

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1000 [NW1168E]

1000. Dr D T George (DA) to ask the Minister of Finance:

In light of the scourge of violent crime in the Republic, how does the National Treasury justify the 5,27% nominal cut to Vote 28: Police for the 2021-22 financial year relative to the 2020-21 financial year?

NW1168E

REPLY:

Parliament approved a fiscal framework that proposes significant adjustments to spending over the medium term in order to stabilize government debt and reduce the pace of growth in debt servicing costs in October 2020. This approval by Parliament meant all spheres of government and all department's budgets would be reduced to achieve debt stabilization. Furthermore, Parliament passed the 2021 fiscal framework tabled by the Minister of Finance in February 2021 proposing the same fiscal consolidation through lowering the levels of expenditure. The decision to reduce departmental budgets was not a National Treasury decision but a Cabinet decision.

Table 1 provides a summary of expenditure trends and estimates for Vote 28: Police. Between 2020/21 and 2021/22, the department's budget for compensation of employees is expected to decrease from R76.1 billion to R75.3 billion, while its budget for goods and services is expected to decrease from R19.2 billion to R16.3 billion. The main items influenced under goods and services are non-essential in nature, e.g. advertising, consultants, catering, and travel and subsistence, and will be managed through cost-containment. Reductions on compensation of employees will be managed through salary freezes and non-filling of less critical post vacancies.

Table 1. Expenditure trends and estimates: Vote 28 (Police)

Economic classification	Audited outcome			Adjusted appropriation 2020/21	Average growth rate (%) 2017/18 - 2020/21	Average: Expenditure/ Total (%)	Medium-term expenditure estimate			Average growth rate (%) 2020/21 - 2023/24	Average: Expenditure/ Total (%)
	2017/18	2018/19	2019/20				2021/22	2022/23	2023/24		
R million											
Economic classification											
Current payments	82 469.3	86 118.7	92 232.1	95 366.4	5.0%	95.7%	91 570.7	92 036.9	92 097.1	-1.2%	95.2%
Compensation of employees	67 124.5	71 282.4	76 357.7	76 147.0	4.3%	78.1%	75 300.5	75 299.7	75 297.1	-0.4%	77.5%
Goods and services	15 344.8	14 836.3	15 874.5	19 219.4	7.8%	17.5%	16 270.2	16 737.2	16 800.1	-4.4%	17.7%
Transfers and subsidies	1 049.3	1 268.5	1 225.1	1 613.7	15.4%	1.4%	1 333.5	1 258.4	1 267.2	-7.7%	1.4%
Provinces and municipalities	44.5	49.5	52.8	53.2	6.1%	0.1%	55.6	57.6	61.4	4.9%	0.1%
Departmental agencies and accounts	39.7	45.6	52.9	51.0	8.7%	0.1%	49.9	51.4	53.5	1.6%	0.1%
Non-profit institutions	-	1.0	-	1.0	0.0%	0.0%	-	-	-	-100.0%	0.0%
Households	965.1	1 172.5	1 119.5	1 508.5	16.1%	1.3%	1 228.0	1 149.4	1 152.2	-8.6%	1.3%
Payments for capital assets	2 947.9	2 894.7	2 440.6	2 580.8	-4.3%	2.9%	3 451.3	3 562.3	3 719.3	13.0%	3.4%
Buildings and other fixed structures	575.4	686.3	513.3	497.7	-4.7%	0.6%	946.7	960.9	1 003.2	26.3%	0.9%
Machinery and equipment	2 340.4	2 201.4	1 927.3	2 078.7	-3.9%	2.3%	2 497.3	2 593.8	2 708.2	9.2%	2.5%
Biological assets	5.9	7.0	-	4.4	-9.2%	0.0%	7.3	7.6	7.9	21.4%	0.0%
Software and other intangible assets	26.2	-	-	-	-100.0%	0.0%	-	-	-	0.0%	0.0%
Payments for financial assets	13.9	15.6	32.3	-	-100.0%	0.0%	-	-	-	0.0%	0.0%
Total	86 480.4	90 297.5	95 930.2	99 560.9	4.8%	100.0%	96 355.5	96 857.6	97 083.6	-0.8%	100.0%

Over the medium term, compared to other departments in the Peace and Security function group, Table 2 confirms that the Police services baseline decreases least, i.e. a marginal rate of only 0.2 per cent. Government's support to the attainment of the objectives and outcomes set out under priority 6 (social cohesion and safer communities) of the 2019-2024 medium term strategic framework is therefore corroborated.

Table 2. Peace and security function expenditure

R million	2020/21 Revised estimate	Medium term expenditure estimate			Percentage of total MTEF allocation	Average annual MTEF change
		2021/22	2022/23	2023/24		
Defence and state security	53 968	46 656	47 811	48 132	22.5%	-3.7%
Police services	106 603	104 570	105 946	105 994	49.9%	-0.2%
Law courts and prisons	48 263	48 482	49 632	49 919	23.3%	1.1%
Home affairs	9 780	8 862	9 463	9 372	13.4%	-1.4%
Total	218 615	208 570	212 853	213 417	100.0%	-0.8%
