



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA



ADJUSTED ESTIMATES OF NATIONAL EXPENDITURE (2022)

**SUMMARY PER FUNCTION AND
VOTE:**

**Education & Recreation
Finance & Public Accounts
Intergovernmental & Resources
Matters
Justice & Security
Social Equity
Social Services & Infrastructure
Trade & Economic Affairs**

8 November 2022

**PARLIAMENTARY
RESEARCH UNIT (PRU)**

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1. Background

This paper provides high-level information from the Medium Term Budget Policy Statement (MTBPS) and the Adjusted Estimates of National Expenditure (AENE) on the 2022 medium term priorities and adjustments per function and per Vote. It includes a focus on the adjustments to the Vote (increases/decreases); virements and shifts requiring approval by National Treasury and/or Parliament; and key areas for oversight.

2. Introduction to the AENE

What is the AENE?

The AENE provides for changes in the appropriation owing to the categories of expenditure specified in Section 30(2) of the Public Finance Management Act, 1999 (No.1 of 1999) (PFMA), by programme and economic classification.

What is contained in the AENE?

The AENE must show roll-overs, unforeseeable and unavoidable expenditure, declared unspent funds, virements and shifts (amongst others).

Authority of the Accounting Officer

An Accounting Officer for a Department may utilise a saving in the amount appropriated under a main division within a Vote towards the defrayment of excess expenditure under another main division within the same Vote, unless Treasury directs otherwise.

What does the PFMA not allow?

The PFMA does not authorize the utilization of a saving in the following:

- ✘ An amount specifically and exclusively appropriated for a purpose mentioned under a main division within a Vote (earmarked funds);
- ✘ An amount appropriated for transfer to another institution; and
- ✘ An amount appropriated for capital expenditure in order to defray current expenditure.

Virements and shifts – why of special importance?

Virements and shifts are of specific importance, as these require approval from either the Accounting Officer, the National Treasury, or from Parliament. The level of approval depends on the nature of the virement or shift.

What should Members of Parliament look out for?

The virements and shifts that can only be approved by Parliament, are those which:

- ✓ Use funds appropriated for items **specifically and exclusively earmarked** in an Appropriation Act, that cannot be approved by the National Treasury;
- ✓ Use funds totalling more than **8 per cent** of the amount appropriated for a Main Division for a financial year (shifts between different segments within a programme do not affect the overall amount appropriated for a programme, only virements from one Programme to another effectively reduce a programme budget);
- ✓ Use funds appropriated for **compensation of employees**, that cannot be approved by the National Treasury;
- ✓ Use funds appropriated as **transfers and subsidies**, that cannot be approved by the National Treasury; and
- ✓ Use funds appropriated for **payments for capital assets**, that cannot be approved by the National Treasury.

3. Summary of AENE (Function and Vote)

Education & Recreation

2022 allocation for Education & Recreation function

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Finance & Public Accounts

2022 allocation for Finance & Public Accounts function

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Intergovernmental & Resource Matters (IGR)

2022 allocation for IGR function

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Justice & Security

2022 allocation for Justice & Security function

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Social Equity

2022 allocation for Social Equity function

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Social Services & Infrastructure (SSI)

2022 allocation for SSI function

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Trade & Economic Affairs

2022 allocation for Trade & Economic Affairs function

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Education & Recreation

2022 allocation for Education & Recreation function



Table 1: Education & Recreation Adjusted Allocation 2022/23

	Main appropriation 2022/23 (R'000)	Adjusted appropriation 2022/23 (R'000)	Increase/decrease (R'000) 2022/23	Increase/decrease (%) 2022/23
Vote 16: Basic Education	R29,560,167	R29,676,933	R116,766	0,4%
Vote 17: Higher Education	R109,514,883	R109,514,883	R0	0,0%
Vote 35: Science and Innovation	R9,133,300	R9,133,300	R0	0,0%
Vote 37: Sports, Arts and Culture	R6,295,128	R6,295,128	R0	0,0%

Medium Term Priorities for the Education and Recreational function

According to the MTBPS, medium-term priorities for the education and recreation function include:

- ✓ Education and Recreation remain top priorities for the medium term. The largest share of growth goes to learning and culture, which receives R1.43 trillion. Sectors within learning and culture include basic and higher education, sports, and arts and culture. It is expected that budgets will stabilise over the medium term as funds will be made available for the compensation of employees, resulting in fewer vacancies for teachers and smaller class sizes. However, over the long term, policy decisions should be prioritised to keep compensation spending in line with resources.
- ✓ The conditional grants for the national school nutrition programme (NSNP) will be increased to continue providing nutritious meals to 9 million students each school day. Supporting the function shift of early childhood development (ECD) from social development to basic education, funding is added for the Department of Basic Education to enhance its oversight capacity, as well as to expand and improve services for early childhood development.
- ✓ Cabinet received the ministerial task team report on student funding in higher education and training, which recommended more work on a comprehensive funding model. The student bursary for students from families with annual incomes below R350 000 will therefore continue while funding proposals are being developed.

VOTE 16: DEPARTMENT OF BASIC EDUCATION

Main Appropriation

R29. 56 billion

Adjusted Appropriation

R29. 67 billion

Budget increased with

R116 766 million

Percentage Change

0.46% increase compared to Main Appropriation

Unforeseeable and unavoidable expenditure

R116.766 million allocated to the Education Infrastructure Grant for repairs to schools affected by natural disasters in KwaZulu-Natal and the Eastern Cape.

Virements and shifts (total): R49 million

National Treasury approval has been obtained for:

- Virement from Goods and services (for Travel and subsistence) amounting to R3.219 million in Programme 2 was moved to Programme 4 (in Non-profit institutions) to pay for the National Education Collaboration Trust for the assessment of the infrastructural damage to the schools in KwaZulu-Natal and Eastern Cape.
- An additional R16 million was shifted from Goods and services in Programme 4 to Non-profit institutions in the same programme for this assessment.

Key areas for oversight

- The budget provisions seek to address teacher vacancies and ensure smaller numbers in classrooms across the provinces. Follow-up to assess the extent of these funding provisions should be done.
- Parliament should follow-up on the provisions made to address the flood-related damages in KwaZulu-Natal and Eastern Cape schools.
- Oversight over the provisions related to ECD function shift, to evaluate progress and support should be done.

VOTE 17: DEPARTMENT OF HIGHER EDUCATION AND TRAINING

Main Appropriation

R109.5 billion

Adjusted Appropriation

R109.5 billion

Budget increased with

No change

Percentage Change

No change to the main appropriation

Direct charges against the National Revenue Fund – R618.8 million

R618.8 million is allocated to the skills development levy for providing skills development programmes in the workplace and for the unemployed.

Virements and shifts (total):

R1.7 billion

National Treasury approval has been obtained for:

- R500 000 from compensation of employees (Programme 1) was moved to employee social benefits;
- An amount of R2.9 million was moved from software and other intangible assets (Programme 1) to goods and services and machinery and equipment under the same programme;
- An amount of R2.5 million for vacant posts and software licences in Programme 2 was moved to employee social benefits, travel and subsistence and ICT equipment;
- A virement of R219.9 million was moved from Programme 2: grants for universities to NSFAS in Programme 3;
- R1.2 billion was shifted from Programme 3: grants for universities to NSFAS in the same programme;
- An amount of R1.7 million for vacant posts in Programme 3 was moved to career development in the same programme;
- An amount of R16 million for vacant posts and ICT equipment in Programme 4 was moved to Programme 3: employee social benefits and computer services;
- R1.2 million allocated for vacant posts and ICT equipment in Programme 5 was moved employee benefits, travel and subsistence, minor assets and operating payments under the same programme;
- R2.5 million shifted from vacant posts in Programme 6 to employee social benefits in the same programme.

Virements and shifts requiring Parliamentary approval:

The following virements and shifts require approval by Parliament:

- R54 million defrayed from Programme 4: Compensation of employees (vacant posts) to NSFAS in Programme 3

- R260 million was moved as a virement from Programme 4: compensation of employees to higher education institutions under the same programme.

Key areas for oversight

- Most of the virements and shifting of funds comes from vacant posts in Compensation of Employees. This is cause for concern. Are these posts not critical?
- Is it feasible for the Department to continue shifting funds to fund shortfalls elsewhere in the Vote? This may not be sustainable since it has an impact on the line item funds are shifted from.
- Funds were shifted from ICT services. How will this impact technological advancements in the sector?

VOTE 35: DEPARTMENT OF SCIENCE AND INNOVATION

Main Appropriation

R9.1 billion

Adjusted Appropriation

R9.1 billion

Budget increased with

R0

Percentage Change

0.00% increase compared to Main Appropriation

Virements and shifts (total): R394 million

National Treasury approval has been obtained for:

Programme 1: Administration

- R9.2 million was shifted from vacant posts to business advisory services for goods and services within the same programme.

Programme 2: Technology Innovation

- R5.2 million was shifted from vacant posts to finance leases in Programme.
- R1.4 million was shifted from travel and subsistence to Non-profit institutions (International Centre for Genetic Engineering and Biotechnology).
- R5.2 million was vired from bio-economy strategy to the South African National Space Agency.

Programme 3: International Cooperation and Resources

- There was a virement of R2.2 million from Compensation of Employees in Programme 3 to Goods and Services (Finance leases) in Programme 1.

Programme 5: Socioeconomic Innovation Partnerships

- An amount of R1.3 million was moved from vacant posts to finance leases in Programme 1.

Virements requiring Parliamentary approval

- An amount of R128.5 million was moved from Research and Development infrastructure in Programme 4 to departmental agencies and non-profit institutions R2.8 million was shifted from innovation for inclusive development under Programme 5 to the NRF under Programme 4;
- R18,7 million was moved from Research and Development infrastructure in Programme 4 to Deep Space Ground Station in Programme 2;
- An amount of R2.8 million was moved from Research and Development in Programme 4 to SA National Space Agency: Weather Centre in Programme 2;
- R7 million was moved from Research and Development infrastructure in Programme 4 to Bio-Africa Convention in Programme 2;
- R10 million was moved from Research and Development infrastructure in Programme 4 to data analysis and workstream for the energy national joint operational and intelligence structure;
- An amount of R40 million was moved from Research and Development infrastructure in Programme 4 to vaccine innovation and development and manufacturing strategy in Programme 2;
- R50 million was moved from Strategic science platforms in Programme 4 to National Research Foundation: Square Kilometre Array in Programme 4;
- An amount of R13.3 million was shifted from Science Awareness in Programme 4 National Research Foundation: Square Kilometre Array in the same Programme;
- R1.2 million was moved from human resource development in Programme 4 National Research Foundation: Square Kilometre Array;
- R70.3 million was moved from cyber infrastructure to National Research Foundation: Square Kilometre Array under the same Programme.

Key areas for oversight

- Follow-up on progress to date regarding the establishment of the new University of Science and Innovation in Ekurhuleni, Gauteng.
- Progress on the Grassroots Innovation Programme (GIP) and the Technology Acquisition and Deployment Fund to harness the commercialisation of locally developed technology by young entrepreneurs.
- Progress of the Seed Fund Programme that is aimed at achieving early stage innovation and technologies from public research institutions and SMMEs to improve the probability of South African Technologies.
- Follow-up on Messenger RNA Hub that is aimed at accelerating vaccine production in Africa, transferrable to low and middle income countries.
- Update on Space Science Projects.

VOTE 37: DEPARTMENT OF SPORTS, ARTS AND CULTURE

Main Appropriation R6.3 billion
Adjusted Appropriation R6.3 billion
Budget increased with R0
Percentage Change 0.00% increase compared to Main Appropriation

Virements and shifts (total): R174.6 million

National Treasury approval has been obtained for:

Programme 1: Administration

- R392 000 million shifted from Compensation of Employees (vacant posts) to Households (Leave gratuities)

Programme 2: Recreation Development and Sport Promotion

- R80.3 million shifted within the programme.
- R37.0 million, including R5 million previously allocated to the Monumental Flag Project, vired to Programme 4 for ICT equipment; Consultants; Contractors; the Liliesleaf Farm Museum (via Freedom Park Museum); Travel and subsistence; Consumables; Property payments; and the National Archives (for software and other intangible assets).

Programme 3: Arts and Culture Development and Promotion

- R56.5 million shifted within the programme; R2 000 from Compensation of Employees and the balance of R54.5 million was the Reclassification of funds incorrectly classified in the 2022 ENE.

Programme 4: Heritage Promotion and Preservation

- R433 000 shifted within the programme to Households (Leave gratuities); Goods and services (Property payments); and Foreign governments and international organisations (United Nations Educational, Scientific and Cultural Organisation).

Key areas for oversight

- The service delivery impact of the virement away from the National Archives (new purpose building) should be established.
- The implementation of activities relating to the heritage legacy infrastructure projects, including the JL Dube Amphitheatre; the Isibhubhu Cultural Precinct at eNyokeni; and the OR Tambo Garden of Remembrance to which funds were shifted should be monitored.
- An amount of R15 million was shifted to the Sports Trust. The implementation of this NPI's projects is crucial to acceleration of the provision of sport infrastructure and should thus be monitored.

- The impact of the Mzansi Golden Economy strategy should be established as it supports cultural and creative sector projects and contributes to economic transformation by creating job opportunities.

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Finance & Public Accounts

2022 allocation for Finance & Public Accounts function



Table 2: Finance & Public Accounts Adjusted Allocation 2022/23

R thousand	Main appropriation 2022/23 (R'000)	Adjusted appropriation 2022/23 (R'000)	Increase/decrease (R'000) 2022/23	Increase/decrease (%) 2022/23
Vote 2: Parliament	R32, 212, 243	R2, 330, 243	R118, 000	5.3%
Vote 8: National Treasury	R33, 939, 241	R33, 837, 684	(101 557)	-0.3%

Medium Term Priorities for the Finance function

According to the MTBPS, medium term priorities for the **Finance Cluster** function include:

- ✓ Improvement of SARS information and technology capacity and revenue-collection capabilities;
- ✓ Report on tax administration digital resilience during COVID 19 pandemic
- ✓ additional funding will enable the Financial Intelligence Centre to increase its human resources capacity and help the Special Investigating Unit (SIU)

VOTE 2: PARLIAMENT

Main Appropriation R2.21 billion
Adjusted Appropriation R2.33 billion
Budget increased with R118 million
Percentage Change 5.3 % increase compared to Main Appropriation

Note: the AENE does not provide detailed information on Vote 2

VOTE 8: NATIONAL TREASURY

Main Appropriation

R33.93 billion

Adjusted Appropriation

R33.83 billion

Budget decreased with

R101.6 million

Percentage Change

-0.3% decrease compared to Main Appropriation

Declared unspent funds

R101.6 million

Unspent amounts that will not be spent in the current financial year, explicitly indicated as a reduction to the Vote's allocation. State Owned Entities- Payment of financial assets.

Unforeseeable and unavoidable expenditure¹

An additional R48.5 million is allocated to the KwaZulu-Natal Department of Social Development through the provincial equitable share for the continued care and protection of flood victims who were placed in shelters.

Virements and shifts requiring Parliamentary approval

An amount of R179.6 million (15.7%) was moved as a virement from Programme 5 to Programme 1, 5 and 6. This requires Parliamentary approval.

Key areas for oversight

- State-Owned Entities contingent liabilities
- Spending efficiencies to return to financial sustainable position
- Transversal contracts and extension of contracts (IFMS)
- Debt projections – including climate finance financing

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¹ This is an amount that is part of the Direct Charge against the National Revenue Fund

Intergovernmental & Resource Matters

2022 allocation for Intergovernmental & Resource Matters function



Table 3: Intergovernmental & Resource Matters Adjusted Allocation 2022/23

	Main appropriation 2022/23 (R'000)	Adjusted appropriation 2022/23 (R'000)	Increase/decrease (R'000) 2022/23	Increase/decrease (%) 2022/23
Vote 3: Cooperative Governance	R111, 364, 861	R115, 014, 915	R3, 650, 054	3,3%
Vote 9: Planning, Monitoring and Evaluation	R470, 850	R470, 850	R0	0,0%
Vote 11: Public Service and Administration	R540, 272	R540, 272	R0	0,0%
Vote 15: Traditional Affairs	R177, 031	R177, 031	R0	0,0%
Vote 29: Agriculture, Land Reform and Rural Development	R17, 287, 698	R17, 429, 095	R141, 397	0,8%
Vote 32: Forestry, Fisheries and the Environment	R8, 947, 914	R8, 937, 919	-R9, 995	-0,1%
Vote 38: Tourism	R2, 491, 580	R2, 491, 580	R0	0,0%
Vote 41: Water and Sanitation	R18, 539, 669	R18, 555, 010	R15, 341	0,1%

Medium Term Priorities for the Intergovernmental and Resource Matters function

According to the MTBPS, medium-term priorities for the intergovernmental and resource matters function include:

- ✓ Provide additional funding to support the provision of free municipal basic services and rehabilitate damaged municipal infrastructure.
- ✓ Invest in bulk water infrastructure, including the uMkhomazi water project and upgrading the capacity of pipelines in the area serviced by Rand Water.
- ✓ Provide additional funding to upgrade water services infrastructure for projects in Nelson Mandela Bay, Sol Plaatjie, Drakenstein and City of Johannesburg municipalities.
- ✓ Re-prioritise funds to help contain the spread of foot and mouth disease.

- ✓ Reprioritise funds towards the pilot phase of the Tourism Equity Fund introduced in 2021.
- ✓ Allocate additional funds to support service delivery, stabilise municipalities in immediate distress and develop long-term plans to improve capability.
- ✓ Support municipalities to cover increases in the cost of free basic services.

VOTE 3: COOPERATIVE GOVERNANCE

<p>Main Appropriation R111.36 billion</p> <p>Adjusted Appropriation R115.01 billion</p> <p>Budget increased with R3.65 billion</p> <p>Percentage Change 3.3% increase compared to Main Appropriation</p>
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Roll-overs: R12.835 million

The roll-over in Programme 3: Institutional Development, is for ex gratia payments to Councillors whose term ended after the 2021 Local Government elections.

Other adjustments

R3 billion: Allocated for the reconstruction and rehabilitation of damaged municipal infrastructure as a result of the floods in KwaZulu-Natal and the Eastern Cape in April 2021.

R344.5 million: To replenish the municipal and provincial disaster response grants.

R289.9 million: Allocated for the reconstruction and rehabilitation of damaged infrastructure in the Western Cape, caused by disasters in 2021.

Virements and shifts (total):

R67.8 million

National Treasury approval has been obtained for:

Administration Programme:

- R1.3 million shifted from the consultants, training and development budget to pay for leave gratuities.

Institutional Development Programme

- R79 000 shifted from the consumables budget to pay for leave gratuities.

National Disaster Management Centre Programme

- R112 000 shifted from travel and subsistence to pay for leave gratuities.
- R2 million shifted from travel and subsistence to pay bursaries to non-employees.

Community Work Programme

- R50 million vired from consultants to transfer to the Municipal Infrastructure Support Agent for the Eastern Seaboard project in the Local Government Support and Intervention Management Programme.

- R17 000 shifted from Contractors to pay for leave gratuities.

Key areas for oversight

- A substantial amount of funds were shifted within programmes to pay for leave gratuities. This situation should be monitored, as it may speak to poor or lack of planning.
- The expenditure of additional funds for disaster relief should be monitored to ensure efficient utilisation of resources.

VOTE 9: PLANNING, MONITORING AND EVALUATION

Main Appropriation

R470. 85 million

Adjusted Appropriation

R470.85 million

Budget increased with

R0

Percentage Change

0.00% increase compared to Main Appropriation

Virements and shifts (total):

R4.929 million

National Treasury approval has been obtained for:

- Shift of R100 000 from Programme 3: goods and services to households (leave gratuity)
- Shift of R300 000 from Programme 4: compensation of employees to Programme 4: leave gratuity

Key areas for oversight

- Regarding Frontline and Citizen-Based Monitoring, the Department should plan together, collaborate and coordinate monitoring activities with the Department of Public Service and Administration and the Public Service Commission to avoid duplication in activities. It has been discovered that all three institutions have similar programmes that are not coordinated.
- Parliament awaits an Integrated Report on State Owned Enterprises and monitoring framework, as announced by the President. This will help to facilitate a quick turnaround of these enterprises.
- Parliament expects a comprehensive report on the piloted District Development Model to determine the efficacy of the model, with the aim of improving coherence and coordination across the three spheres of Government.

VOTE 11: PUBLIC SERVICE AND ADMINISTRATION

Main Appropriation

R540.27 million

Adjusted Appropriation

R540.27 million

Budget increased with

R0

Percentage Change

No change to the Main Appropriation

Virements and shifts (total):

R12.663 million

National Treasury approval has been obtained for:

Administration Programme:

- R215 000 shifted from vacant posts to pay for leave gratuities.
- R1.1 million shifted from vacant posts to pay for severance packages.
- R230 000 vired from Foreign governments and international organisations to pay the Open Government Partnership membership fee under Programme 5.

Human Resource Management and Development Programme:

- R1.1 million shifted from vacant posts to pay for leave gratuities.

Negotiations, Labour Relations and Remuneration Management Programme:

- R827 000 shifted from vacant posts to pay for leave gratuities.

e-Government Services and Information Management Programme:

- R204 000 shifted from vacant posts to pay for leave gratuities.

Government Service Access and Improvement Programme:

- R103 000 shifted from vacant posts to pay for leave gratuities.

Key areas for oversight

- Since the overall objective of the Department is to reduce the wage bill in the entire Public Service, it is crucial to monitor the travel and subsistence allowance, as well as the use of consultants. Compared to the first half of 2021/22, expenditure over the same period in 2022/23 increased by R26.4 million (12.1 per cent). This trend is likely to continue over the medium term.
- There is a need to monitor progress on the salary negotiations bargaining process and striking a balance between worker rights in relation to livelihood and the impact of inflation.
- There is a need to ensure that the Public Administration Management and the Public Service Amendment Bills are tabled at least by the Fourth Quarter of 2022/23.

VOTE 15: TRADITIONAL AFFAIRS

Main Appropriation

R177.03 million

Adjusted Appropriation

R177.03 million

Budget increased with

R0

Percentage Change

0% increase compared to Main Appropriation

Virements and shifts (total):

R1 million

No virements or shifts requiring National Treasury or Parliamentary approval.

Key areas for oversight

- The virement away from training and development should be carefully considered. This impacts directly on the national priority of building a capable developmental State.
- Parliament should establish the reason for the virement to operating costs for the Commission on Khoi-San matters, as this seems not to have been budgeted for in the Main Vote.

VOTE 29: AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

Main Appropriation

R17.28 billion

Adjusted Appropriation

R17.42 billion

Budget increased with

R141.4 million

Percentage Change

0.81% increase compared to Main Appropriation

Roll-overs: R231 million

Roll-overs in Programme 3: Food Security, Land Redistribution and Restitution as part of phase 2 of the presidential employment initiative to provide support to subsistence producers.

Other adjustments

R89.60 million in Programme 3: Food Security, Land Reform and Restitution shifted to the Department of Justice and Constitutional Development following the shift of the land rights management facility to Legal Aid South Africa.

Virements and shifts (total):

R2.33 billion

This includes R1.44 billion of funds shifted within the Vote following function shifts within all programmes.

Virements and shifts requiring Parliamentary approval:

- Programme 4: Rural Development
Virements from this programme amount to 24.2% of the programme's total budget allocation.
- Programme 5: Economic Development, Trade and Marketing
Virements from this programme amount to 9.8% of the programme's total budget allocation.

National Treasury approval has been obtained for:

Food Security, Land Redistribution and Restitution Programme:

- R349 million vired from the Agricultural Land Holding Account for medicine in Programme 2.
- R20 million vired from the Agricultural Land Holding Account for employee and social benefits in Programme 2.
- R298 000 vired from bursaries to finance leases in Programme 2.
- R640 000 vired from Compensation of Employees for employee social benefits in Programme 2.
- R9.2 million vired from planning grants for rates and taxes in Programme 2.
- R67.5 million vired from land reform/restitution for consultants; farming supplies; food supplies; fuel, oil and grease; infrastructure; and legal service in Programme 2.
- R737.8 million vired from land acquisition and development costs for the development of land operating payments in Programme 2.

Key areas for oversight

• Programme 2:

There is a significant adjustment in the allocation for the sub-programme on Animal Production and Health. The main appropriation was R359.27 million, with an additional amount of R553.94 million allocated to the programme through virements. This means the adjusted appropriation is now R913.21 million (an increase of 154.18%). The performance indicators linked to the significantly higher adjustment must be explained in more detail.

• Programme 3:

The expenditure of R231 million rolled over under Programme 3 for the presidential employment initiative to provide support to subsistence producers should be closely monitored.

The virement of R737.8 million from land acquisition and development costs, as well as virement of R67.5 million from land reform/restitution should be considered, as it takes money away from land acquisition for the redress of unequal land ownership patterns in the country, which is a Government priority.

- **Programme 4:**

The high rate of virement (R189.97 million or 24%) from Programme 4, which is mostly from rural infrastructure (contractors) should be considered, as it takes away money from building rural infrastructure, which is highly needed in rural areas.

VOTE 32: FORESTRY, FISHERIES AND THE ENVIRONMENT

Main Appropriation

R8.94 billion

Adjusted Appropriation

R8.93 billion

Budget decreased with

-R9 995 million

Percentage Change

0.1% decrease compared to Main Appropriation

R9.99 million decrease consists of a transfer from Programme 4: Climate Change, Air Quality and Sustainable Development, to the Department of Employment and Labour to host the Presidential Climate Commission and its Secretariat at NEDLAC until the Climate Change Bill is passed and the Commission's corporate form is determined.

Other adjustments

R504.103 million

This includes R494 million transferred from the Environmental Programmes programme to the Climate Change, Air Quality and Sustainable Development and the Biodiversity and Conservation programmes, following a function shift of monitoring public entities.

Donation:

R480 000, of which R80 000 will be donated to the winners of the Green School initiative under Programme 1: Administration and R400 000 to the winners of the 2022 Arbor City Awards under Programme 8: Forestry Management.

Virements and shifts (total):

R275.63 million

Virements and shifts requiring Parliamentary approval:

Oceans and Coast Programme

R987 000 vired from Operating Payments to transfer to the South African Weather Service under Programme 4: Climate Change, Air Quality and Sustainable Development.

National Treasury approval was obtained for:

Administration Programme

R32.8 million shifted from venues and facilities; training and development; and software and other intangible assets to pay for leave gratuities; bursaries for non-employees; donations and gifts; vehicle and television licenses; theft and losses; internal audit and computer services.

Oceans and Coasts Programme

- R10 million shifted from business and advisory services to the iSimangaliso Wetland Park Authority and South African National Parks.
- R10.5 million shifted from consumable supplies, operating payments to pay annual membership contributions and treaty subscription fees to various organisations.
- R16.6 million shifted from operating payments to pay the marine pollution laboratory, vehicle licenses, thefts and losses and leave gratuities.

Climate Change, Air Quality and Sustainable Development Programme

- R470 000 shifted from venues and facilities to pay for leave gratuities and thefts and losses.
- R1.750 million shifted from operating payments to pay annual membership contributions and treaty subscription fees to various organisations.
- R7.3 million shifted from software to computer services.

Biodiversity and Conservation programme

- R6.1 million shifted from business and advisory services to pay for leave gratuities, theft and losses, and annual membership contributions and treaty subscription fees to various organisations.

Environmental Programmes programme

- R9.5 million vired from the Expanded Public Works programme to the Presidential Employment Initiative under programme 3.
- R2.35 million shifted from business and advisory services to pay for leave gratuities, vehicle licenses and theft and losses.
- R15 million shifted from agency and support/outsourced services to pay for other fixed structures.
- R5.3 million shifted from software to computer services.

Chemicals and Waste Management programme

- R11 million vired from business and advisory services to pay operating leases under Programme 1.
- R2.5 million shifted from business and advisory services and consultants to pay for annual membership contributions and treaty subscription fees to various organisations.
- R26 million shifted from legal services to pay for the Municipal waste support programme fleet and the Recycling enterprise support programme.
- R20.583 million shifted to Agency and support/outsourced services for the municipal waste support programme fleet.
- R36.2 million shifted from other transfers to private enterprises for the municipal waste support programme fleet.

Forestry Management Programme

- R26 million vired from property payments to property payments under programme 1.
- R25. 7 million shifted from property payments to pay for leave gratuities, vehicle licenses, vehicles for site inspections, the Forest Sector Charter Council, arbor city awards, theft and losses and other machinery and equipment.

Key areas for oversight

- Parliament needs to approve the virement of R987 000 from the Oceans and Coasts programme as a transfer to the South African Weather Service under the Climate Change, Air Quality and Sustainable Development programme.

VOTE 38: TOURISM

Main Appropriation

R2. 491 58 billion

Adjusted Appropriation

R2. 491 58 billion

Budget increased with

R0

Percentage Change

No change to the Main Appropriation

No adjustment has been made to the Vote 38 budget.

There were no virements or shifts within or between programmes.

Key areas for oversight

- In its initial planning, the Department under Programme 4 (Tourism Sector Support Services) planned to implement 10 capacity-building programmes. However, these have been reduced to four, yet the programme budget has not been adjusted accordingly. Spending on this programme will need to be monitored.

VOTE 41: WATER AND SANITATION

Main Appropriation

R18.53 billion

Adjusted Appropriation

R18.55 billion

Budget increased with

R15 341 million

Percentage Change

0.1% increase compared to Main Appropriation

Roll-overs: R15.34 million

Roll-overs in Programme 3: Water Services Management are for the Vaal River system pollution remediation project.

Virements and shifts (total):

R524.22 million

National Treasury approval was obtained for:

Water Services Management Programme:

- R450 000 from goods and services shifted to non-profit institutions to fund various institutions in the water and sanitation education programme from Water Services Management Programme.
- R130 million from goods and services shifted to public corporations and private enterprises (transfer to Bloem and Magalies water boards) from Water Services Management Programme.
- R75 million from buildings and other fixed structures (water services infrastructure grant) shifted to goods and services to fund water tank services in KwaZulu-Natal and Eastern Cape disaster areas.
- R214.52 million from buildings and other fixed structures (regional bulk infrastructure grant) shifted to goods and services to Integrated Vaal River pollution remediation project.

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Justice & Security

2022 allocation for Justice & Security function



Table 4: Justice & Security Adjusted Allocation 2022/23

	Main appropriation 2022/23 (R'000)	Adjusted appropriation 2022/23 (R'000)	Increase/decrease (R'000) 2022/23	Increase/decrease (%) 2022/23
Vote 21: Civilian Secretariat for Police Service (CSPS)	R152,311	R152,311	R0	0.0
Vote 22: Department of Correctional Services (DCS)	R26,108,720	R26,109,616	R896	0.0
Vote 23: Department of Defence (DOD)	R49,090,089	R50,799,027	R1,708,938	3.5
Vote 24: Independent Police Investigative Directorate (IPID)	R357,227	R357,227	R0	0.0
Vote 25: Department of Justice and Constitutional Development (DoJCD)	R20,021,945	R20,111,548	R89,603	0.4
Vote 26: Department of Military Veterans (DMV)	R666,376	R666,376	R0	0.0
Vote 27: Office of The Chief Justice (OCJ)	R1,265,791	R1,292,313	R26,522	2.1
Vote 28: South African Police Service (SAPS)	R100,695,315	R100,663,509	-R31,806	0.0

Medium Term Priorities for the peace and security function

According to the MTBPS, medium term priorities for the peace and security function include:

- ✓ The average annual growth rate between 2022/23-2025/26 for the peace and security function will be 2.7%. Defence and state security increases by 1.3%, Police services increases by 3.8%, and Law courts and prisons increases by 2.6%.
- ✓ Recognition that crime is a safety, economic and social issue and a safe environment is important for full participation in economic and social life. Provision is thus made for additional funding for 15 000 new recruits - an additional 5000 recruits per year over the next three years - to increase the number of student constables, mainly at police stations. This is in addition to the provision made for 10 000 new recruits in 2022/23. Since 2015, the headcount of police officers has decreased from 192 026 to 178 451 in 2021/22. In addition, the size of the South African population has grown. This means that the ratio of police to residents has declined from 260 per 100 000 in 2015/16 to 236 per 100 000 residents in 2021/22. Government is thus focused on increasing capacity in this critical service delivery area.
- ✓ To improve the fight against corruption (and support implementation of the State Capture Commission recommendations), capacity will be increased in investigative agencies (through reprioritised funds and baseline increases). The 2023 budgets of the National Prosecuting Authority (NPA), the Special Investigating Unit, and the Financial Intelligence Centre (FIC) will be increased.
- ✓ The NPA funding will be used to increase capacity in specialised tax units and the Investigating Directorate, procure specialist prosecution services for complex matters (especially financial crimes), appoint forensic auditors and accountants to deal with high priority asset forfeiture matters, establish a digital forensic data centre, and finance increased witness protection operational costs.
- ✓ The Special Investigative Unit additional funding will assist it to initiate civil litigation following the State Capture Commission recommendations. The FIC additional funding will enable it to increase its human resource capacity.
- ✓ Over the 2023 MTEF, additional resources will be made available to address the deficiencies identified by the Financial Action Task Force in the anti-money laundering framework in order to reduce financial crimes and corruption and avoid grey listing.
- ✓ Additional reprioritisation by the Department of Justice and Constitutional Development includes funding for court security, replacing computer equipment, procuring vehicles for provinces and enhanced capacity for Thuthuzela care centres.
- ✓ The Department of Defence will receive additional funding to improve the safeguarding of South Africa's borders and seas. This includes funding for the procurement of equipment and technology to support defence operations and for the repair and maintenance of navy defence systems to improve maritime security. In addition, reprioritised funds will be used to improve the Military Health Support Programme including for the procurement of ambulances, x-ray machines and deployable medical equipment.

VOTE 21: CIVILIAN SECRETARIAT FOR POLICE SERVICE (CSPS)

Main Appropriation R152.3 million
Adjusted Appropriation R152.3 million
Budget increased with R0
Percentage Change 0.00% increase compared to Main Appropriation

Virements and shifts (total): R1.4 million

Virements and shifts from allocations to furniture and ICT equipment in Machinery and equipment in all four Programmes were made to defray expenditure on operating leases and leave gratuities in Goods and Services in Programmes 1, 2 and 3.

All the above-mentioned virements and shifts required approval from National Treasury and approval has been obtained.

Key areas for oversight

- Parliament should focus on the economical procurement of ICT equipment and the cost of the Department's new office accommodation. The delay in relocation led to a significant underspending in the 2021/22 financial year.

VOTE 22: DEPARTMENT OF CORRECTIONAL SERVICES (DCS)

Main Appropriation R26.1 billion
Adjusted Appropriation R26.1 billion
Budget increased with R896 000
Percentage Change 0%

R896 000 increase consists of:

Self-financing expenditure: R896 000

Revenue of R896 000 was generated from hiring out offender services in the 2022/23 financial year. This amount is allocated in Programme 2: Incarceration to offender gratuities to supplement funding for this item and the implementation of the Department's self-sustainability model.

Virements and shifts (total): R74.95 million

National Treasury approval has been obtained for:

An amount of R73.3 million was vired from Programme 1: Administration (Machinery and equipment) from Transport equipment in the Finance subprogramme to Programme 5: Social Reintegration (Goods and services) for operating leases and vehicles in the Community Reintegration subprogramme.

Key areas for oversight

- What is the motivation for the allocation of R1.5 million to the Incarceration programme?
- The Department of Correctional Services should be encouraged and supported in their implementation of the Self-Sufficiency model. This will assist in relieving some of the financial pressure on the Department.
- Parliament should continue to monitor quarterly spending of the Department to ensure that it is aligned to their plans.

VOTE 23: DEPARTMENT OF DEFENCE (DOD)

Main Appropriation

R49.1 billion

Adjusted Appropriation

R50.8 billion

Budget increased with

R1.7 billion

Percentage Change

3.5% increase compared to Main Appropriation

The increase of R1.7 billion consists of:

Unforeseeable expenses:

An additional **R193.5 million** is allocated to the Vote for the SANDF deployment in response to the flooding in KwaZulu-Natal.

Funds shifted between Votes:

R755.3 million was transferred from the Department of Social Development for the SANDF deployment in Mozambique.

Self-financing expenditure:

Revenue of **R760.2** million was generated from reimbursements from the United Nations for South Africa's contribution to peace support operations in the Democratic Republic of the Congo (DRC) and from the sale of equipment and spares procured through the special Defence account. These funds will be used for deployment in the DRC (R358.9 million in Programme 2) and for implementation of critical elements of the South African Defence Review including upgrading prime mission equipment (R67.9 million in Programme 3).

Virements and shifts (total):

R59.3 million

National Treasury approval was obtained for:

R59.3 million was shifted from Goods and Services in Programme 2 (for payments to contractors) to line item Foreign governments and international organisations for SADC contributions within the same programme.

Key areas for oversight

- Ensuring that expenditure on Compensation of Employees continues to stabilise in line with interventions, such as the Mobility Exit Mechanism (MEM), for 2022/23.
- Reviewing the adequacy of the adjusted appropriation for the SANDF deployments in the DRC and Mozambique.
- Reviewing means to further improve the level of United Nations reimbursement for SANDF deployments in the DRC.
- Medium-term Expenditure Framework allocations for and expenditure on border safeguarding, naval vessel refurbishment and Military Health Support equipment.

**VOTE 24: INDEPENDENT POLICE INVESTIGATIVE
DIRECTORATE (IPID)**

Main Appropriation

R357.2 million

Adjusted Appropriation

R357.2 million

Budget increased with

R0

Percentage Change

0.00% increase compared to Main Appropriation

Virements and shifts (total):

R12.8 million

Virements and shifts requiring Parliamentary approval

R1 million vired from the Compensation of employees in Programme 3 to Machinery and equipment in Programme 1 (for ICT equipment) **must be approved by Parliament** as it represents **14.2%** of the Programme's budget. Approval is required by Parliament based on (1) that this amounts to a virement of over 8% between programmes and (2) that funds are vired from the Compensation budget (which is ring-fenced) to Goods and Services in Capital Assets.

Virements of R8.38 million from savings in Programme 2 in Compensation of employees due to vacant posts moved to Goods and services, and Machinery and equipment (for ICT equipment) in Programme 1 **must be approved by Parliament**, as it moved funds from the compensation budget (which is ring-fenced) to Goods and Services in Capital Assets.

A shift of R2 million from Compensation of employees in Programme 1 (as a result of vacant posts) within the programme to Goods and services for Computer Services and **must be approved by Parliament** as the Compensation allocation is ring-fenced.

Key areas for oversight

- The vacancy rate of the Directorate must be addressed, especially in the core service delivery Programme: Investigation and Information Management. A total of R8.3 million was moved from this programme to others due to vacancies. This is especially concerning as the organisational structure and remuneration of IPID Investigators were recently adjusted to that of Detectives in the SAPS in order to attract and retain skilled investigators.

VOTE 25: DEPARTMENT OF JUSTICE AND CONSTITUTIONAL DEVELOPMENT (DOJCD)

Main Appropriation

R20.02 billion

(Excluding R2.4 billion direct charge against the National Revenue Fund for magistrates' salaries. If the direct charges are included the Main Appropriation is **R22.4 billion**)

Adjusted Appropriation

R20.1 billion

(Excluding R2.39 billion direct charge against the National Revenue Fund for magistrates' salaries. **If the direct charges are included the adjusted appropriation is R22.5 billion**)

Budget increased with

R89.6 million

Percentage Change

0.4% increase compared to Main Appropriation

Funds Shifted between Votes

The **R89.6 million** increase in the Vote consists of the transfer of the Land Rights Management Facility from the Department of Agriculture, Land Reform and Rural Development to Legal Aid South Africa.

Funds shifted within the vote following a function shift

R7.6 million is transferred from the Court Services programme (Programme 2) following the shift of the offsite storage facility function to the Corporate Services subprogramme in Programme 1

R23.5 million is transferred within Programme 3 from the Litigation and Legal Services subprogramme following the shift of the legal services function to the Legislative Development and Law Reform subprogramme.

Virements and shifts (total):

R150.1 million

National Treasury approval has been obtained for:

Administration programme

- R35.9 million from the Goods and Services (Operating leases) allocation shifted (for payments including for goods and services and compensation of employees) to the State Capture Commission in the Administration programme.
- R36.3 million from the operating leases budget vired to goods and services in the State Legal Service programme (Programme 2) to fund the Legal Practice Council.
- R721 000 from the operating leases budget vired to departmental agencies and accounts in the Auxiliary and Associated Services Programme (Programme 5) for Legal Aid South Africa to provide support to a new backlog court in Colesberg, Northern Cape Province.

National Prosecuting Authority Programme (Programme 4):

- R255 000 from the office furniture budget shifted to departmental agencies and accounts for Safety and Security Sector Education and Training Authority levies in the same programme.

Auxiliary and Associated Services Programme:

- R41 million from the goods and services (computer services) budget vired to goods and services in the Administration Programme for maintenance and replacement of court recording technology and sexual offence systems.

Key areas for oversight

- Given that in the first five months of 2022/23, only 4 067 backlog cases were finalised against an annual target of 61 999 the implementation of the criminal case backlogs action plan should be closely monitored to determine if funding for additional backlog courts may be required.
- The R41 million to be used for the maintenance and replacement of court recording technology and sexual offence systems is a stop-gap measure. Some courts still only have one functional machine. The critical importance of this technology to the

effective operations of the courts, means continuous oversight is necessary, to ensure there are no further delays in a final resolution of the matter.

- The virement of R36.3 million to fund the Legal Practice Council should be explained and accounted for.
- More detail should be provided on the planned expenditure of the funds that the DOJCD has reprioritised to the Financial Intelligence Centre to implement recommendations from the State Capture Commission and the Financial Action Task Force.
- The revised national risk assessment strategy on anti- money laundering and terror financing should be scrutinised.

VOTE 26: DEPARTMENT OF MILITARY VETERANS (DMV)

Main Appropriation

R666.4 million

Adjusted Appropriation

R666.4 million

Budget increased with

R0

Percentage Change

0.00% increase compared to Main Appropriation

Virements and shifts (total):

R31.7 million

R16 million was re-allocated to Programme 1 for Compensation of Employees after it was wrongly attributed to the other two programmes (R9 million in Programme 2 and R7 million in Programme 3) in the Main Appropriation.

National Treasury approval was obtained for:

- R100 000 shifted from Catering in Goods and services to the payment of Leave Gratuities in Programme 1.
- R5.2 million shifted from Contractors in Goods and services to Compensation for Injuries in Programme 2.
- R200 000 moved from Venues and Facilities in Goods and services to the payment of Leave Gratuities in Programme 3.

Key areas for oversight

- Slow spending should be monitored. By mid-year 2022/23, 38.5% of the DMV adjusted appropriation had been spent.
- Slow progress with building houses for Military Veterans. By mid-year 2022/23, only 19 of the planned 355 houses were completed.
- Three planned memorial sites to be erected in the last six months of 2022/23.

VOTE 27: OFFICE OF THE CHIEF JUSTICE (OCJ)

Main Appropriation

R1.2 billion

(Excluding R1.122 billion direct charge against the National Revenue Fund for judges' salaries. If the direct charges are included the Main Appropriation was R2.4 billion)

Adjusted Appropriation

R1.2 billion

(An additional allocation of **R 124.5 million** was also made under the direct charge against the National Revenue Fund for the payment of salary increases for judges, increasing the direct charge against the National Revenue Fund to **R1.2 billion**.)

Budget increased with

R26.522 million

Percentage Change

2.1% increase compared to Main Appropriation

R26.5 million increase consists of:

Roll-overs: R26.5 million

R26.5 million is rolled over in Programme 1: Administration to pay for the delayed delivery of ICT infrastructure and equipment that was procured in 2021/22

Virements and shifts (total):

R22.1 million

Of which R10.680 million and R410 000 was removed from the Superior Court Services and Judicial Education and Support programmes (Programmes 2 and 3) and shifted to the Administration programme (Programme 1).

None of these shifts or virements required National Treasury approval and none require approval by Parliament.

Most of the virements and shifts were to move funds as a result of vacant posts (Compensation of Employees) in Programmes 1 and 3 to fill Critical positions (also under Compensation of Employees) in Programme 2: Superior Court Services.

Substantial funds (R15.5 million) were also shifted from Contractors (in Goods and services) in Programme 2 to Computer services, Leave gratuities and Travel and subsistence in Programmes 1, 2 and 3.

Key areas for oversight

- Spending related to ICT infrastructure, and the on-going investigation into procurement irregularities at the OCJ. R11.5 million is vired to Computer services in this adjustment in addition to the rollover of R26.5 million.

- Concerns raised by the Auditor General SA during the 2021/22 financial year relating to non-compliance with legislation and supply chain policies.
- Filling of critical vacancies in the OCJ.
- Progress on the piloting and roll-out of the Court Online project across selected sites.

VOTE 28: SOUTH AFRICAN POLICE SERVICE (SAPS)

Main Appropriation

R100.695 billion

Adjusted Appropriation

R100.663 billion

Budget decreased with

R31.806 million

Percentage Change

0.02% decrease compared to Main Appropriation

R31.806 million decrease consists of:

Declared unspent funds: R31.806 million

R31.806 million in unspent funds is declared on the integrated criminal justice strategy (Forensic Science Laboratory subprogramme) due to delays in finalising tender processes. The unavailability of forensic equipment locally also contributed to delays in spending.

Virements and shifts (total): R365. 8 million

R85 million vired from the Administration Programme to the Visible Policing Programme, of which R20 million is allocated to the maintenance of armoured vehicles and R65 million for the purchase of a helicopter.

Most of the shifts and virements in this adjustment required approval from National Treasury, which was obtained.

These included substantial shifts from Programme 1: Building and other fixed structures (for the construction and upgrading of police stations) to Buildings and other fixed structures in the same programme for the Wide-area network infrastructure (R109.6 million) and to Computer services, ICT infrastructure and IT systems enhancement also in Programme 1.

This is in addition to the vired amount of R85 million which was also moved from funds allocated to the Construction and upgrading of police stations and allocated to the maintenance of armoured vehicles and the purchase of a helicopters as highlighted above.

Key areas for oversight

- The declaration of unspent funds in the forensic science component of the SAPS is a concern. This could have a significant impact on the already considerable DNA analysis backlog in the SAPS. The fact that delays were experienced due to the unavailability of forensic equipment locally must be interrogated by Parliament.
- Parliament should request details on the procurement of a helicopter to the value of R65 million and whether these funds were spent economically.
- Parliament should question the virement of R20 million to the maintenance of armoured vehicles and whether the funds are not better spent to continue the procurement of additional new-generation armoured vehicles.

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Social Equity

2022 allocation for Social Equity function



Table 5: Social Equity Adjusted Allocation 2022/23

	Main appropriation 2022/23 (R'000)	Adjusted appropriation 2022/23 (R'000)	Increase/decrease 2022/23 (R'000)	Increase/decrease (%) 2022/23
Vote 1: The Presidency	R606,803	R606,883	R0	0,0%
Vote 20: Women, Youth and Persons with Disabilities	R987,254	R987,254	R0	0,0%

Medium Term Priorities for the social equity function

According to the MTBPS, medium term priorities for the social equity function include:

- ✓ Accelerating the implementation of structural reforms to support job creation.
- ✓ The expansion of the Social Relief Distress (SRD) Grant by one year, until 31 March 2024. The SRD was introduced in May 2020 to respond to the needs of the most vulnerable affected by lockdown measures.
- ✓ The social wage, totalling R 3.56 trillion over the next three years, will take up the biggest share of the budget, targeting poor households and those most vulnerable in society. The largest allocations are targeted at the education, health and social development sectors.
- ✓ The MTBPS does not make mention of the financing of the National Strategic Plan on Gender-based Violence and Femicide, which is meant to be an ongoing priority.

VOTE 1: THE PRESIDENCY

<p>Main Appropriation R606. 8 million (including R7.7 million direct charge against the National Revenue Fund for salaries of the President and Deputy President)</p> <p>Adjusted Appropriation R606. 8 million</p> <p>Budget increased with R0</p>
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Percentage Change

0.00% increase compared to Main Appropriation

Virements and shifts (total):

R2.5 million

National Treasury approval has been obtained for:

- In the Administration Programme: R2.3 million from Compensation of Employees budget vired to Households for leave gratuities.
- In the Executive Support Programme: R150 000 from Compensation of Employees budget vired to Households for leave gratuities.
- In the Policy and Research Programme: R20 000 from Compensation of Employees budget vired to Households for leave gratuities.

These virements are as a result of the reallocation of funds that were incorrectly allocated in the 2022 Estimates of National Expenditure.

Key areas for oversight

- Chapter 4 of the MTBPS Budget Review indicates that funds will be shifted from the Department of Public Works and Infrastructure to the Presidency to increase capacity in the Project Management Office, which supports other Government departments to develop programmes that provide work opportunities for youth. This shift in funds is not reflected in the adjusted budget vote. Overall, funding and expenditure in relation to youth development and employment programmes must be monitored.
- In terms of the mandate to galvanise Government and society to implement the electoral mandate, there is a need to ensure that (i) efforts and mechanisms to address corruption are implemented and monitored and, (ii) commitments made in relation to gender-based violence and femicide are fulfilled.
- As outlined in the ENE of 2022, the implementation of the e-Cabinet system – a collaborative platform for Members of the Executive, heads of department and executive support staff to share, manage and store information securely – must be monitored as a mechanism for improved knowledge sharing and integration.

VOTE 20: WOMEN, YOUTH AND PERSONS WITH DISABILITIES

Main Appropriation

R987.254 million

Adjusted Appropriation

R987.254 million

Budget increased with

R0

Percentage Change

0.00% increase compared to Main Appropriation

Virements and shifts (total):

R13.966 million

National Treasury approval has been obtained for:

Programme 2: Mainstreaming Women's Rights and Advocacy:

- R3 million from the goods and services (consultants) budget vired to compensation of employees for the National Council on Gender-Based Violence and Femicide interim secretariat (Programme 3).

Programme 3: Monitoring, Evaluation, Research and Coordination:

- R1.7 million from the operating payments budget shifted to foreign governments and international organisations for membership fees in Programme 3.

Key areas for oversight

- A large proportion of virements were made from Programmes 2, 3 and 4 to Programme 1. This must be closely monitored to ensure that programmes dedicated to women, youth and persons with disabilities are not disadvantaged by funds vired to the administration programme in the Department.
- The impact of the National Council on Gender-Based Violence and Femicide interim secretariat must be established. There is a need to ensure that funds allocated to the secretariat is used efficiently toward addressing matters related to gender-based violence and femicide.
- Identify and monitor machinery and equipment in Programme 1, given that a substantial proportion of virements away from other Programmes were made for ICT equipment in Programme 1.

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Social Services & Infrastructure

2022 Cluster allocation for Social Services & Infrastructure



Table 6: Social Services & Infrastructure Adjusted Allocation 2022/23

	Main appropriation 2022/23 (R'000)	Adjusted appropriation 2022/23 (R'000)	Increase/decrease (R'000) 2022/23	Increase/decrease (%) 2022/23
Vote 5: Home Affairs	R9,405,958	R10,703,958	R1,298,000	13.8%
Vote 13: Public Works and Infrastructure	R8,547,267	R8,136,809	-R410,458	-4.8%
Vote 18: Health	R64,530,977	R64,530,977	R0	0.0
Vote 19: Social Development	R257,001,361	R251,539,361	-R5,462,000	-2.1%
Vote 33: Human Settlements	R33,024,716	R33,466,822	R442,106	1.3%
Vote 40: Transport	R69,125,895	R71,381,980	R2,256,085	3.3%

Medium Term Priorities for the social services and infrastructure functions

According to the MTBPS, medium term priorities for the social services and infrastructure functions include:

- ✓ Social development spending will contract by an average of 2.4% since the COVID-19 social relief of distress grant will come to an end on 31 March 2024.
- ✓ Additional funding will be allocated to alleviate funding pressures in healthcare personnel, medicine, laboratory services, medical supplies, and critical goods and services.
- ✓ Funding will be made available to address backlogs for surgery, oncology, antiretroviral treatment, tuberculosis screening and treatment. Funds will also be made available to construct the new Limpopo Central Hospital in Polokwane.
- ✓ Funds will be shifted from the Department of Public Works and Infrastructure to the Presidency to strengthen capacity in the Project Management Office.
- ✓ Infrastructure budgets are set to increase to support economic growth and development.
- ✓ Spending on buildings and other fixed structures will increase at an annual rate of 19% over the medium term, while funds are made available to address the backlog in the refurbishment of provincial roads.

VOTE 5: HOME AFFAIRS

Main appropriation

R9.4 billion

Adjusted appropriation

R10.7 billion

Budget increased with

R1.298 billion

Percentage Change

13.8% increase compared to Main Appropriation

R1.298 billion increase consists of:

- Programme 2: Citizen Affairs: an additional R500 million is allocated to pay graduate recruits for digitising records.

Other adjustments

R798 million: revenue generated across all programmes from the sale of enabling documents such as Smart Identity Cards and passports.

Virements and shifts (total):

R484.763 million

- No virements or shifts require Parliamentary or National Treasury approval

Key areas for oversight

- The human resource capacitation in the Department requires close monitoring since vacancies enhance the risk for errors, fraud and corruption.
- The Department attributes its slow progress for adjudicating permanent residence applications, business and general works visas, and critical skills visas to re-engineering the process flow for applications. This requires close monitoring.
- The Home Affairs digitisation project, which will employ 10 000 graduate recruits over 3 years (and at a budget of R500 million) should be closely monitored.

VOTE 13: PUBLIC WORKS AND INFRASTRUCTURE

Main Appropriation

R8.547 billion

Adjusted Appropriation

R8.136 billion

Budget decreased with
R410.458 million

Percentage Change
4.8% decrease compared to Main Appropriation

R410.5 million decrease consists of:

Declared unspent funds: R21.5 million

R15.71 million: delays in implementing the Expanded Public Works Non-State Sector Programme.

R5.8 million: projected underspending by the Parliamentary Villages Management Board as a result of fewer than anticipated activities taking place.

Other adjustments

R388.9 million: shifted to Transport for the Welisizwe Rural Bridge Programme as part of the *Provincial Roads Maintenance Grant*.

Virements and shifts (total):
R107.2 million

National Treasury approval has been obtained for:

- R68.7 million was shifted from PMTE to the IDT in Programme 4;
- An amount of R989 000 was moved from Commonwealth War Graves Commission to IDT in Programme 4

Key areas for oversight

- Unspent funds of over R15 million, due to delays in the implementation of the Expanded Public Works Non-State Sector Programme, should be monitored. This is a priority area for Government in terms of job creation for vulnerable and marginalised groups such as: Women; Youth and People Living with Disabilities. The Non-State Sector participation, in the form of Non-Governmental Organisations (NGOs), for example, was precisely put in place to broaden the scope and reach of the Expanded Public Works Programme.
- The nearly R390 million declared in unspent funds shifted from Programme 4 to the Department of Transport is of concern since this programme, comprised the transfer of funds to the Property Management Trading Entity (PMTE) that is responsible for the provision of accommodation for government departments, as well as the maintenance of these.
- Parliament is to receive R2 billion over the medium term towards the rebuilding the damaged infrastructure. No specific mention is made, under its Vote of the role of the Department in the reconstruction of the Parliament; it does have a role as Parliament is a client under Programme 5: Prestige Policy.

VOTE 18: HEALTH

Main Appropriation

R64.53 billion

Adjusted Appropriation

R64.53 billion

Budget increased with

R0

Percentage Change

0.00% increase compared to Main Appropriation

Virements and shifts (total):

R4.1 million

Virements and shifts requiring Parliamentary approval:

Programme 2: R1.2 million vired from Business and advisory services to Software and intangible assets for software upgrades also within Programme 2. Only Parliament may approve this virement.

National Treasury approval has been obtained for:

Funding for South Africa Medical Research Council (SAMRC): R1.1 million
R1.1 million is vired to the SAMRC for the Global Adult Tobacco Survey from Goods and Services in Programme 3: Communicable and Non-Communicable Diseases.

Key areas for oversight

- Slow spending in the Department is of concern. During the previous financial year mid-year expenditure was R34 billion or 51.6%. At the same point in the current financial year, spending totals R30.5 billion or 47.3%. The decline is mainly attributed to COVID-19 vaccines being procured in the first half of 2021/22, but none were procured during the same period in 2022/23.
- High levels of unpaid bills and accruals in provincial departments constitute a significant risk.
- Provincial health departments continue to face a high level of medico-legal claims. The potential loss incurred by the state if all claims are to be paid out – increased from R106.3 billion in 2020/21 to R109 billion in 2021/22. Payment of claims declined from R1.7 billion to R1 billion over the same period. Reforms proposed in the State Liability Amendment Bill would reduce the state's liability for medical claims.

VOTE 19: SOCIAL DEVELOPMENT

Main Appropriation

R257.0 billion

Adjusted Appropriation

R251.539 billion

Budget decreased with

R 5.46 billion

Percentage Change

2.1% decrease compared to Main Appropriation

R5.46 billion decrease consists of:

Declared unspent funds: R1.77 billion

Unspent funds declared on social assistance due to a lower than anticipated uptake of the Social Relief of Distress Grant (SRD) following the implementation of the lower income threshold and the bank verification of applicants' income.

Other adjustments: R3.69 billion

R755.3 million: transferred to the Department of Defence for extended deployment as part of Operation Vikela in Mozambique.

R2.937 billion is transferred to the Department of Public Enterprises for Transnet to repair and replace assets and infrastructure damaged by floods in KwaZulu-Natal in April 2022.

Virements and shifts (total):

R538.0 million

No shifts or virements requiring National Treasury or Parliamentary approval.

Key areas for oversight

- R1.77 billion in unspent SRD grant, despite the lower income threshold that was implemented. Progress on take-up, and reasons for lower than anticipated spending should be monitored.
- R755.3 million was transferred to the Department of Defence for extended deployment as part of Operation Vikela in Mozambique.
- R2.94 billion of the social assistance budget was transferred to the Department of Public Enterprises for Transnet to repair and replace assets and infrastructure damaged by floods in KwaZulu-Natal in April 2022.
- The floods in KwaZulu-Natal has significant impact on various sectors. More detail is required on any implications for the social development budget for services that fall directly within its mandate.

VOTE 33: HUMAN SETTLEMENTS

Main Appropriation

R 33.024 billion

Adjusted Appropriation

R 33.466 billion

Budget increased with

R442.106 million

Percentage Change

1.3% increase compared to Main Appropriation

R442.1 million increase consists of:

Unforeseeable and unavoidable expenditure: R442.1 million

R350 million: to replenish the provincial emergency housing grant
R92.1 million: to replenish the eThekweni Metropolitan Municipality's allocation of the informal settlements upgrading partnership grant.

Virements and shifts (total): R135.4 million

Shifts were made in all programmes to the combined total value of R135.4 million (less than 1% of the Department's total appropriation).

No shifts or virements requiring National Treasury or Parliamentary approval.

Key areas for oversight

- Shifts were made from 'machinery and equipment' to office equipment under all programmes. Audit findings in previous financial years have included irregular expenditure emanating from prescribed supply chain management processes not being followed. Payments were occasionally made before services were received, in contravention of Treasury Regulation. Oversight would need to be exercised over supply chain management in relation to the procurement of machinery and equipment for office use.
- An additional amount of R350 million was allocated to replenish the Provincial Emergency Housing Grant. Monitoring spending of these funds is important to avoid irregular, wasteful or fruitless expenditure.
- An additional allocation of R92.1 million was made to the eThekweni Metropolitan Municipality's allocation of the Informal Settlements Upgrading Partnership Grant. Monitoring spending of these funds is important to avoid irregular, wasteful or fruitless expenditure.

VOTE 40: TRANSPORT

Main Appropriation

R69.12 billion

(including R12.034 million direct charge against the National Revenue Fund)

Adjusted Appropriation

R71.38 billion

Budget increased with

R2.25 billion

Percentage Change

3.3% increase compared to Main Appropriation

Roll-Overs: R27.7 million

- R7.08 million in the Administration programme is rolled over for the purchase of the Information and Communication Technology (ICT) equipment.
- R20.69 million in the Administrative programme is rolled over for the planning and project management costs to resettle 3 858 households residing along the railway line reserve of the Central Line in Cape Town.

Unforeseeable and Unavoidable Expenditure: R1.83 billion

- R819 million in the Road Transport programme is allocated to the South African National Roads Agency Limited (SANRAL) for the repair of infrastructure damaged by floods in April 2022.
- R1.02 billion in the Road Transport programme is allocated to the provincial road authorities, through the Provincial Roads Maintenance Grant (PRMG) for the repair of infrastructure damaged by floods in April 2022.

Other Adjustments: R388.91 million

Funds shifted between Votes

R388.91 million is shifted to the Department from the Department of Public Works and Infrastructure for the *Welisizwe* Rural Bridges programme, as part of the PRMG.

Virements and shifts (total):

R3.74 billion (shifts only)

Virements and shifts requiring National Treasury approval

Road Transport Programme: R3.74 billion shifted from the South African National Roads Agency non-toll network to the Gauteng Freeway Improvement Project. Treasury approval was obtained.

Key Areas for Oversight

- The allocation to SANRAL for the repair of infrastructure damaged by floods in April 2022 should be closely monitored. In addition, the Department should update Parliament on the progress made on the infrastructure damaged by floods in April 2022.
- Parliament should ensure that the funds allocated to the provincial road authorities, through the PRMG, are used for its intended purpose. Moreover, the Department should provide a report on the progress made by the provincial road authorities on repairing the infrastructure damaged by floods in April 2022.
- There should be oversight over the funds shifted from the Department of Public Works and Infrastructure to the Department for the *Welisizwe* Rural Bridges programme with a view to ensuring that they are used for its intended purpose.
- The resettlement of 3 858 households residing along the railway line reserve of the Central Line in Cape Town should be expedited so that the much-needed rail services are rendered on this line without hindrance.
- There should be no undue delays in the purchase of the ICT equipment.

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Trade & Economic Affairs

2022 Cluster allocation for Trade & Economic Affairs



Table 7: Trade & Economic Affairs Adjusted Allocation 2022/23

	Main appropriation 2022/23 (R'000)	Adjusted appropriation 2022/23 (R'000)	Increase/decrease (R'000) 2022/23	Increase/decrease (%) 2022/23
Vote 6: International Relations and Cooperation	R6, 600, 508	R6, 702, 508	R102 000	1.5%
Vote 10: Public Enterprises	R23, 928, 918	R26, 862, 118	R2, 933 200	12.3%
Vote 30: Communications and Digital Services	R2, 717, 182	R2, 917, 182	R200 000	7.4%
Vote 31: Employment and Labour	R3, 956, 019	R4, 074, 189	R118 170	3.0%
Vote 34: Mineral Resources and Energy	R10, 345, 671	R10, 418, 536	R72 865	0.7%
Vote 36: Small Business Development	R2, 563, 109	R2, 528, 109	-R35 000	-1.4%
Vote 39: Trade Industry and Competition	R10, 859, 303	R10, 879, 174	R19 871	0.2%

Medium Term Priorities for the Trade and Economic function

According to the MTBPS, medium term priorities for the trade and economic affairs function include:

- ✓ Medium-term priorities primarily support economic reconstruction and recovery through reindustrialisation, employment protection and creation, greening the economy, agriculture and food security, and investment in infrastructure.
- ✓ The Department of Small Business Development will work with municipalities to reduce administrative and regulatory burdens for small, medium and micro enterprises and co-operatives.

- ✓ Government will deepen collaboration with Proudly South African to support over 1000 informal businesses in 2023/24 and just under 4 000 informal businesses over the MTEF period.
- ✓ It will also provide support to small enterprises in the cannabis industry over the same period.
- ✓ In the context of a global transition from internal combustion engines to electric vehicles, the Department of Trade, Industry and Competition will reprioritise funds towards the new energy vehicle road map. The associated initiatives will enable South Africa to retain its automotive export markets and employment base.

VOTE 6: DEPARTMENT OF INTERNATIONAL RELATIONS AND COOPERATION

<p>Main Appropriation R6. 6 billion</p> <p>Adjusted Appropriation R6. 7 billion</p> <p>Budget increased with R102 million</p> <p>Percentage Change 1.5% increase compared to Main Appropriation</p>

R102 million increase consists of

Roll-overs:
R102 million

Programme 1: Administration

R78 million is rolled over for servers and storage, and the procurement of computers and laptops for missions.

Programme 4: Public Diplomacy and State Protocol

R24 million is rolled over for the repatriation of South African citizens in 2020.

Virements and shifts (total):
R178. 98 million

Virements and shifts requiring National Treasury and Parliament approval:

R35 million was moved from Programme 4 from goods and services to Programme 2 for Compensation of Employees. This represented 12.1% of that Programme's budget. National Treasury's approval has been obtained. This virement is more than 8 per cent of Programme 4's allocated budget and requires Parliamentary approval.

Key areas for oversight

- Total expenditure in 2021/22 was R6 billion, 92.6 per cent of the adjusted appropriation for the year. Mid-year expenditure in 2021/22 was R2.9 billion, 44.7 per cent of the adjusted appropriation, whereas expenditure in the first half of 2022/23 was R3.2 billion, 48 per cent of the adjusted appropriation of R6.7 billion. Compared to the first half of 2021/22, expenditure over the same period in 2022/23 increased by R302.4 million or 10.4 per cent.
- This was mainly due to an increase in Departmental activities after the lifting of COVID-19 restrictions
- Mid-year revenue in 2021/22 was R12.7 million, 31.6 per cent of the adjusted estimate, whereas revenue for the first half of 2022/23 was R48.1 million, 76.3 per cent of the adjusted estimate of R63.1 million. Compared to the first half of 2021/22, revenue over the same period in 2022/23 increased by R35.5 million or 280 per cent.
- This was mainly due to an increase in the sale of capital assets following the closure of missions.

VOTE 10: DEPARTMENT OF PUBLIC ENTERPRISES

Main Appropriation

R23.9 billion

Adjusted Appropriation

R 26.9 billion

Budget increased with

R2.9 billion

Percentage Change

12.26% increase compared to Main Appropriation

R2.9 billion increase consists of:

Declared unspent funds: R3.8 million

Unspent funds on compensation of employees due to vacant posts across all programmes.

Other adjustments

R2.9 billion: Shifted from the Department of Social Development for Transnet to repair and replace assets and infrastructure damaged by floods in April 2022.

Virements and shifts (total):

R192 000

Direct charge against the National Revenue Fund: R204.7 million

Allocated to Denel to settle guaranteed debt and interest payments

National Treasury approval was obtained for:

R192 000 vired from Compensation of Employees to Households for leave gratuities within Programme 1: Administration.

Key areas for oversight

- Once again the Department has surrendered funds to the Revenue Fund due to vacant posts. The vacancy rate of the Department should be monitored.
- Transfers to State-Owned Enterprises should be monitored and ensure the funds are used accordingly.

VOTE 30: DEPARTMENT OF COMMUNICATIONS AND DIGITAL SERVICES

Main Appropriation

R 2. 71 billion

Adjusted Appropriation

R 2.91 billion

Budget increased with

R 200 million

Percentage Change

7.36% increase compared to Main Appropriation

R200 million increase consists of:

Roll-overs: R200 million

Roll-overs in the ICT Information Society and Capacity Development programme for phase 2 of the presidential employment initiative to the Broadband Access Fund will enable 13 million households to access broadband internet at an affordable rate and competitive speed.

Virements and shifts (total):

R9.4 million

Virements and shifts requiring Parliamentary approval:

17.5 per cent of Programme 3's total budget is a virement to Programme 1 and Programme 6. This is more than 8 per cent of Programme 3's total budget. This requires Parliamentary approval.

National Treasury approval was obtained for:

ICT Policy Development and Research Programme:

- R650 000 from the goods and services (travel and subsistence) budget vired to goods and services (security services) in the Administration programme.
- R650 000 from the goods and services (travel and subsistence) budget vired to goods and services (implementation of the digitisation project) in the Administration programme.

- R1.5 million from the goods and services (travel and subsistence) budget vired to goods and services (advertising) in the Administration programme.
- R600 000 from the goods and services (business and advisory services, consultants) budget vired to goods and services (implementation of the digitisation project) in the Administration programme.

Key areas for oversight

- The process to appoint BBI, in line with the due governance process, as a designated fund manager for the Broadband Access Fund for which the funds have been allocated should be monitored. The R200 million rollover request was submitted to National Treasury in this regard.
- The Framework on Digital Transformation and Digital Inclusion should be closely monitored, specifically the DCDT integrated plan of action in support of the implementation of the National Strategic Plan (NSP) on gender-based violence.
- STB installations are to be effectively monitored to allow for spectrum release to reduce data costs and allow more streaming platforms.

VOTE 31: DEPARTMENT OF EMPLOYMENT AND LABOUR

Main Appropriation

R 3.96 billion

(of which R1.7 billion is in Transfers and subsidies)

Adjusted Appropriation

R 4.1 billion

Budget increased with

R 118.17 million

Percentage Change

3% increase compared to Main Appropriation

R118.17 million consists of

Rollovers: R108.17 million

Of the total rollover amount, Administration accounted for R3.85 million (for the construction of the Taung labour centre), R32.32 million (for the completion of an ICT maintenance and support project for enterprise resource planning). R20 million was for Programme 3: Public Employment Services (for the creation of jobs for intern psychologists (employment counsellors)) as part of phase 2 of the Presidential employment initiative and R52 million (to develop the national pathway management network hosted at the Government Technical and Advisory Centre) as part of phase 2 of the Presidential employment initiative.

Other adjustments

Programme 4: Labour Policy and Industrial Relations shifted R9.99 million to the Department of Forestry, Fisheries and the Environment to host the Presidential climate commission and secretariat at the National Economic Development and Labour Council

until the Climate Change Bill is passed and the Commission's corporate form is determined in accordance with the Public Finance Management Act (1999).

Virements and Shifts (Total)

R72. 55 million

Virements and shifts requiring Parliamentary approval:

R12 million was moved from Vacant Posts Programme 1: Administration to Buildings and Fixed Structures in Programme 1 for the construction of the Standerton and Taung labour centres, repair and renovation of the Upington and Ulundi labour centres. R55 million was also moved from Programme 2 Compensation of Employees (Vacant Posts) to Programme 1, 2 and 4 with programme 4 receiving R45 million for the hosting of the fifth global conference on the elimination of child labour.

National Treasury approval was obtained for:

- R1.2 million was also moved from Compensation of employees (vacant posts) to Programme 1 from Households (Leave Gratuity). R778 000 was moved from Programme 2 from vacant posts to Programme 1 to Households (Leave Gratuity). R600 000 was moved from Programme 3 Compensation of employees (Vacant Posts) to Programme 3 to Households (Leave Gratuities). R212 000 was moved from Programme 4 from Compensation of employees (Vacant Posts) to Programme 4 to Households (Leave Gratuities).

Key areas for oversight

The Committee needs to receive quarterly reports on how ICT maintenance and support projects of the Department are progressing.

The Committee must receive a comprehensive workable plan on how all funded vacant posts will be rapidly filled in, gradually dropped down to zero, more importantly in the IES branch.

VOTE 34: DEPARTMENT OF MINERAL RESOURCES AND ENERGY

Main Appropriation

R 10. 34 billion

Adjusted Appropriation

R10. 41 billion

Budget increased with

R72. 86 million

Percentage Change

0.7 % increase compared to Main Appropriation

R72.86 million increase consists of

Rollovers: R72. 86 million

Rollovers amounted to R72. 86 million. Programme 5: Mineral and Energy Resources Programmes and Projects rolled over an amount of R28.04 million to finalise non-grid projects through the Integrated National Electrification Programme (INEP).

Within the same programme, R43.82 million is rolled over to finalise payments to service providers for the solar water heater programme and also R1 million is rolled over finalise 50 electrification connections for households in the Dikgatlong Local Municipality at France Baard District Municipality in the Northern Cape.

Virements and shifts (total):

R240. 79 million

National Treasury approval was obtained for:

Programme 3: Mining, Minerals and Energy Policy Development received an adjusted appropriation of R880 million during 2022/23. Of this allocation, R4.48 million was shifted from goods and services (operating payments – administrative fees, advertising, catering, venues and facilities, travel and subsistence) in terms of economic classification to pay membership fees for foreign governments and international organisations. One such organisation is the Association of African Diamond Producing Countries.

Programme 5: Minerals, Energy Resources Programmes, and Projects received an adjusted appropriation of R6.84 million and shifted R236. 31 million from public corporation and private enterprises to pay for business and advisory services under the economic classification of goods and services.

Key areas for oversight

- Parliament should monitor the expenditure of R72. 86 million rolled over from Programme 5: Mineral and Energy Resources Programmes and Projects to fund non-grid projects to the value of R28 million through the Integrated National Energy Programme (INEP). As part of this rollover, R43.82 million will pay service providers for the finalisation of solar water heater programmes across various municipalities.
- The oversight committees of Parliament should be able to identify the municipalities that stand to benefit and oversee the overall completion of these projects including the one worth R1 million set to finalise 50 electrification connections in Dikgatlong Municipality of Northern Cape.

VOTE 36: DEPARTMENT OF SMALL BUSINESS DEVELOPMENT

Main Appropriation

R2.56 billion

(comprising R2.31 billion (90%) in transfers and subsidies, R253.1 million (9.9%) in goods and services, R4.7 million (0.2%) in payments for capital assets)

Adjusted Appropriation

R2.53 billion

Budget decreased by

R35 million

Percentage Change

1.4% decrease compared to Main Appropriation

Declared Unspent Funds: R35 million

Virements and shifts (total):

R126.33 million (representing 5% of the adjusted appropriation)

Flood Relief: R60 million

Vired from Township and Rural Entrepreneurship Fund in Programme 3 to departmental agencies account in Programme 4 for flood relief in KZN and Eastern Cape.

Youth Challenge Fund: R29.85 million

Vired (from the National Gazelles in Programme 4 (departmental agencies account), to Programme 3: Development Finance's Public corporations and private enterprises. The aim is to provide financial and non-financial support the youth start-up support programme. The Department is targeting 10 000 start-up businesses for the 2022/23 financial year.

Informal micro enterprise development programme: R25 million

Vired (from Programme 3 (Blended Finance) to Programme 4 (Goods and Services) for informal micro-enterprise development.

Salaries and wages, and travel subsistence: R9 million

R 5 million shifted from Programme 2 (Product Market) to Travel and Subsistence in the same programme. R4 million was vired from Programme 4 (Salaries and Wages, Social Contribution) to Programme 3 (Salaries and Wages).

Leave gratuities,

**Administrative fees, catering, communications, legal fees, travel and subsistence:
R2.5 million**

R82 000 for Leave Gratuities shifted from Programme 1 (Goods and Services), to Households' Leave Gratuities in the same Programme.

National Treasury approval was obtained for:

- R5 million from Programme 2: Public Corporations & private enterprises to Programme 2: Goods and Services.
- R60 million from Programme 3: Public Corporations and Private enterprises to Programme 4: Flood relief
- R25 million from Programme 3: Blended Finance to programme 4: Informal micro enterprise development programme
- R29. 85 million from Programme 4: National Gazelles programme to Youth Challenge Fund.

Key areas for oversight

- Progress on the Youth Challenge Fund, with separate reports on the financial and non-financial support to determine which aspect receives the most support and has more impact on youth start-ups.
- Follow-up on the implementation and impact of the Flood Relief fund as well as initiatives that help SMMEs to be more resilient in the face of natural disasters.
- Improvements in the vacancy rate in light of the new approved organisational structure.

VOTE 39: DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

Main Appropriation

R10.85 billion

Adjusted Appropriation

R10.87 billion

Budget increased (or decreased) with

R19.87 million

Percentage Change

0.2% increase compared to Main Appropriation

R19.87 million increase consists of:

Self-financing expenditure: R19.8 million

This revenue was generated from rental income and payments from construction companies found guilty of contravening the Competition Act (2018) as per the settlement agreement for the voluntary rebuild programme. These funds will be used to supplement payments for the public-private partnership contract for the Department's campus, and to meet the objectives of the Tirisano Construction Fund Trust in line with the settlement agreement.

Virements and Shifts (total):

R355.94 million

Virements and shifts requiring Parliamentary approval:

- R89.7 million virement from Programme 1 to Programme 6 for the Manufacturing Development Incentives
- R1.6 million virement from Programme 3 (Travel and subsistence, venues and Facilities) to Programme 6 for the Manufacturing Development Incentives
- R16.9 million virement from Programme 7 (goods and services) to Programme 6 for the Manufacturing Development Incentives
- R7.3 million virement from Programme 8 to Programme 6 for the Manufacturing Development Incentives
- R10.5 million virement from Programme 10 (goods and services to Programme 6 for the services sector development incentives: Film and television

- R8.7 million was moved from administrative fees: goods and service in Programme 10 to services sector development incentives: Film and television production in Programme 6;
- R579 000 moved as a virement to services sector development incentives: Film and television production in Programme 6;
- R749 000 moved from catering to services sector development incentives: Programme 6;
- R498 000 from computers and hard drives in Programme 10 to services sector development initiatives: Film and television in Programme 6.

National Treasury approval was obtained for:

- R11.2 million virement from Programme 1 to Programme 6 for the Manufacturing Development Incentives
- R60 million virement from Programme 2 to Programme 6 for the Manufacturing Development Incentives
- R78.8 million virement from Programme 4 (goods and services and National Metrology Institute) to Programme 6 for the Manufacturing Development Incentives and Services sector development incentives: Film and television production
- R3 million shift within Programme 5 from goods and services to leave gratuities and International Financial Reporting Standards Foundation
- R5.6 million virement from Programme 5 (goods and services) to Programme 6 for the Manufacturing Development Incentives
- R12.1 million shift within Programme 6 from goods and services to Manufacturing Development Incentives and Services sector development incentives: Film and television production
- R7.8 million virement from Programme 9 to Programme 6 for the Manufacturing Development Incentives and Services sector development incentives: Film and television production

Key areas for oversight

- The virement away from the National Metrology Institute of South Africa of approximately R72.9 million and the infrastructure upgrades that the entities had received an allocation for in the initial budget.
- Manufacturing Development Incentives and Services sector development incentives: Film and television production under programme 6 given the additional allocation through virements and shifts.
- The virement of R25 million to the South African Bureau of Standards.
- The virement away from the Export Credit Insurance Corporation of R63.8 million.

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