Social Services & Infrastructure

2025 Allocation for Social Services & Infrastructure function

Table 3: Social Services & Infrastructure Adjusted Allocation 2025/26

R million	Main appropriation 2024/25	Adjusted appropriation 2024/25	Increase/decrease 2024/25	Increase/ decrease (%) 2024/25
Vote 5: Home Affairs	11 060.0	14 040.0	2 980.0	26.9%
Vote 13: Public Works & Infrastructure	7 623.0	7 647.7	24.7	0.3%
Vote 18: Health	64 807.2	65 925.1	1 117.9	1.7%
Vote 19: Social Development	294 055.6	295 225.1	1 169.5	0.4%
Vote 33: Human Settlements	34 042.8	34 915.3	872.5	2.6%
Vote 40: Transport	95 692.1	91 812.3	-3 879.8	-4.1%

Medium Term Priorities for the Social Services and Infrastructure (SSI) Cluster

According to the MTBPS, medium-term priorities for the Social Services and Infrastructure function include:

- ✓ An amount of R19.3 billion allocated for infrastructure related to metro trading services will be re allocated from the Urban Settlements Development Grant to the performance-based Urban Development Financing Grant.
- ✓ The Public Transport Network Grant will be discontinued due to its inability to enhance mobility and will be replaced by new mechanisms aimed at promoting integrated public transport systems and advancing higher-density housing to maximize overall benefits.
- ✓ The health sector will continue prioritising effective service delivery by enhancing operational efficiency. Key measures include improving the management of commuted overtime, gradually replacing overtime hours with new appointments where feasible, and applying rural allowances more strategically.
- ✓ To achieve cost efficiencies within the public health sector, greater reliance will be placed on bulk procurement contracts.
- ✓ Following the withdrawal of PEPFAR funding, an additional R590.4 million has been allocated in 2025/26 to maintain provincial health services and sustain HIV/TB programs. Provinces must submit credible transition plans to reduce dependency on external funding.
- ✓ Social grants are projected to increase with 3.4% over the period, and the South African Social Security Agency will intensify efforts to combat fraud and corruption while protecting legitimate beneficiaries.

- ✓ The COVID-19 Social Relief of Distress Grant will be extended until March 2026, while proposals are finalised to facilitate the integration of the working-age population into skills development and employment programmes.
- ✓ The Infrastructure Finance Implementation Support Agency will centralize infrastructure financing functions, enhance project coordination to attract private-sector investment, and optimize risk allocation between public and private partners.

VOTE 5: HOME AFFAIRS

Main appropriation
R11.06 billion

Adjusted appropriation
R14.04 billion

Budget increased with
R2.98 billion

Percentage Change
26.9% increase compared to the Main Appropriation

Details of adjustments
Programme 2: An additional R470 million is allocated to pay graduate recruits for digitising records

Funds shifted within the vote (total):
R 140.2 million

Funds shifted between votes (total)
R10.04 million is transferred from other departments declared savings to the Border Management Authority to cover expenditure on the G20 Leaders' Summit in terms of section 30(2)(e) of the Public Finance Management Act (1999).

Details of shifts within the vote

- R86.4 million in Programme 1 to audiovisual equipment, kitchen appliances and domestic equipment vehicle licenses and office furniture.
- R53.8 million in Programme 2 to Provinces and municipalities to cover vehicle licences, finance leases, office furniture, transport equipment, vehicle licences, printer cartridges Travel and Subsistence.

Other adjustments
R10.04 million

Self-financing expenditure:
R2.5 billion

Revenue of R2.5 billion has been generated across all programmes from the issuing of passports and smart identity cards. It is allocated as follows:

- R1.38 billion for cash-in-transit security companies, alarm systems, footprint development for hospital connectivity, multidisciplinary teams, ministerial outreach programmes, digital transformation, property payments, bank charges, and travel and subsistence.
- R1.08 billion for the production and issuing of passports and smart identity cards to the public, and for increasing the department's footprint through the rollout of mobile units.
- R42 million for payments to the Immigration Advisory Board, foreign office coordination and transport costs for the deportation of illegal immigrants.

Key areas for oversight

- Parliament needs to oversee the management of the additional R470 million allocated to pay graduate recruits for digitising records and ensure that all graduate recruits are paid.
- Funding for capital assets escalates from R15 million to R152 million—mainly for IT systems and equipment. This requires close parliamentary scrutiny.
- The target for birth registrations within 30 days was reduced from 730,500 to 667,000 due to overtime funding issues. Oversight needed on whether this reduction affects Outcome 15: Social cohesion.
- The BMA received R10 million additional for G20 Summit. Oversight should focus on the entity's preparedness for border security during major events and coordination with other departments.
- The visa processing turnaround times exceeded targets— Parliament should verify sustainability and system integrity.
- Significant revenue (R2.5 billion) is recorded under self-financing generated across all programmes from the issuing of passports and smart identity cards; significant amounts of R1.38 billion and R1.09 billion go to Programme 1 and 2, respectively. Therefore, the distribution and use of this money need to be carefully monitored by Parliament.

VOTE 13: PUBLIC WORKS AND INFRASTRUCTURE

Main Appropriation
R7.62 billion

Adjusted Appropriation
R7.65 billion

Budget increased (or decreased) with
R24.69 million

Percentage Change
0.3% increase compared to the Main Appropriation

Key virements and shifts within and across the different programmes:

- R4.0 million vired from Compensation of Employees (CoEs) under Programme 1 to Programme 5 for Machinery and Equipment (Furniture).
- R6.0 was vired from CoEs under Programme 1 to Programme 5 for Goods and Services (Contractors).
- R150 000 was vired from Households under Programme 4 to Programme 3 for Leave Gratuities.
- R2.0 million vired from Transfers and Subsidies: Commonwealth War Graves Commission under Programme 4 to Programme 5 for Goods and Services (Contractors).
- R143 000 vired from Households under Programme 5 to Programme 3 for Households.

Virements and shifts for which National Treasury approval was obtained
R2.05 million was vired to Programme 4 for the Commonwealth War Graves Commission.

Virements and shifts
No virements require approval by Parliament.

Rollovers
R24.69 million under Programme 4: Property and Construction Industry Policy and Research was rolled over for Goods and Services for project preparation for various government projects

Key areas for oversight

- The National Treasury does not provide complete explanatory notes on reasons for the movement of funds between the five main programmes, as was the practice in the past.
- The Department moving money from CoEs to Machinery and Equipment (furniture) and Goods and Services (Contractors), is of concern. What will the impact be when these positions must be filled?
- The funding of the Commonwealth War Graves Commission remains a constant source of concern, due to the fluctuation in the country's currency, especially if it weakens against the foreign currency in which payments are made. For the 2025/26 financial year, approximately R2.1 million in additional funding was required from the baseline. What steps has the Department put in place to address this annual recurring issue?
- Clarify the virement of R1.1 million away from the Finance and Supply Chain Management Office.[1]
- The virement of R5.7 million away from the Expanded Public Works Programme (EPWP), which consists of R278 000 from the EPWP: Infrastructure; R2.7 million from the EPWP: Operations; R1.9 million from the EPWP: Public Partnership Support, as well as R900 000 from the EPWP: Public Employment Coordinating Commission. Clarify the possible impact these reductions in funding might have on the service delivery and monitoring and coordination requirements of these programmes?[2]
- The Minister of Finance highlighted an in-year adjustment of R2 billion for the rebuilding of Parliament.[3] Parliament should ensure that oversight over the additional funding takes place by receiving reports from Parliament on the planned spending of the additional funding.

VOTE 18: HEALTH

Main Appropriation
R64.8 billion

Adjusted Appropriation
R65.9 billion

Budget increased with
R1.1 billion

Percentage Change
1.7% increase compared to Main Appropriation

[1] National Treasury (2025), p. 98.

[2] National Treasury (2025), p.100.

[3] Minister of Finance (2025), p. 8.

Shifts within the vote (total):
98.683 million

Appropriation of funds for expenditure:
R53.8 million

Under Programme 5: Hospital Systems an additional R53.8 million is allocated to the Western Cape through the *Health Facility Revitalisation Grant* for infrastructure. This is for the Belhar (R22.5 million) and Klipfontein (R31.4 million) regional hospitals, as the Province has met conditions set by the Budget Facility for Infrastructure.

Unforeseeable and unavoidable expenditure:
R40.0 million

Under Programme 5: Hospital Systems, an additional R40 million is allocated to the Eastern Cape through the *Health Facility Revitalisation Grant.* This is for the reconstruction and rehabilitation of infrastructure damaged by the June 2025 floods in the Province that were declared a national disaster.

Rollovers
R40.5 million

R8.0 million is rolled over in Programme 3: Communicable and Non-Communicable Diseases in order to support the production and translation of broadcasting messages on non-communicable diseases prevention and management.

R32.5 million is rolled over for the health facility revitalisation component of the *National Health Insurance Indirect Grant.* This will be used for the construction of the Limpopo Central Hospital (R13.7 million) and the replacement of Borwa Clinic (R9.2 million) and Clocolan Clinic (R9.7 million), both in Free State Province.

Other Adjustments
R229 million

Under Programme 5: Hospital Systems, R229 million is allocated to fund the reconstruction of facilities in KwaZulu- Natal (R199 million) and the Eastern Cape (R30 million) that were affected by disasters in 2024. It would be important for Parliament to get detailed updates on these and other projects

Changes to transfers and subsidies

- R18.4 million vired to Administration Foreign governments and international organisations, for the World Health Organization (WHO). National Treasury approval has been obtained.
- R1.1 million vired to South African Medical Research Council (SAMRC), in addition to the R132 million special appropriation for the SAMRC, totalling an adjusted appropriation for the SAMRC of R1.1 billion.

- R65.0 million to be vired from payments for capital assets within the health facility revitalisation component of the National Health Insurance Indirect Grant to Goods and Services under Programme 5: Hospital Systems. **Note: This virement requires Parliamentary approval**.

Key areas for oversight

- In the 2024/25 Annual Report the Department reported poor performance achieving only 62.8% of the targets, whilst spending nearly all of the budget (99.5%). The Department should demonstrate if there has been any improvement in this regard and what is being done to improve the cost to performance ratio.
- Many posts are still vacant and or frozen. Health care is dependent on Human Resources for Health (HRH). A credible plan is required to address the shortage of staff to avoid medical malpractice and negligence claims.
- In the 2024/25 Budget Review and Recommendations Report (BRRR) the Committee expressed serious concerns regarding the misappropriation of funds within the health sector, the impact it has on the fiscus and most concerningly the dire impact on public access to health care. It called for measures to be put in place to combat corruption, mismanagement and maladministration across all provinces. This needs to be followed up closely.
- Whilst the special appropriations to address the withdrawal of PEPFAR funding is welcomed, there is concern that the amount appropriated is insufficient and it doesn't not address the sustainability of services in the absence of the PEPFAR funding.
- The health sector is still plagued by high levels of accruals in provincial departments which constitute a significant risk. Parliament should closely monitor this matter as it is feared that the special appropriations may be used by the provincial departments to offset accruals instead of bridging the gaps left by the withdrawal of US funding for HIV and AIDS programmes.
- The SAMRC has received an additional R1.1 billion during this MTBPS, and Parliament should monitor its use closely.
- Provincial Health Departments continue to face a high level of medico-legal claims. Parliament should continue to call for regular updates on this critical matter.
- Whilst there may be a strong need for austerity measures, given the pressure on the fiscus, it may be more cost effective in the health sector, to increase budget allocations for provincial departments, as well as certain entities, as this would prevent conditions for excessive medico-legal cases.
- The level of debt from provincial departments to the NHLS are alarmingly high and need intervention. The Department should devise a payment system to prevent high levels of provincial debt to the NHLS which ultimately threaten service delivery.
- All health entities should invest in strengthening cyber security to identify and address any vulnerabilities in their systems to prevent disruptions to critical health services.
- Climate events are becoming increasingly frequent. The Department should ensure that newly built infrastructure is climate proof (including for floods), and

that systematically existing infrastructure is retrofitted to make them climate proof.

- The health sector should invest in climate adaptation and resilience strategies. It is imperative that the sector itself reduces its carbon footprint and amongst other things, move to green energy sources.
- Budget should also be allocated to ensuring all new health facilities in the country are designed to contribute minimally to greenhouse gas emissions, as part of the Global Green and Healthy Hospitals initiative which recognises the significant impact health facilities currently have in driving climate change.
- There is a need for funds to be ring-fenced for maintaining delivery of essential health services in the wake of climate disasters, such as the provision of sexual and reproductive health services including HIV/AIDS testing and treatment, contraception, and termination of pregnancy.
- Greater clarity is required on the government's plans for continued domestic resource mobilisation in the wake of declining donor aid for key HIV/AIDS and TB programmes.
- The Department must ensure that National Health Insurance (NHI) funding is ring-fenced for directly implementable activities reported against clear milestones. This proves necessary after 2024/25 BRRR found that the NHI programme saw the sharpest decline in spending (down to 86% from 94% in 2023/24), with the number of reported targets declining from 27 in 2017/18 to 5 in 2024/25. Moreover, there is a need to accelerate the operationalisation of the NHI Fund and contracting units, and to address the NHI's overall fiscal sustainability and R200 billion funding gap without resorting to increasing taxes.

VOTE 19: SOCIAL DEVELOPMENT

Main Appropriation
R 294.06 billion

Adjusted Appropriation
R295.23 billion

Budget increased with
R1.17 billion

Percentage Change
0.4% increase compared to Main Appropriation

Details of adjustments appropriation

An additional R1.17 billion is allocated under the Social Assistance (Programme 2). The R1.17 billion is the net effect of the addition of the rollovers amounting to R2.169 billion and reduction of R1 billion for 2025/26.

Other adjustments

R1 billion under the Social Assistance (Programme 2) was declared as unspent funds social grants due to lower than projected beneficiaries for the *Child Support Grant*.

Virements and shifts (total)

R0

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

Rollovers

R2.17 billion

Under Programme 2: Social Assistance this was rolled over to fund COVID-19 *Social Relief of Distress Grant* beneficiaries who were approved in 2024/25.

Key areas for oversight

- A total of R2.169 billion under Programme 2: Social Assistance was rolled over to fund COVID-19 Social Relief of Distress Grant beneficiaries who were approved in 2024/25. Parliament should continue to follow up on widespread reports of fraud, unauthorised access, and inefficiencies in the grant distribution process identified by cybersecurity researchers. This should be achieved by ensuring that SASSA improves beneficiary verification and payment security and enhance its information technology governance and accountability.
- What is the recovery rate for fraudulent payments, and how is technology used to prevent fraud?
- Why is spending on NPO transfers only 22.6% mid-year, and what is the impact on service delivery?
- Why was only 71.8% of qualifying NPO applications registered within the 2-month target (against 100%)?
- What steps are being taken to eliminate delays in NPO registration and improve compliance?
- Foster care grant beneficiaries exceeded the annual target mid-year—what systemic issues are causing this spike?
- How does the Department ensure accurate beneficiary projections to avoid large variances in future budgets?

VOTE 40: TRANSPORT

Main Appropriation
R95.69 billion
(including R13 716 million direct charge against the National Revenue Fund)

Adjusted Appropriation
R91.81 billion

Budget decreased with
-R3.88 billion

Percentage Change
-4.05% decrease compared to Main Appropriation

Rollovers
R308.64 million of which the following:

- Programme 3: Rail Transport: R5.65 million rolled over, of which R2.31 million for the review and amendment of regulations, in line with the Railway Safety Act (No. 30 of 2024), R3.16 million for the development and finalisation of the National Rail Devolution Strategy, and R173 000 is for furniture, computers and office equipment.
- Programme 7: Public Transport*:* R303 million rolled over for the conditional allocation to local government through the Public Transport Network Grant (PTNG).

Virements
R201.79 million from Programme 7 to the following:

- Programme 1: R97.17 million for Goods and Services and CoEs.
- Programme 4: R97.12 for Goods and Services, CoEs, and Departmental Agencies and Accounts.
- Programme 5: R5.0 million for Goods and Services.
- Programme 6: R2.5 million for CoEs.

Other Adjustments

- Declared unspent funds: R5.0 billion reduction from SANRAL's non-toll road network due to the entity holding significant cash balances. Of this amount, R583.43 million is used to defray expenditure pressures across various departments.
- Adjustments due to significant and unforeseeable economic and financial events: An additional R811.55 million is allocated to the road maintenance component of the road maintenance grant to reconstruct and rehabilitate provincial infrastructure damaged by natural disasters.

Key areas for oversight
• Parliament should monitor the spending of the PTNG by the grant implementing municipalities. • Parliament should exercise oversight over the development and finalisation of the National Rail Devolution Strategy. In this regard, the Department of Transport ("the Department") should provide Parliament with regular updates on the progress made. The National Rail Devolution Strategy is designed to transfer rail management powers from national to municipal spheres of government, as outlined in the Rail Master Plan. • Parliament should monitor the inroads made by SANRAL into settling its maturing debt. The allocation to SANRAL is aimed at stabilising the Agency's finances, which were negatively impacted by low e-toll payment compliance. • Parliament should exercise oversight over the maintenance component of the road maintenance grant to reconstruct and rehabilitate provincial infrastructure damaged by natural disasters. The oversight should include, but not limited to, ensuring that the money is used for its intended purpose. • RAF levy is rise while expenditure is expected to grow more rapidly, widening the funding gap • Transnet has high contingency liabilities representing potential future claims in the case of company defaults • There are struct conditions utilisation of guarantees which requires operational reforms

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