the participation of SMMEs in the supply of goods and services to government are the main cost drivers in the programme. Additional notable expenditure relates to the promotion of the open tender process through the Open Tender Seminar in 2016/17.

#### Programme 5: Municipal Financial Governance

Compared to the same period in the prior financial year, the overall expenditure for six months of the financial year is 6 percent higher (i.e. from R14.9 million 2015/16 to R15.9 million in 2016/17). The treasury's interventions to support municipalities contribute to this level of spending. Specifically in 2016/17, these interventions include the provision of legal support to Emfuleni Local Municipality.

#### Programme 6: Gauteng Audit Services

The aggregate expenditure for this programme increases by 50 percent during the first six months in this financial year compared to the same period in the last financial year due to an increased number of audits performed to improve the internal control environment in GPG departments. These audits include outsourced specialized audit services which address the project backlogs in annual audit plans improvement on Auditor-General's recommendations.

## 6. Departmental receipts

TABLE 14.15: DEPARTMENTAL RECEIPTS

Department	2015/16 Audited Outcome				2016/17 Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2015 - Mar 2016	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted appropriation	Apr 2016-Sep 2016	% change 15/16-16/17 Apr-Sep
<b>R thousand</b>							
<b>Tax receipts</b>							
Casino taxes							
Sales of goods and services other than capital assets	595	397	555	93%	1 000	455	15%
Fines, penalties and forfeits							
Interest, dividends and rent on land	400 000	290 162	622 676	156%	480 000	268 700	(7%)
Sales of capital assets			214				
Financial transactions in assets and liabilities	395	235	451	114%	400	309	31%
<b>Total receipts</b>	<b>400 900</b>	<b>290 794</b>	<b>623 896</b>	<b>156%</b>	<b>481 400</b>	<b>269 464</b>	<b>(7%)</b>

### Revenue trends for the first half of 2016/17

In the first six months of the current financial year, the department collected a total amount of R269.4 million, the amount is 7 percent less compared to the same period in the previous financial year. The increased balances of ring-fenced unspent grants since the beginning of the financial year contribute to an increase in interest revenue earned on positive cash balances. The department's revenue is adjusted to R481.4 million for the current financial year from the main budget of R151.4 million in 2016/17.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 14.6: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

Programme	Main Appropriation	2015/16 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Programme 2</b>	<b>52 650</b>									<b>102 650</b>
Departmental agencies and accounts	52 650				15 000			35 000	50 000	102 650
<b>Programme 4</b>										<b>8 955</b>
Departmental agencies and accounts					8 955					8 955
<b>Total changes in transfers and subsidies</b>	<b>52 650</b>				<b>23 955</b>			<b>35 000</b>	<b>25 000</b>	<b>111 605</b>

Transfers and subsidies are adjusted from R52.6 million to R111.6 million because of R50 million allocated to increase transfers to GIFA to provide a capital amount for the Project Preparation Fund and because of R8.9 million new transfer to the South African Supplier Diversity Council to develop SMMs in the province.

### 7.2 Changes to conditional grants

Not applicable.

### 7.3 Change to infrastructure

Not applicable.



# VOTE 15

## DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

R thousand	2016/17			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	2564853	2564853		
of which:				
Current payments	1 638 306	1 640 806		2 500
Transfers and subsidies	727 922	727 922		
Payments for capital assets	198 625	196 125	(2 500)	
Payment for financial assets				
Executive authority	MEC for Infrastructure Development			
Accounting officer	Head of Department			

### 1. Vision and Mission

#### Vision

To be a leading sustainable infrastructure provider and facilitator that positions Gauteng as a globally competitive city region with inclusive economic growth and decent work for all.

#### Mission

To contribute towards the radical transformation, modernisation and re-industrialisation of Gauteng by accelerating integrated service delivery, maintenance and management of public infrastructure and deploying build environment professionals while encouraging the active participation of an empowered citizenry.

### 2. Changes to programme purpose, objective and measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2016/17

TABLE 15.1: INFRASTRUTURE DEVELOPMENT

Programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Administration	419 596				30 000				30 000	449 596
2. Public Works Infrastructure	1 806 922				(30 000)				(30 000)	1 776 922
3. Expanded Public Works	338 335									338 335
<b>Total for programmes</b>	<b>2 564 853</b>									<b>2 564 853</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>1 638 306</b>				<b>2 500</b>				<b>2 500</b>	<b>1 640 806</b>
Compensation of employees	833 203									833 203
Salaries & wages	744 882									744 882
Social contribution	88 321									88 321
Goods and services	803 750				2 500				2 500	806 250
Interest and rent on land	1 353									1 353
<b>Transfers and subsidies</b>	<b>727 922</b>									<b>727 922</b>
Provinces and municipalities	718 544									718 544
Departmental agencies and accounts	1									1
Higher education institutions										
Non-profit institutions										
Households	9 377									9 377
<b>Payments for capital assets</b>	<b>198 625</b>				<b>(2 500)</b>				<b>(2 500)</b>	<b>196 125</b>
Buildings and other fixed structures	169 825				(500)				(500)	169 325
Machinery and equipment	28 800				(2 000)				(2 000)	26 800
Heritage assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>2 564 853</b>									<b>2 564 853</b>

The department's budget is R2.6 billion and remains unchanged during the 2016/17 adjustments budget. The adjustments budget supports and is aligned to the 2016/17 ten pillar programme that emphasises the strategic move towards Transformation, Modernisation and Reindustrialisation. The department has implemented shifts and virements of funds to address budget pressures and to fund projects which were not funded at the beginning of the financial year. During the 2016/17 financial year, the department makes budget shifts between two programmes. This results in a budget increase of R30 million for legal costs in programme 1 while the budget for programme 2 is reduced by R30 million for the same item, due to the centralisation of function. The funds will be used for the payment of existing and anticipated litigation which will be finalised during the current financial year.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2016/17

### Programme 1: Administration

TABLE 15.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Office of the MEC	8 770									8 770
2. Corporate Support	401 447				30 000				30 000	431 447
3. Management	9 379									9 379
<b>Total for programme</b>	<b>419 596</b>				<b>30 000</b>				<b>30 000</b>	<b>449 596</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>383 242</b>				<b>32 000</b>				<b>32 000</b>	<b>415 242</b>
Compensation of employees	167 044									167 044
Salaries & wages	148 710									148 710
Social contribution	18 334									18 334
Goods and services	215 198				32 000				32 000	247 198
Interest and rent on land	1 000									1 000
<b>Transfers and subsidies</b>	<b>7 554</b>									<b>7 554</b>
Provinces and municipalities										
Non-profit institutions										
Households	7 554									7 554
<b>Payments for capital assets</b>	<b>28 800</b>				<b>(2 000)</b>				<b>(2 000)</b>	<b>26 800</b>
Buildings and other fixed structures										
Machinery and equipment	28 800				(2 000)				(2 000)	26 800
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>419 596</b>				<b>30 000</b>				<b>30 000</b>	<b>449 596</b>

TABLE 15.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION : PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(516)</b>		<b>32 516</b>
Compensation of employees				
Goods and services	Funds are redirected to where security expenditure is incurred	(516)	Funds for legal services will now be managed effectively by the Directorate Legal Advisory within the corporate support programme. Funds are also redirected to cover security expenditure for the MEC	32 516
Interest and rent on land				
<b>Transfers and subsidies</b>				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(2 000)</b>		
Buildings and other fixed structures				

Economic classification	Motivation	From	Motivation	To
Machinery and equipment	Funding for license fees were wrongly allocated to machinery and equipment.	(2 000)		
Heritage assets				
Specialised military assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(2 516)</b>		<b>32 516</b>

### Virements and shifts

An amount of R30 million was shifted to Administration to fund the legal costs and settlement paid on behalf of the Construction branch. The department defended cases against service providers due to poor performance and non-delivery of outputs. Considering the nature of DID's business, such issues are unavoidable where there is non-performance by service providers.

An amount of R2.5 million to fund the software licenses paid for by the ICT directorate, was wrongly allocated to machinery and equipment instead of goods and services where the payment was processed.

## Programme 2: Public Works Infrastructure

TABLE 15.4: PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
1. Construction	319 521				(30 000)				(30 000)	289 521
2. Maintenance	405 939				(30 000)				(30 000)	405 939
3. Immovable Asset Management	1 081 462									1 081 462
<b>Total for programme</b>	<b>1 806 922</b>				<b>(30 000)</b>				<b>(30 000)</b>	<b>1 776 922</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>916 835</b>				<b>(29 500)</b>				<b>(29 500)</b>	<b>887 335</b>
Compensation of employees	482 510									482 510
Salaries & wages	433 151									433 151
Social contribution	49 359									49 359
Goods and services	434 025				(29 500)				(29 500)	404 525
Interest and rent on land	300									300
<b>Transfers and subsidies</b>	<b>720 262</b>									<b>720 262</b>
Provinces and municipalities	718 544									718 544
Departmental agencies and accounts	1									1
Non-profit institutions										
Households	1 717									1 717
<b>Payments for capital assets</b>	<b>169 825</b>				<b>(500)</b>				<b>(500)</b>	<b>169 325</b>
Buildings and other fixed structures	169 825				(500)				(500)	169 325
Machinery and equipment										
Heritage assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
Total economic classification	1 806 922				(30 000)				(30 000)	1 776 922

TABLE 15.5: DETAILS OF SHIFTS AND VIREMENTS PER CLASSIFICATION: PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(41 400)</b>		<b>11 900</b>
Compensation of employees			Funds will be used to cover expenditure incurred on G-fleet cars and accruals in the previous financial year.	11 900
Goods and services	A virement is implemented to move the budget to legal services. Delays in the filling of vacant posts have resulted in lower levels of spending on uniforms, tools of trade and stationery	(41 400)		
Interest and rent on land				
<b>Transfers and subsidies</b>				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Land and sub-soil assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(41 400)</b>		<b>11 900</b>

### Virement and shifts

A total amount of R11.9 million is shifted within the programme to cover expenditure on G-Fleet costs, travelling and subsistence allowances which are required to deliver on the department's mandate. Technicians that are placed at the institutions mostly use G-cars on a daily basis to service the clients. Therefore, this cost is critical for service delivery.

An amount of R30 million for legal services is shifted to Administration programme where expenditure for litigations and legal costs has been centralised but the funds were initially allocated to the construction branch to assist the department to deal with cases against service providers due to poor performance and non-delivery of outputs.

### Programme 3: Expanded Public Works Programme

TABLE 15.6: EXPANDED PUBLIC WORKS PROGRAMME

Sub-programme	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
R thousand										
1. Programme Support Cbp	128 098				(200)				(200)	127 898
2. Community Development	210 237				200				200	210 437
<b>Total for programme</b>	<b>338 335</b>									<b>338 335</b>

Economic classification	Main Appropriation	2016/17 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>										
<b>Current payments</b>	<b>338 229</b>								<b>338 229</b>	
Compensation of employees	183 649								183 649	
Salaries & wages	163 021								163 021	
Social contribution	20 628								20 628	
Goods and services	154 527								154 527	
Interest and rent on land	53								53	
<b>Transfers and subsidies</b>	<b>106</b>								<b>106</b>	
Provinces and municipalities										
Public corporations and private enterprises										
Non-profit institutions										
Households	106								106	
<b>Payments for capital assets</b>										
Buildings and other fixed structures										
Machinery and equipment										
Land and sub-soil assets										
Software and other intangible assets										
<b>Payments for financial assets</b>										
<b>Total economic classification</b>	<b>338 335</b>								<b>338 335</b>	

TABLE 15.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(300)</b>		<b>300</b>
Compensation of employees				
Goods and services	Cost containment measures to reduce internal catering resulted in savings that could be reprioritised within the Administration programme	(300)	Funds are shifted to this item to mitigate over expenditure as catering is provided during training for National Youth Service(NYS) and Zivuseni beneficiaries	300
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(300)</b>		<b>300</b>

### Virements and Shifts

The department implemented cost containment measures by reducing internal catering which resulted in a saving. An amount of R300 000 is shifted within the programme to cover expenditure incurred on catering offered during training to Zivuseni and NYS beneficiaries. These costs are required to support the initiative of training the youth to equip them with skills that they will require in the future.

## 5. Expenditure 2015/16 and preliminary expenditure 2016/17

TABLE 15.8: EXPENDITURE 2015/16 AND PRELIMINARY EXPENDITURE 2016/17

Department	2015/16 Expenditure Outcome				2016/17 Preliminary expenditure		
	Adjusted appropriation	April 2015 - September 2016	April 2015 - March 2015	April 2015 - March 2016 as a % of adjusted appropriation	Adjusted Appropriation	April 2016-September 2017	% change 15/16-16/17 Apr-Sep
<b>R thousand</b>							
1. Administration	442 834	261 952	442 542	100%	449 596	306 368	17%
2. Public Works Infrastructure	1 672 878	655 423	1 672 809	100%	1 776 922	779 270	19%
3. Expanded Public Works	298 102	132 214	297 995	100%	338 335	140 818	7%
<b>Total for programmes</b>	<b>2 413 814</b>	<b>1 049 589</b>	<b>2 413 346</b>	<b>100%</b>	<b>2 564 853</b>	<b>1 226 456</b>	<b>17%</b>
<b>Current payments</b>	<b>1 467 872</b>	<b>761 419</b>	<b>1 477 906</b>	<b>101%</b>	<b>1 640 806</b>	<b>894 845</b>	<b>18%</b>
Compensation of employees	706 450	309 495	703 596	100%	833 203	404 224	31%
Goods and Services	760 622	451 690	767 950	101%	806 250	490 604	9%
Interest and rent on land	800	234	6 360	795%	1 353	17	(93%)
<b>Transfers and subsidies</b>	<b>684 509</b>	<b>185 369</b>	<b>682 843</b>	<b>100%</b>	<b>727 922</b>	<b>246 640</b>	<b>33%</b>
Provinces and municipalities	679 069	183 380	679 060	100%	718 544	239 137	30%
Departmental agencies and accounts	1			0%	1		
Higher education institutions							
Households	5 419	1 989	3 783	70%	9 377	7 503	277%
<b>Payments for capital assets</b>	<b>260 734</b>	<b>102 589</b>	<b>251 898</b>	<b>96%</b>	<b>196 125</b>	<b>84 048</b>	<b>(18%)</b>
Buildings and other fixed structures	217 168	93 681	185 480	85%	169 325	66 237	(29%)
Machinery and equipment	43 566	8 908	28 467	65%	26 800	17 811	100%
Software and other intangible assets			37 951				0%
<b>Payments for financial assets</b>		212	699			922	0%
<b>Total economic classification</b>	<b>2 413 814</b>	<b>1 049 589</b>	<b>2 413 346</b>	<b>100%</b>	<b>2 564 853</b>	<b>1 226 455</b>	<b>17%</b>

### Expenditure trends 2015/16

The department spent 100 per cent of its adjusted budget allocated during the 2015/16 financial year. Accruals amounting to R263 million were carried over to the 2016/17 financial year. These accruals are for: operating leases of Gauteng provincial government departments, office security services, immoveable asset register project, infrastructure development, management system and fleet management services which impacts negatively on targets for the current financial year.

### Expenditure trends for the first half of 2016/17

The department spent an amount of R 1.2 billion by the end of second quarter of the 2016/17 financial year. This constitutes 48 per cent of the total allocated budget. Programme 1: Administration shows significant spending as at the end of the second quarter due to accruals.

#### Programme 1: Administration

This programme has spent R306 million or 68 per cent of the adjusted budget compared to R262 million spent in the second quarter of the 2015/16 financial year. The accelerated expenditure is a result of a huge balance of accruals carried through at the beginning of the financial year.

#### Programme 2: Public Works Infrastructure

Total expenditure on this programme for the second quarter of the 2016/17 financial year amounts to R779 million compared to R655 million spent in the second quarter of the previous financial year. The increase in expenditure is as a result of accrued payments on operating leases, utilities and cleaning services.

**Programme 3: Expanded Public Works**

This programme spent R149 million or 44 per cent of the adjusted budget as at the end of second quarter of 2016/17 financial year. The reasons for underspending are as a result of delays in programme execution relating to training of beneficiaries.

**6. Departmental receipts**

TABLE 15.9: DEPARTMENTAL RECEIPTS

Department	2015/16 Audited Outcome				2016/17 Actual Receipts		
	Adjusted appropriation	April 2015 - Sep 2015	April 2014 - Mar 2015	April 2014 - March 2015 as a % of adjusted appropriation	Adjusted appropriation	Apr 2015-Sep 2015	% change 14/15-15/16 Apr-Sep
<b>R thousand</b>							
<b>Tax receipts</b>							
Sales of goods and services other than capital assets	20 440	8 073	18 152	89%	22 410	10 043	24%
Of which Health patient fees							
Interest, dividends and rent on land		23	119			15	(35%)
Sales of capital assets							
Financial transactions in assets and liabilities	560	383	2 002	358%	590	831	117%
<b>Total receipts</b>	<b>21 000</b>	<b>8 479</b>	<b>20 273</b>	<b>97%</b>	<b>23 000</b>	<b>10 889</b>	<b>28%</b>

**Revenue trends for the first half of 2016/17**

The department generates revenue from sales of tender documents, boarding fees, commission on garnishees and rental on dwellings. Initially, the department aimed at collecting revenue totalling R23 million for the 2016/17 financial year. The total collection for the first half of the current financial year amounts to R 10.8 million. It is anticipated that the total revenue earmarked for the year will be collected.

**7. Changes to transfers and subsidies, conditional grants and infrastructure****7.1 Changes to transfer and subsidies**

No changes.

**7.2 Changes to Conditional grant**

No changes.

**7.3 Changes to Infrastructure**

Please refer to the 2016/17 Adjusted Estimates of Capital Expenditure (AECE).

# GLOSSARY

The numeric data in this Adjusted EPRE has been classified in terms of government finance statistics (GFS).

## 1. Receipts

### 1.1 Tax receipts

Tax receipts are defined as compulsory, unrequited revenue collected by government units. This mainly consists of taxes, for example, casino tax, motor vehicle licenses and gambling, wherein the other party is required by statutory provision to pay taxes in certain circumstances and under certain conditions.

### 1.2 Sales of goods and other than capital assets

This category consists of sales by government units, provided that the government has produced the goods or services. This item has the following components:

- Sale by market establishments: this includes instances where government units sell goods or services at market related prices.
- Administrative fees: this consists of revenue collected for sales of regulatory or administrative services. Examples are court and passport fees, drivers' and pilots' license fees, firearm license fees, and radio and television license fees.
- Other sales: this includes revenue from the sale of other goods and services produced or partially produced by a government unit. This includes rental of buildings and machinery, as well as hospital, university, park and museum fees, and seeds and livestock produced by the government.
- Sales of scrap, waste, arms and other used goods other than capital assets: this includes sales of all used goods not considered capital assets, such as used military equipment and scrap material.

### 1.3 Transfers received

This item consists of all unrequited receipts from other parties except fines, penalties, forfeits and compensation for damage. When a department does not pay anything in return for the transfer from the other party (except in connection with fines, penalties, forfeits and compensation for damage), an entry should be made under one of the various transfer categories. Current and capital transfers are included in this item. Examples of current transfers are voluntary donations, transfers from other government bodies, and grants from foreign governments and international organisations.

Examples of capital transfers are cash receipts which a department is required to use toward the acquisition of a capital asset, or transfer of ownership rights of capital assets in favour of the department. Departments are requested to distinguish between the following transfer categories:

- Transfers from other governmental units (but excluding educational institutions);
- Transfers from universities and technikons;
- Transfers from foreign governments;
- Transfers from international organisations;
- Transfers from public corporations and private enterprises; and
- Transfers from households and non-profit institutions.

### 1.4 Fines, penalties and forfeits

This item consists of compulsory payments imposed by a court or quasi-judicial body. Out-of-court settlements are also included in this category.

## **1.5 Interest, dividends and rent on land**

This item has three components:

- Interest: this item consists of the revenue associated with ownership of interest-bearing financial instruments, such as bank deposits, loans extended to others, bills and bonds.
- Dividends: this item consists of the revenue associated with ownership of the capital or part of the capital of a productive unit, for example a state-owned enterprise. Dividends come in the form of revenue from shares and distribution of profits to the owner. Gains/losses associated with valuation changes should not be included in this amount reported here.
- Rent on land: this item consists of the revenue due to ownership of land. If it is not possible to distinguish the revenue due to ownership of land from that due to the fixed structures erected thereupon, the whole amount should be recorded under sales of goods and services produced by departments. This item also includes all revenue due to ownership of sub-soil assets and other naturally occurring assets such as virgin forests, game and fisheries that are commercially exploitable.

## **1.6 Sales of capital assets**

This item has two components:

- Land and subsoil assets: land excludes fixed structures erected thereupon. If it is not possible to separate the land from the structures that are erected thereupon, the combined value of the sale should be recorded under buildings or other structures as the case may be. The category, subsoil assets, consists of all assets found subsoil, for example proven reserves of oil, minerals and ores.
- Other capital assets: this item consists of goods that can be used continuously or repeatedly in production for at least one year. Examples are buildings, bridges, roads, machinery, vehicles, software and cultivated assets, such as breeding cattle, dairy cattle, fur- or wool-producing animals as well as trees and shrubs used for production of fruit and nuts.

It deserves notice that sales of goods, such as small tools, worth less than R5 000 are not included under sales of capital assets. These sales should be classified under sales of used goods other than capital assets.

## **1.7 Financial transactions in assets and liabilities**

It is necessary to provide for receipts associated with transactions in financial assets and liabilities. This item mainly consists of transactions that reduce a debtor's outstanding account. Examples are payments of loans and advances to public corporations and to employees, as well as the creation of a liability such as stale cheques.

# **2. Payments**

## **2.1 Current payments**

### **Compensation of employees**

Government departments are requested to distinguish between two components:

- Salaries and wages: payable regularly, weekly or monthly or at other intervals; and
- Social contributions: which includes the government's contribution (but not the employees' contribution) to social insurance schemes paid on behalf of employees, example, unemployment insurance funds and pension funds.

### **Goods and services**

This item includes payments for all goods and services, except payments for capital assets and items classified as capitalised expenditure. Goods to be included under this category are all goods that cannot be used continuously or repeatedly in production for a year. Examples would be petrol, coal, small tools, etc. Except if they are to be used within a capital project in which case they should be classified as under the relevant asset category under capital payments (as part of capitalised expenditure). Examples of services are hotels, restaurants, transport, communication, banking, insurance, business services and training, as well as rental of buildings, equipment and vehicles, again except if the service is to be used within a capital project, in which case it should be classified as fixed assets (as part of capitalised expenditure). Payments for rent of land is not included in this category unless it is impossible to distinguish between the rent of land and rental of the fixed structures erected thereupon, in which case rent of land is included in goods and services. If it is possible to make this distinction, rent of land and rent of other naturally occurring assets should be recorded under interest and rent of land.

## **Interest and rent on land**

This item has two components:

- Interest: this item includes the total value of interest payments associated with debts for example interest on borrowing or overdraft facilities.
- Rent on land: this item includes the total value of payments due to use of land owned by another party, including other government units. If possible, payments associated with the use of land should be distinguished from payments due to use of buildings or other fixed structures which are classified under goods and services.

## **2.2 Transfers and subsidies**

This item includes unrequited payments made by a government unit. Stated differently, when a department does not receive anything in return for the transfer to the other party, an entry should be made under one of the various transfer categories. Both current and capital transfers are included in this item; the main reason for including both categories is that in practice it is often difficult to differentiate between these two categories. Examples of current transfers are social security benefits paid to households, fines, penalties, compulsory fees and compensation for injuries or damages. Examples of capital transfers are debt forgiveness (to public and private entities) as well as payments to enterprises (publicly and privately owned) or entities.

Departments are requested to distinguish between the following transfer categories:

- Transfers to provinces and municipalities;
- Transfers to departmental agencies and accounts;
- Transfers to universities;
- Transfers to foreign governments and international organisations;
- Transfers to public corporations and private enterprises;
- Transfers to non-profit institutions; and
- Transfers to households.

All these transfer categories are self-explanatory with the exception of transfers to public corporations and private enterprises. Transfers to public corporations and private enterprises consist of all transfers whose purpose is not to subsidise production. Because virtually all transfers to public corporations and private enterprises are intended to subsidise production, this category will be very small.

Social benefits are included in current transfers to households. These are the transfers made to households to protect them against events that may adversely affect their social welfare, for example payments for medical and maternity care, home care, pensions and unemployment compensation. Transfers to households included under other transfers to households are capital transfers, for example housing transfers.

## **2.3 Payments for capital assets**

This category consists of purchases of, on the one hand, capital assets that can be used repeatedly or continuously in the production process for at least one year, and, on the other, land and subsoil assets. Capital assets should be separated into the following categories:

### **Buildings and other fixed structures:**

- Buildings: these assets can be used continuously or repeatedly in production for at least one year.
- Other fixed structures: this asset category consists of all fixed structures other than buildings. It includes roads, bridges and dams. These assets can be used continuously or repeatedly in production for at least one year.

### **Machinery and equipment:**

- Transport equipment: this asset category includes vehicles, ships, aircraft and any other asset that can be used for transportation of goods or persons. These assets can be used continuously or repeatedly in production for at least one year.
- Other machinery and equipment: this asset category includes machinery, engines, motors, generators and computer hardware. These assets can be used continuously or repeatedly in production for at least one year.

**Heritage Assets**

This asset category includes historical buildings and monuments, archeological sites, conservation areas and nature reserves, as well as works of art.

**Specialised Military Assets:**

This asset category includes weapons, weapon delivery systems, ammunition and exposure equipment, flying suits and parachutes, rigging, ships and marine equipment.

**Biological assets**

Animals and plants that are used repeatedly or continuously for more than one year to produce other goods or services. Examples of animals to be included in this category are dairy cattle, draft animals, fur- or wool-producing animals, breeding stocks, game and animals used for transportation and entertainment. Examples of plants are trees, vines and shrubs cultivated for production of fruits, nuts, sap, resin, bark and leaf products.

**Land and sub-soil assets**

This asset category includes all non-produced, non-financial assets, namely land and sub-soil assets.

**Software and other intangible assets**

This asset category includes computer software, artistic originals and mineral exploration, as well as any other intangible asset that can be used continuously or repeatedly in production for at least one year. Research and development, staff training and market research does not constitute capital assets, and payments on such items should be classified under goods and services.

**Payments for financial assets**

It is necessary to provide for payments associated with certain purchases of financial assets; that is to expense the account. Most purchases of financial assets are not considered payments, but it is sensible to do so when the government lends to public corporations or makes equity investments in them, for policy purposes.

**Capitalised compensation/goods and services**

Payments on capital assets also includes capitalised expenditure, i.e. Expenditure on compensation of employees and goods and services if such payments can be directly associated with a capital project, i.e. A project executed by the department to construct, improve or extend a capital asset. However, payments on maintenance and repair of assets should not be capitalised.

Capitalised expenditure should be classified under the relevant asset category, for example, buildings, other structures, transport equipment or software and other intangible assets as the case may be.





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