PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

# ADJUSTED ESTIMATES OF NATIONAL EXPENDITURE (2025)

**SUMMARY PER FUNCTION AND VOTE:**

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

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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 2023 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**
2025 allocation for Education & Recreation function
Click here

**Finance & Public Accounts**
2025 allocation for Finance & Public Accounts function
Click here

**Intergovernmental & Resource Matters (IGR)**
2025 allocation for IGR function
Click here

**Justice & Security**
2025 allocation for Justice & Security function
Click here

**Social Equity**
2025 allocation for Social Equity function
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**Social Services & Infrastructure (SSI)**
2025 allocation for SSI function
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**Trade & Economic Affairs**
2025 allocation for Trade & Economic Affairs function
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## Education & Recreation

### 2025 Adjusted allocation for Education & Recreation function

**Table 1: Education & Recreation Adjusted Allocation 2025/26**

| R million | Main Appropriation 2025/26 | Adjusted Appropriation 2025/26 | Increase/Decrease 2025/26 | Percentage Increase/ Decrease 2025/26 |
|---|---|---|---|---|
| **Basic Education** | 35 489.2 | 38 258.3 | 2 769.1 | 7.8% |
| **Higher Education** | 116 441.7 | 116 441.7 | 0.0 | 0.0% |
| **Science, Technology and Innovation** | 9 063.7 | 9 397.7 | 334.0 | 3.7% |
| **Sport, Arts and Culture** | 6 309.9 | 6 309.9 | 0.0 | 0.0% |
| Total | **167 304.6** | **170 407.6** | **3 103.0** | **1.9%** |

**Medium-Term Priorities for the Education and Recreational Function**

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

- ✓ The Education Labour Relations Council is undertaking physical verification of teachers and learner numbers across all provinces to address concerns about the employment of ghost teachers
- ✓ This audit will complement the government wide ghost worker audit being co-ordinated by NT
- ✓ Savings derived from this and other measures will be used for provinces to address funding pressures in the sector
- ✓ The post school sector continues to underperform in terms of throughput rates despite increased expenditure
- ✓ Government will review the community education and training sector as well as the skills development landscape to determine how to improve outcomes.

## VOTE 16: BASIC EDUCATION

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| **Main Appropriation**<br>R35.49 billion |
| **Adjusted Appropriation**<br>R38.26 billion |
| **Budget increased by**<br>R2.77 billion |
| **Percentage Change**<br>7.8% increase compared to the Main Appropriation |
| **Virements and shifts (total)**<br>R478.492 million |

**Details of adjustments: -**

Appropriation of funds for expenditure announced by the Minister during the tabling of the annual budget – R2.02 billion

**Programme 2: Curriculum Policy, Support and Monitoring:** An additional R2.01 billion is allocated to the Early *Childhood Development Grant* to increase the early childhood development subsidy and expand access to early childhood development. Likewise, an additional R16 million is allocated towards administration and reporting system for early childhood to improve the planning and expansion of early childhood development.

**Unforeseeable and unavoidable expenditure – R454 million**

**Programme 4: Planning, Information, and Assessment:** An additional R354 million is allocated to KwaZulu-Natal and R100 million to Eastern Cape, through the Education Infrastructure Grant, for the rehabilitation of schools damaged by floods.

**Other adjustments**

In terms of section 6(1)(b) of the Appropriation Act (2025), expenditure towards infrastructure damaged due to weather related disasters has been provided for.

**Programme 4: Planning, Information, and Assessment:** An additional R70.4 million is allocated to Eastern Cape, R78.7 million to KwaZulu-Natal and R140 million to Limpopo through the education infrastructure grant to reconstruct and rehabilitate infrastructure damaged by weather-related disasters in 2024/25.

**Virements and shifts**

National Treasury approval has been obtained for the virement of **R478.5 million.**

**Programme 1 (Administration) - Virement totaling R21.3 million**

- In total R21.3 million has been moved, representing a shift equating to 0.2% within programmes and 3.1% to other programmes.
- R20 million moved to **Programme 4** (Goods and services) for travel and subsistence (G20-related)
- A shift of R1.3 million has been reported within **Programme 1** from goods and services (business advisory, rental, advertising) to:
    - R387 000 from goods and services (business advisory, rental, advertising) was shifted to Households (leave gratuities)
    - R61 000 from Rental and Hiring was shifted to Machinery & equipment (computers)
    - R835 000 from Advertising was shifted to the payment of financial assets.
    - R20 000 from audit costs; stationery, printing and office supply; venues and facilities are for debt write-off.

**Programme 2: Curriculum Policy**

- In total R101.5 million has been moved, representing a shift equating to 2.2% within programmes and a virement of 0% to other programmes.
- Internal shifts only (no virements to other programmes):
    - Major reallocation:
        - R100 million from food supplies to Early Childhood Development results-based financing
    - Other shifts from goods and services:
        - R184 000 from catering) to Household (leave gratuities)
        - R740 000 from training and development to machinery and equipment (computers)
        - R55 000 from Advertising to payment for financial assets (debt write-off)
        - R508 000 from Stationery to Non-profit Institutions (Sesame Workshop for national communication campaign)

**Programme 3: Teacher Development**

In total R4.2 million has been moved, representing a shift equating to 0% within programmes and a virement of 0.2 % to other programmes.

- **To Programme 4:** R3.95 million from Agency and support/ outsourced services to Non-profit institutions for National Education Collaboration Trust for Reading Champions programme
- **Internal shifts** from goods and services:
    - R159 000 from Business advisory to leave gratuities
    - R91 000 from Travel and subsistence to machinery and equipment (computers)

**Programme 4: Planning, Information & Assessment**

In total R351.3 million has been moved, representing a shift equating to 0.3% within programmes and a virement of 1.7 % to other programmes.

- **To Programme 1:** R1.1 million from goods and services (stationery, printing and office supply) to travel & subsistence
- R2.2 million from business and advisory services to machinery and equipment's (vehicles for Deputy Minister)

- **To Programme 2:** R300 million from building and other fixed structures to goods and services (workbooks project)

- **Internal shifts:**
  - R75 000 from goods and services (venues and facilities) to household (leave gratuities
  - R300 000 from stationery to machinery and equipment's (computers)
  - R161 000 from venues and facilities to payment for financial assets (debt-written off)
  - R5 million from Operating payments to Non-profit institutions (National Education Collaboration Trust for the South African school administration management system

**Programme 5: Educational Enrichment**

In total R180 000 has been moved, representing a shift equating to 0% within programmes and a virement of 0% to other programmes.

- **Internal shifts only:**
  - R177 000 from goods and services (Communication) to machinery and equipment (computers)
  - R3 000 from Venues for debt write-off

**Virements requiring Parliamentary approval**

- A shift of R42.5 million from Programme 4 on business and advisory services to goods and services.

**Key areas for oversight**

- Oversight to monitor implementation and progress on conditional grants such as, the Early Childhood Grant, national School Nutrition Grant, School Safety including Bullying and Statutory Rape, Inclusive Education-Resourcing and capacity and Infrastructure.
- The PC on Basic Education should establish facts on preventative measures when engaging with the department.
- Educators' salary increases should be conducted considering the economic realities faced by the country. Unions must be conscientize. PC to engage the ELRC on developments.
- Effective use of frontloaded ECD funds.
- Monitoring school infrastructure backlogs and disaster recovery.
- Assessing impact of high virements on strategic priorities.
- Ensuring value-for-money in ICT and workbook projects.
- Tracking teacher bursary uptake and school safety measures.

## VOTE 17: HIGHER EDUCATION AND TRAINING

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| **Main Appropriation**<br>R116.4 billion<br><br>**Adjusted Appropriation**<br>R116.4 billion<br><br>**Budget decreased with**<br>0%<br><br>**Percentage Change**<br>0% decrease compared to the Main Appropriation<br><br>**Virements and Shifts total**<br>R201.6 million |

**Details of adjustments: -**

**Direct charges against the National Revenue Fund**

- The skills development levy is reduced by R27.4 million, in line with revised projected levy revenue for 2025/26.

**Virements and Shifts**

- There are no virements requiring Parliamentary approval.
- Virements and shifts has a zero effect on the overall budget.

**Virements and shifts that approval has been obtained from National Treasury**

- R201.6 million within the vote.
- All virements and shifts had a zero effect on the overall budget.

- **Programme 1:** R18.9 million.
  - To Programme 1 (internal shift): R7.773 million (ICT equipment, transport equipment, travel, social benefits).
  - To Programme 2: R130 000 (Cost-of-living adjustments).
  - To Programme 6: R11.077 million (Compensation of employees (cost-of-living adjustments).

- **Programme 2:** R1.86 million
  - To Programme 1: R130 000 (Cost-of-living adjustments).
  - To Programme 2 (internal shift): R1.4 million (ICT equipment, consultants, social benefits).
  - To Programme 3: R315 000 (Social benefits).

- **Programme 3:** R1.1 million
  - To Programme 3 (internal): R1.1 million (ICT equipment and social benefits).

- **Programme 4:** Largest adjustment: R163.8 million
    - To Programme 2: R3.4 million (G20-related activities).
    - To Programme 4 (internal shift): R29.6 million (ICT equipment, social benefits).
    - To Programme 6: R130.7 million (Cost-of-living adjustments and social benefits).

- **Programme 5:** R13.7 million
    - To Programme 1: R1.8 million (Consultants).
    - To Programme 2: R6.3 million (Consultants and G20-related activities).
    - To Programme 3: R1.2 million (Travel and ICT equipment).
    - To Programme 6: R3.9 million (Consultants).
    - Internal shifts: R474 000 (ICT equipment and social benefits).

- **Programme 6:** R2.0 million
    - To Programme 6 (Internal shifts only): R2.0 million (ICT equipment, software licences, training, social benefits).

**Key areas for oversight**

**High Volume of Virements:** R201.6 million shifted within the vote. Large inter-programme virements (e.g., R130.7 million from TVET to CET) could indicate budget planning weaknesses or unforeseen HR cost pressures. Are these virements aligned with strategic priorities or just reactive?

**Persistent Vacancies:** Most virements originate from savings on vacant posts. Why are vacancies so high across programmes? Impact on service delivery (TVET and CET enrolment targets already lagging). Risk of underperformance despite increased compensation allocations.

**Underachievement of Key Targets:** Mid-year performance shows TVET and CET enrolment targets unlikely to be met. Are virements addressing these gaps or only covering operational costs? Oversight needed to ensure funds improve access and outcomes.

**ICT and Equipment Spending:** Multiple shifts to ICT equipment and software licences across programmes. Procurement compliance and value for money. Are these ICT investments linked to measurable improvements (e.g., digital learning)?

**Compensation Adjustments:** Large virements for cost-of-living adjustments and social benefits. Treasury approval confirmed, but does this crowd out programme delivery? Sustainability of compensation increases given budget constraints.

**Reduced Skills Development Levy:** R27.3 million decrease in direct charge due to lower levy revenue. What is the impact on SETAs and National Skills Fund programmes? What are the mitigation measures to avoid disruption in skills development initiatives?

## VOTE 35: SCIENCE AND INNOVATION

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| **Main Appropriation**<br>R9 billion<br><br>**Adjusted Appropriation**<br>R9.4 billion<br><br>**Budget increased with**<br>R334 million<br><br>**Percentage Change**<br>3.7% decrease compared to the Main Appropriation<br><br>**Virements and shifts (totals)**<br>R71 million |

**Details of adjustments**

- Current payments are set at R695.5 million, while transfers and subsidies amount to R8.7 billion.
- The budget adjustments include reallocations across various programmes:
    - Administration received an increase of R9.75 million, bringing the total to R445.3 million.
    - Technology Innovation saw a significant increase of R334 million, totalling R1.94 billion.
    - Research Development and Support experienced a decrease of R20.75 million, adjusting to R5.15 billion.
    - Socioeconomic Innovation Partnerships received an increase of R11 million, totalling R1.71 billion.

- The adjusted budget reflects a strategic focus on enhancing technology innovation and socioeconomic partnerships.

**Virements and shifts within vote**

Virements within the budget indicate a strategic reallocation of funds to enhance specific programmes. The total virements and shifts within the vote for 2025/26 amount to **R70.75 million**. This includes:

- **R9.75 million** shifted from Programme 4 (Research Development and Support) to Programme 1 (Administration) for goods and services (Travel and Subsistence).
- **R11 million** shifted from Programme 4 (Research Development and Support) from Department agencies and accounts to Programme 5 (Socioeconomic Innovation Partnerships).
- **R50 million** shifted within Programme 4 from Department agencies and accounts (Strategic science platforms for research and development) for the National Research Foundation: Square Kilometre Array capital contribution to research funding.

**Roll overs**

The rollovers for the 2025/26 financial year amount to R334 million and are allocated as follows:

- **Programme 2: Technology Innovation**
  - R9.9 million is rolled over for space science research and support for the South African National Agency's Space Weather Centre.
  - R324.1 million is rolled over for space science research, specifically for the development of satellite infrastructure, satellite-based augmentation systems, and earth observation satellites.

| **Key areas for oversight** |
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| **Utilization of Rollovers:** Oversight should ensure that the R334 million rolled over for space science research and satellite infrastructure development is effectively utilized and aligned with the department's objectives.<br><br>**Virements and Shifts:** Monitor the impact of the R70.75 million virements and shifts on the affected programmes, particularly Research Development and Support, and ensure that the reallocation does not compromise the original programme goals.<br><br>**Alignment of Budget with Targets:** Assess whether the adjusted budget of R9.4 billion is sufficient to meet the department's performance targets and strategic objectives.<br><br>**Achievement of Targets:** Track the department's progress in meeting key performance indicators, such as the number of commercial outputs, technology demonstrations, and bursary awards.<br><br>**International Cooperation:** Evaluate the department's efforts to attract funds from international partners, given the reduced mid-year achievement in 2025/26.<br><br>**Space Science Research Funding:** Ensure that the R334 million adjustment for space science research is effectively contributing to the development of satellite infrastructure and other related initiatives.<br><br>**Square Kilometre Array Funding:** Monitor the utilization of the R50 million allocated to the Square Kilometre Array and its impact on research development.<br><br>**Alignment with National Goals:** Verify that the department's activities and expenditures are aligned with national goals and outcomes, such as fostering innovation, economic transformation, and skills development. |

## VOTE 37: SPORTS, ARTS AND CULTURE

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| **Main Appropriation**<br>R6.3 billion<br><br>**Adjusted Appropriation**<br>R6.3 billion<br><br>**Budget decreased with**<br>0<br><br>**Percentage Change**<br>0%<br><br>**Virements and shifts (totals)**<br>R46.9 million |

**Details of adjustments**

Total Appropriation of R6.31 billion remains unchanged after adjustments. The adjustments are:

- Virements and shifts equating to R46.9 million reallocated within and across programmes.
- No rollovers, self-financing, or other major adjustments.

**Virements & Shifts**

There are no virements requiring Parliamentary approval.

**Virements and shifts that approval has been obtained from National Treasury (totals per Programme):**

**Programme 2: Recreation Development and Sport Promotion**

- A virement of R5.5 million was authorised from Goods and Services (contractors) to foreign governments and international organizations.
- A virement of R2.4 million was authorised from Buildings and other Fixed structures (National Archives heating, ventilation and air conditioning system) to Departmental agencies and accounts.
- A virement of R1 million was authorized from Departmental Agencies and Accounts (The Playhouse Company) to Heritage Assets
- A virement A virement of R2.9 million was authorized from Heritage assets (Sarah Baatman Centre of Remembrance) to Departmental Agencies and Accounts.
- A virement of R3.2 million was authorized from Heritage assets (Sarah Baatman Centre of Remembrance) to Departmental Agencies and Accounts.
- A virement of R1.5 million was authorized from Heritage assets (Sarah Baatman Centre of Remembrance) to Goods and Services.
- A virement of R6 million was authorized from Heritage assets (Sarah Baatman Centre of Remembrance) to Non-Profit Organizations.
- A virement of R270 000 was authorized from Heritage assets (Sarah Baatman Centre of Remembrance) to Programme 3 Departmental Agencies and Accounts.

- A virement of R2 million was authorized from Heritage assets (The Playhouse) to Programme 4 Goods and Services.
- A virement of R972 000 was authorized from Heritage assets (Sarah Baatman Centre of Remembrance) to Programme 4 Goods and Services
- A virement of R3.7 million was authorized from Heritage assets (Sarah Baatman Centre of Remembrance) to Programme 4 Departmental Agencies and Accounts.
- A virement of R7 million was authorized from Heritage assets (Sarah Baatman Centre of Remembrance) to Programme 4 Departmental Agencies and Accounts.

**Programme 3: Arts and Culture Development and Promotion**

- A virement of R496 000 was authorised from Non-Profit Organizations (Moral Regeneration) to Programme 1 Goods and Services (operating payments).
- A virement of R800 000 was authorised from Goods and Services (Contractors) to Programme 3 Foreign Governments and International Organizations.
- A virement of R4 million was authorised from Non-Profit Organizations (Moral Regeneration) to Households (supporting Artists) within the same programme.
- A virement of R1.7 million was authorised from Departmental Agencies (PanSALB) to Goods and Services (Contractors) within the same Programme.

**Programme 4: Heritage Promotion and Preservation**

- A virement of R3.1 million was authorised from Departmental Agencies (Freedom Park) to Goods and Services (Contractors) within the same programme.

**Key areas for oversight**

- Assessing the state of sport infrastructure facilities, maintenance, availability, and accessibility in all municipalities (both urban and rural) as well as Arts and Culture infrastructure.
- The Resistance Liberation Heritage Legacy Route projects with reference to operations of those heritage sites.
- Community Libraries with regards to the infrastructure and the materials.
- Library amenities' compatibility with the fourth industrial revolution (4IR) across all provinces.
- Fostering collaboration between the Department of Basic Education (DBE) and the Department of Sport, Arts and Culture (DSAC) when promoting school sport in South Africa.
- The effectiveness of the programmes and strategies endorsed by the Department of Sport, Arts and Culture to foster social cohesion in the country.
- Community-based sport and recreation activities.
- Schools, hubs and clubs provided with equipment.
- Sport and recreation bodies supported.
- Community conversations or dialogues implemented to foster social interaction.
- University students supported to study languages.
- Projects supported to enable local and international market access.
- Creative industry projects supported.
- Libraries financially supported.
- Tertiary students supported to study heritage practice.

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