



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA



ADJUSTED ESTIMATES OF NATIONAL EXPENDITURE (2024)

**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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**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 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

2024 allocation for Education & Recreation function

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Finance & Public Accounts

2024 allocation for Finance & Public Accounts function

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Intergovernmental & Resource Matters (IGR)

2024 allocation for IGR function

[Click here](#)



Justice & Security

2024 allocation for Justice & Security function

[Click here](#)



Social Equity

2024 allocation for Social Equity function

[Click here](#)



Social Services & Infrastructure (SSI)

2024 allocation for SSI function

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Trade & Economic Affairs

2024 allocation for Trade & Economic Affairs function

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Education & Recreation



2024 allocation for Education & Recreation function

Table 1: Education & Recreation Adjusted Allocation 2024/25

	Main appropriation 2024/25 (R'000)	Adjusted appropriation 2024/25 (R'000)	Increase/decrease (R'000) 2022/23	Increase/decrease (%) 2022/23
Vote 16: Basic Education	32 258 698	32 635 423	376 725	1,2%
Vote 17: Higher Education	113 015 292	112 773 492	-241 800	-0,2%
Vote 35: Science and Innovation	9 468 497	9 441 144	-27 353	-0,3%
Vote 37: Sports, Arts and Culture	6 105 744	6 105 744	0	0,0%
Total	160 848 231	160 955 803	107 572	

Medium-Term Priorities for the Education and Recreational Function

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

- ✓ The largest share of the adjusted appropriation goes to learning and culture.
- ✓ Over the medium term, the targeted expenditure for learning and culture set to grow by 4.7 %.
- ✓ Spending for basic education remains the highest and set to grow by 5.6 % followed by higher education and training and science and innovation targeted growth by 3.1% and 2.8% respectively from the 2024/25-2027/28.
- ✓ The percentage share of Total Appropriated Funds per Vote under the education and recreation cluster is 14.4%.
- ✓ Over the medium term, basic education will prioritise the quality improvement such as piloting a nutrition programme in the Early Childhood Development programme, placing an emphasis on early grade reading and gradually introducing mother tongue bilingual education.
- ✓ Government is reviewing the apprenticeship and skills development levy system. In collaboration with private sector, government aims to double the number of artisans completing trade tests in the next 3 years through increased work-based learning opportunities.
- ✓ Museums, playhouses, heritage institutions will need to contain costs in line with their reduced operating transfer and the sector is considering a shared service model for its entities to release funding from overheads for service deliveries.
- ✓ Government reforms in the conditional grants system will be implemented over to rationalise and incorporate grants into the provincial equitable share. Reforms over 2025 MTEF will

include the educational infrastructure grant and the school infrastructure grant. Conditional library grant will be incorporated into the provincial equitable share.

VOTE 16: BASIC EDUCATION

Main Appropriation R32.26 billion
Adjusted Appropriation R32.64 billion
Budget increased by R0. 38 billion
Percentage Change 1.2% increase compared to the Main Appropriation
Virements and shifts (total) R11.36 million

Details of adjustments: -

Appropriation of funds for expenditure already announced by the Minister during the tabling of the annual budget – R251 million

Programme 4: Planning, Information and Assessment

- An additional R251 million is allocated for the Western Cape rapid schools build programme through the *education infrastructure grant* as the Province has met the conditions set by the budget facility for infrastructure.

Adjustments due to significant and unforeseeable economic and financial events

Programme 4: Planning, Information and Assessment

- An additional R70 million is allocated to the *education infrastructure grant* for repairs to schools affected by natural disasters in Western Cape.

Other adjustments

Overall Rollovers are estimated at R55.725 million. The rollovers are broken down as follows:

- Programme 2: Curriculum Policy, Support and Monitoring - R20 million is rolled over for the provision of workbooks in ordinary public schools.
- Programme 4: Planning, Information and Assessment - R35.725 million is rolled over for the school infrastructure backlogs grant to replace unsafe school structures and schools made entirely of inappropriate structures and to provide water, safe sanitation, and electricity at schools where these are lacking.

Virements and shifts

National Treasury approval has been obtained for:

Program One (Administration): Virement total of R0,7 million

- R0,65 million from Goods & Services shifted for purchase of laptops under machinery and Equipment.
- An additional R50 thousand from software and other tangible assets, shifted for purchase of laptops under machinery and equipment.

Program Two (Curriculum Policy, Support and Monitoring): Virement total of R3,744 million within the programme

- R2,813 million from Goods & Services shifted for travel and subsistence.
- R0,931 million from Goods and Services was shifted for laptops.

Program Three (Teachers, Education Human Resources, and Institutional Development): Virement total of R33 thousand within the program

- R33 thousand from Goods and Services was shifted for the purchase of laptops.

Programme Four (Planning, Information and Assessment): Virement total of R6,879 million within the program.

- R2,7 million from Good and Services was shifted for travel and subsistence.
- R0,6 million from Rental & Hiring was shifted for Logis Software Licence.
- R2,563 million from travel and subsistence was shifted for catering rental and hiring.
- R41 thousand from stationery, printing and office suppliers was shifted for laptops.
- R0,975 million from business and advisory services was shifted for laptops.

Programme Five (Educational Enrichment Services):

No shifting on funds was conducted.

Key areas for oversight

- Oversight to monitor implementation and progress on conditional grants such as, the Maths, Science & Technology Grant, Eradication of unsafe school infrastructure, and HIV & AIDS (Life Skills Education) Grant should be done.
- Total expenditure in 2023/24 was R30 billion, 99.8 percent of the adjusted appropriation for the year. Mid-year expenditure in 2023/24 was R18.6 billion, 62.1 percent of the adjusted appropriation, whereas expenditure in the first half of in 2024/25 was R19.2 billion, 58.8 percent of the adjusted appropriation of R32.6 billion. Compared to the first half of 2023/24, expenditure over the same period in 2024/25 increased by R536.7 million, 2.9 percent. The PC 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.
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VOTE 17: HIGHER EDUCATION AND TRAINING

Main Appropriation

R113.01 billion

Adjusted Appropriation

R112.77 billion

Budget decreased with

R241.8 million

Percentage Change

0.2% decrease compared to the Main Appropriation

Details of adjustments: -

Unforeseeable and unavoidable expenditure announced by the Minister during the tabling of the annual budget

- An additional R30.847 million is allocated for the funding of the new ministry as part of the national macro-organisation of government process.

Other adjustments R272.647 million

- R27.353 million is transferred from the Department of Science and Innovation. Previously, the Department of Higher Education was merged with Science and Innovation;
- R300 million is transferred to the Department of International Relations and Cooperation to provide for losses arising from the depreciation of the rand against major currencies, of this R200 million is from the university infrastructure and efficiency grant and R100 million from funds allocated to infrastructure projects related to community education and training (CET) colleges.

Direct charges against the National Revenue Fund

- The skills development levy is reduced by R7 million, in line with revised projected levy revenue for 2024/25.

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

All virements and shifts had a zero effect on the overall budget.

Programme 1: There was an upward adjustment of R110.7 million from R564.95 million to R675.68 million comprising of the following:

- An increase of R30.8 million (unforeseeable/unavoidable expenditure)
- An increase of R52.5 million (Virements/Shifts)
- An increase of R27.35 million (Other adjustments)

- **Programme 2:** There was a net reduction of R295.40 million from R4.22 billion to R3.93 billion comprising of the following:
 - An increase of R4.60 million (Virements/Shifts)
 - A reduction of R300 million (Other adjustments)
- **Programme 3:** There was a net reduction of R8.10 million from R91.70 billion to R91.69 billion comprising of the following:
 - A reduction of R8.1 million (Virements/Shifts)
- **Programme 3:** There was a net reduction of R65.91 million from R13.25 billion to R13.19 billion comprising of the following:
 - A reduction of R65.91 million (Virements/Shifts)
- **Programme 5:** There was an upward adjustment of R7.48 million from R333.07 million to R340.55 million comprising of the following:
 - An increase of R7.48 million (Virements/Shifts)
- **Programme 6:** There was an upward adjustment of R9.4 million from R2.92 billion to R2.93 billion comprising of the following:
 - An increase of R9.4 million (Virements/Shifts)

National Treasury approval

Programme 1: Administration

- Shifts within the programme amounted to R38.13 million.
- Shifts within the programme was 6.8% of the programme budget.
- There were no virements.

Programme 2: Planning, Policy and Strategy

- Shifts within the programme as a percentage of the programme budget is zero per cent.
- There were no virements.

Programme 3: University Education

- Virement from the programme amounted to R8.9 million.
- Virements within the programme was 0% of the programme budget.
- The following virements were made:
 - Programme 2: R4.60 million
 - Programme 3: R779 000
 - Programme 4: R231 000
 - Programme 6: R3.30 million

Programme 4: Technical and Vocational Education and Training (TVET)

- Virements and shifts from the programme amounted to R134.53 million.
- Virements within the programme was 0.5% of the programme budget.
- Shifts within the programme amounted to R5.8 million.
- Shifts within the programme was 0.5% of the programme budget.
- The following virements were made:
 - Programme 1: R68.25 million
 - Programme 3: R31 000
 - Programme 5: R7.84 million
 - Programme 6: R6.22 million

Programme 5: Skills Development

- Shifts within the programme amounted to R2.0 million.
- Shifts within the programme was 0.6% of the programme budget.

Programme 6: Community Education and Training (CET)

- Virements and shifts from the programme amounted to R2.55 million.
- Virements within the programme was 0% of the programme budget.
- Shifts within the programme amounted to R5.8 million.
- Shifts within the programme was 0.5% of the programme budget.
- The following virements were made:
 - Programme 4: R130 000

Funds shifted between Votes

- R27.35 million is transferred from the Department of Science and Innovation following the establishment of the Department of Higher Education ministry in the seventh administration. The departments had a merged ministry in the previous administration, the Ministry of Higher Education, Science and Innovation. This transfer constitutes the return of the allocation shifted during the 2020 national macro organisation of government process.
- R300 million is transferred to the Department of International Relations and Cooperation to provide for losses arising from the depreciation of the rand against major currencies. Of this amount, R200 million is from the university infrastructure and efficiency grant and R100 million is from funds allocated to infrastructure projects related to community education and training (CET) colleges. These funds would not have been spent by the end of the financial year due to delays in the implementation of infrastructure projects at universities and CET colleges.

Key areas for oversight

- The ongoing decrease in budget is cause for concern, especially noting the need for funding in the sector. How will this impact the sector especially in light of the National Development Plan (NDP) targets?
- Most of the virements and shifting of funds come from 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 impacts the line item funds are shifted from.
- Cause for concern is the shifting of funds from the University Infrastructure and Efficiency Grant (R200 million) and the CET Efficiency Grant (R100 million). Why are there ongoing delays in the implementation of infrastructure projects?
- Funds were shifted from ICT services from one Programme to another. However, how will this impact technological advancements in the Programme shifting the funds?
- By mid-year, 104 502 more university students than the annual target obtained financial aid from the National Student Financial Aid Scheme as more students qualified for funding than expected. How has this impacted the budget allocation for NSFAS?
- Progress on the annual targets for student enrolments and students receiving financial assistance at TVET colleges is slow because of lower demand for programme offerings than anticipated. This implies that the Department is unlikely to achieve these targets as most enrolments took place in the first half of the year. Why is this the case? What mitigation strategies will be put in place as interventions?
- The continuous low number of new artisans registered for training and artisan learners qualifying are attributed to due to delays in the administration of contracts, registration by employers and the distribution of grants to employers. Why is this the case when there is a dire need for skills in the country?
- Progress on the targeted number of enrolments at community education and training colleges is slow because of lower demand for programme offerings than anticipated. This implies that the target is unlikely to be met by yearend. Why is this the case? What mitigation strategies will be put in place as interventions?

VOTE 35: SCIENCE AND INNOVATION

Main Appropriation

R9.5 billion

Adjusted Appropriation

R9.4 billion

Budget decreased with

R27 million

Percentage Change

0.3% decrease compared to the Main Appropriation

Virements and shifts (totals)

R71 million

Adjustments- R27.353 million

Funds shifted between votes

Programme 1:

- R19.4 million transferred to the Department of Higher Education and Training to cover the shortfall for compensation of employees in the *Ministry* subprogramme
- R8 million is transferred to the Department of Higher Education and Training to cover the shortfall on goods and services in the Ministry subprogramme

Gifts, donations and sponsorships – R105 000

Programme 4:

- R105 000 to be donated to Professor Zukiswa Zingela (Nelson Mandela University) for the South African Women in Science Awards.

Virements and shifts where Parliamentary approval is needed:

Programme 3:

- A virement of R2.9 million from Non-profit institutions to Goods and services (Computer services) in Programme 1.
- A virement of R3 million from Non-profit institutions to Compensation of employees (Salaries and wages for Ministry Subprogramme) in Programme 1.

Programme 4:

- A virement of R43.6 million from Departmental agencies and Accounts to Goods and services (Audit fees, lease payments, property payments) in Programme 1.

- A virement of R2.6 million from Departmental agencies and Accounts to Goods and services (Computer services) in Programme 1.
- A virement of R105 000 from Departmental agencies and Accounts to Households (Gifts and donations) in Programme 4.
- A virement of R3.8 million from Departmental agencies and Accounts to Goods and services (Business and advisory services) in Programme 5.

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

Programme 2

- A virement of R14.9 million was authorised from: Departmental agencies and accounts to Programme 1: Compensation of employees (Salaries and wages for Ministry Subprogramme).

Key areas for oversight

- Science and technology strengthening service delivery, particularly to underserved communities in urban and rural areas.
- Initiatives to resolve local government failures systematically.
- New electricity generation capacity and reforms.
- South Africa's clean energy transition.
- Rail and ports reforms.
- Responses to extreme weather events and climate change.
- The development of technology demonstrations, prototypes and products.
- Funds invested by international partners targeted at South African partners.
- Awarded research grants managed by the National Research Foundation.
- Bursaries managed by the National Research Foundation.
- The intellectual property portfolio knowledge and innovation products.
- Commercial outputs in designated areas.
- Reductions in the cost of data.
- Impact of the R71 million decrease on department performance.

VOTE 37: SPORTS, ARTS AND CULTURE

Main Appropriation R6.1 billion
Adjusted Appropriation R6.1 billion
Budget decreased with 0
Percentage Change 0,0%
Virements and shifts (totals) R126 million

Virements and 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 R6 million was authorised from Heritage Assets (Sarah Baartman Centre of Remembrance) to Programme 1 Compensation of Employees
- A virement of R15 000 was authorised from Goods and Services (Travel and Subsistence-Africa Zone VI Regional Anti-Doping Organization) to Foreign governments and International Organizations within the same Programme.
- A virement of R16 000 was authorised from Goods and Services to Foreign governments and International Organizations (Travel and Subsistence to Goods and Services- World Anti-Doping) within the same Programme.
- A virement of R 3.6 million was authorised from Departmental Agencies and Accounts (Freedom Park Trust, National Arts Council, Nelson Mandela Museum, Robben Island Museum) to Goods and Services (Building of Combination Courts, Contractors, Travel and Subsistence) within the same programme.
- A virement of R6.4 million was authorised from Departmental Agencies and Accounts to Heritage Assets (Winnie Madikizela Mandela Clinic) within the same Programme.
- A virement of R9 .7 million was authorised from Departmental Agencies and Accounts to Departmental Agencies and Accounts (South African Library for the Blind, The Playhouse Company, War Museum of the Boer Republics) within the same Programme.
- A virement of R230 000 was authorised from Departmental Agencies and Accounts (Community Art Centres) to Non-Profit Institutions (Bartel Arts Trust Centre) within the same Programme.
- A virement of R4.8 million was authorised from Departmental Agencies and Accounts National Museum and South African Heritage Resources Agency) to Goods and Services (Building of Combination Courts) within the same Programme.
- A virement of R10.6 million was authorised from Buildings and other Fixed Structures (National Archives and Records Services of South Africa) to Departmental Services and

- Accounts (Mandela Bay Theatre Complex, Nelson Mandela Prison House, South African Library for the Blind and War Museum of the Boer Republics) within the same Programme.
- A virement of R18 million was authorised from Non-Profit Institutions (LoveLife, Sport Federation) to Goods and Services within the same Programme.
 - A virement of R1.4 million was authorised from Heritage Assets (Sarah Baartman Centre of Remembrance) to Compensation of Employees within the same Programme.
 - A virement of R14.9 million was authorised from Heritage Assets (Sarah Baartman Centre of Remembrance) to Heritage Assets (Enyokeni Cultural Arena) within the same Programme.
 - A virement of R2.7 million was authorised from Heritage Assets (Sarah Baartman Centre of Remembrance) to Compensation of Employees (National School of Arts, outdoor gyms) within the same Programme.
 - A virement of R7million was authorised from Heritage Assets (Archie Gumede Statue) to Departmental Agencies and Accounts within the same Programme.
 - A virement of R6.2 million was authorized from Departmental Agencies and Accounts (Community Arts Centres) to Programme 3 (Goods and Services -Contractors).
 - A virement of R2.9 million was authorised from Heritage Assets (Sarah Baartman Centre of Remembrance) to Programme 3 (Compensation of Employees)
 - A virement of R1 million was authorised from Heritage Assets (Sarah Baartman Centre of Remembrance) to Programme 3 (Departmental Agencies and Accounts- The Playhouse Company).
 - A virement of R10.8 million was authorised from Heritage Assets (Sarah Baartman Centre of Remembrance) to Programme 3 (Households- support to artists)
 - A virement of R500 000 was authorised from Heritage Assets (Sarah Baartman Centre of Remembrance) to Programme 4 (Departmental Agencies and Accounts- National Library of South Africa).
 - A virement of R5.8 million was authorised from Heritage Assets (National Archives and Record Service of South Africa) to Programme 4 (Goods and Services- National Archives and Record Services of South Africa)
 - A virement of R3.1 million was authorised from Heritage Assets (Shembe Statue) to Programme 4 (Good and Services – Contractors)

Programme 3: Arts and Culture Development and Promotion

- A virement of R1.2 million was authorised from Goods and Services (Travel and Subsistence) to Programme 1 Households (Leave gratuity).
- A virement of R695 000 was authorised from Goods and Services (Travel and Subsistence) to Programme 2 Households (Leave gratuity).
- A virement of R50 000 was authorised from Goods and Services (Travel and Subsistence) to Foreign Governments and International Organisations (African Sports Council, UNESCO) within the same Programme.
- A virement of R26 000 was authorised from Goods and Services (Travel and Subsistence) to Households (Cultural organizations) within the same Programme.
- A virement of R1.2 million was authorised from Goods and Services (Travel and Subsistence) to Departmental Agencies and Accounts (NYDA) within the same Programme.
- A virement of R1.7 million was authorised from Departmental Agencies and Accounts (Reclassification of funds) to Goods and Services (Communication, Consultants) within the same Programme.
- A virement of R383 000 was authorised from Non-Profit Institutions (Reclassification of funds) to Households (Arts and Culture Industries) within the same Programme.
- A virement of R1.3 million was authorised from Public Corporations and Private Enterprises (Reclassification of funds) to Households (Arts and Culture Industries) within the same Programme.

- A virement of R1.3 million was authorised from Higher Education Institutions (Human languages) to Goods and Services (Terminology development) within the same Programme.

Programme 4: Heritage Promotion and Preservation

- A virement of R2.7 million was authorised from Compensation of Employees (Realignment of budget with organizational structure) to Programme 2 (Compensation of Employees).

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
- Artists placed in schools
- 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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Finance & Public Accounts

2024 allocation for Finance & Public Accounts function



Table 2: Finance & Public Accounts Adjusted Allocation 2024/25

R thousand	Main appropriation 2024/25 (R'000)	Adjusted appropriation 2024/25 (R'000)	Increase/decrease (R'000) 2024/25	Increase/decrease (%) 2024/25
Vote 2: Parliament	R2,770,963	R2,770,963	0	0%
Vote 8: National Treasury	R33,222,065	R33,337,065	R115.000	0.3%

Medium Term Priorities for the Finance function

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

- ✓ Over the medium term, the South African Revenue Services (SARS) is allocated additional funds to strengthen its revenue collection capacity.
- ✓ Additional funding has been allocated to Parliament for the payment of exit packages and loss of office gratuities to non-returning Members of Parliament following the end of the sixth Parliament, and to address human resource capacity constraints (additional funds only allocated to direct charge against the National Revenue Fund)

VOTE 2: PARLIAMENT

Main Appropriation R2.77 billion
Adjusted Appropriation R2.77 billion
Budget increased with R0 million
Percentage Change 0% adjustment compared to Main Appropriation

Note: The main appropriation is unchanged. Only direct charge against the Revenue Fund is increased by R220.8 million from R492.9 million to R713.7 million. The AENE does not provide detailed information on Vote 2

VOTE 8: NATIONAL TREASURY

Main Appropriation
R33.22 billion

Adjusted Appropriation
R33,34 billion

Budget decreased with
R115.00 million

Percentage Change
0.3% increase compared to Main Appropriation

Rollovers – R115 million

Programme 1: Administration

- R25 million is rolled over for the payment of the Microsoft Enterprise agreement and:
- R90 million is rolled over for the procurement of network and storage infrastructure.

Direct charges against National Revenue Fund (R8,781 billion)

Debt-service costs- compared with the 2024 budget estimate, debt-service costs increase by R6.7 billion reaching R388.9 billion in 2024/25.

National Revenue Fund Payments- payments for financial assets financed by asset sales in the same financial year amounted to R2.080 billion

Key areas for oversight

- Government – guaranteed debt obligations – fiscal risks, recapitalisation of SOEs
- Exposure to contingent liabilities
- Monitoring of debt-service costs to the extent it shouldn't crowd out spending on basic services and other policy priorities.
- Support of South African Revenue Services for additional funds to strengthen its revenue collection.
- Monitor progress on the identified by Financial Action Task Force (FATF)
- Monitor progress on the reconfiguration of government functions

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Intergovernmental & Resource Matters

2024 allocation for Intergovernmental & Resource Matters function



Table 3: Intergovernmental & Resource Matters Adjusted Allocation 2024/25

	Main appropriation 2024/25 (R'000)	Adjusted appropriation 2024/25 (R'000)	Increase/decrease (R'000) 2024/25	Increase/decrease (%) 2024/25
Vote 3: Cooperative Governance	125 183 266	125 895 923	712 657	0,6%
Vote 9: Planning, Monitoring and Evaluation	450 189	450 189	0	0,0%
Vote 11: Public Service and Administration	539 521	539 521	0	0,0%
Vote 15: Traditional Affairs	187 283	187 283	0	0,0%
Vote 29: Agriculture, Land Reform and Rural Development	16 708 158	16 997 824	289 666	1,73%
Vote 38: Tourism	2 380 908	2 380 908	0	0,0%
Vote 41: Water and Sanitation	24 074 579	23 849 579	-225 000	-0,9%

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:

- ✓ Improve the delivery of basic services by improving collaboration across spheres of government; improving the management of conditional grants; and strengthening infrastructure finance and the management of water and sanitation.
- ✓ Increase investment in bulk water and sanitation infrastructure.
- ✓ Enhance the efficiency of water management strategies by implementing a new water pricing strategy and improving the sustainability of water boards by levying charges.
- ✓ Finalise the disaster response strategy and improve local government disaster-preparedness and response time.
- ✓ Ensure equitable access to land and support for resettled farmers to improve the productivity of farms, food security and job creation.
- ✓ Prioritise support for subsistence and smallholder farmers.
- ✓ Implement the Climate Change Act.
- ✓ Continue to support the Tourism sector through the Tourism Sector Master Plan.

- ✓ Strengthen the building of skills, maximise impact and explore alternative pathways to employment through the Community Work Programme.

VOTE 3: COOPERATIVE GOVERNANCE

Main Appropriation

R125.18 billion

Adjusted Appropriation

R125.89 billion

Budget increased by

R712.65 million

Percentage Change

0.6% nominal increase compared to the Main Appropriation

Unforeseeable and unavoidable expenditure

R683.95 million: Allocated for the reconstruction and rehabilitation of damaged municipal infrastructure caused by flooding in KwaZulu-Natal, the Eastern Cape, Limpopo, Mpumalanga and the Free State under Programme 4 (National Disaster Management).

Rollovers

R28.70 million was rolled over under Programme 3 (Intergovernmental Policy and Governance). Of this amount, R5.6 million is rolled over to develop a support programme for the implementation of smart city initiatives, in alignment with the Smart Cities Framework. A further R8.17 million is rolled over for payments for the data management project, as well as an amount of R9.34 million for payments for the record management project. An additional R5.6 million is rolled over for the appointment of a service provider to develop a capital expenditure framework for five intermediate city municipalities.

Virements and shifts (total):

R15.29 million

Virements and shifts requiring Parliamentary approval: None

National Treasury approval has been obtained for:

Administration Programme

- Shifted R592 000 from goods and services (property payments) to pay for leave gratuities.
- Shifted R3 million from goods and services (property management) to pay for the cost-of-living adjustments as part of compensation of employees.

Intergovernmental Support Programme

- Shifted R700 000 from goods and services (administrative fees, venues and facilities) to pay for the cost-of-living adjustments as part of compensation of employees.
- Shifted R1.30 million from goods and services (administrative fees, consultants and stationery) to pay for the cost-of-living adjustments as part of compensation of employees.

- A virement of R4 million was made from the compensation of employees (cost-of-living adjustments) to Programme 5 to the compensation of employees line item for cost-of-living adjustments.

Intergovernmental Policy and Governance Programme

- Shifted R100 000 from goods and services (business and advisory services) to pay for leave gratuities.
- Shifted R1 million from goods and services (business and advisory services) for cost-of-living adjustments under compensation of employees.

National Disaster Management Centre Programme

- Shifted R2 million from goods and services (business and advisory services) to pay for bursaries for non-employees.

Community Work Programme

- Shifted R600 000 from goods and services (consumable supplies) to pay for leave gratuities.
- Shifted R2 million from goods and services (consumable supplies) for cost-of-living adjustments under compensation of employees.

Key areas for oversight

- Funds were shifted within several programmes to pay for leave gratuities. This should be monitored, as it may be indicative of poor or lack of planning. This was also the case during the previous financial year.
- Similarly, across all programmes, shifts were made for cost-of-living adjustments to compensation of employees. These amounts could realistically have been foreseen and budgeted for.

VOTE 9: PLANNING, MONITORING AND EVALUATION

Main Appropriation

R450 18 million

Adjusted Appropriation

R450 18 million

Budget decreased by

R0 million

Percentage Change

0% increase compared to Main Appropriation

Roll-overs: N/A

Virements and shifts (total):

R16 02 million

Virements and shifts requiring Parliamentary approval: None

National Treasury approval has been obtained for:

Administration Programme

- Shifted R1.6 million from Machinery and Equipment (postponed office accommodation relocation) for Firewall and ICT licences.
- Shifted R110 000 from buildings and other fixed structures (postponed office accommodation relocation) for Firewall and ICT licences.

National Planning Coordination Programme

- Shifted R377 000 from software and other intangible assets (centralisation of procurement) to goods and services for an electronic quarterly performance report system.

Key areas for oversight

- Parliament is expecting a comprehensive report on the achievement of goals set out in the National Development Plan 2030, with a view to reflecting on the milestones achieved to date.
- There is a need to ensure the formulation of legislation to empower the Department to regulate Strategic Plans and Annual Performance Plans (APPS) to ensure that departments receive Quality Assurance Certificates prior to tabling such in Parliament and Provincial legislatures. Quality Assurance Certificates should guarantee that Strategic Plans and APPs are aligned with Government priorities.
- There is a need to mainstream the District Development Model in the Medium-Term Development Plan of all relevant departments and State-owned enterprises. Parliament should monitor the mainstreaming process.

- The One Plan, One District, One Budget should be a reality in local government under the facilitation and strategic guidance of the Department. Parliament must ensure that the monitoring of this project is scheduled in the programme of the Committee.
- Key Performance Indicators of the Department and Senior Management Service should be revised to include the implementation of the District Development Model and the achievement of the goals of the National Development Plan 2030.

VOTE 11: PUBLIC SERVICE AND ADMINISTRATION

<p>Main Appropriation R539 52 million</p> <p>Adjusted Appropriation R539 52 million</p> <p>Budget decreased by R0 million</p> <p>Percentage Change 0% increase compared to the Main Appropriation</p>

Roll-overs: N/A

Virements and shifts (total):

R7 080 million

Virements and shifts requiring Parliamentary approval: None

Virements and shifts National Treasury approval has been obtained for: None

<p>Key areas for oversight</p> <ul style="list-style-type: none"> • Parliament should oversee the Digital Government Policy Framework for the Public Service to improve coordination between the various role-players within the space of e-government (Digital Government) in the Public Service. E-Government plays a significant role in providing people with quick and cheap access to services. • The Department should develop an implementation plan to address the regression in its performance reporting that focuses on the root causes of challenges. Parliament should also oversee that the Accounting Officer ensures that progress on the achievement of the Medium-Term Development targets are constantly monitored and corrective actions are put in place, with in-year reporting where the portfolio lags behind. • Key performance indicators and strategic targets for the National Framework towards Professionalising the Public Sector as a way of ensuring successful implementation of the framework. Parliament should monitor the timeframes for each area of performance and request bi-annual reports from the Department, the National School of Government

and the Public Service Commission on its assessment of the progress and impact of the framework.

- Parliament should monitor the renaming of Programme 2: Human Resource Management and Development's sub-programme: Human Resource Development to *Human Resource Development and Professionalisation* to mainstream the Professionalisation Framework with the requisite budget allocated to it.
- Parliament should monitor the timeframes for completion of lifestyle audits by all accounting officers as part of the rollout strategy and to ensure uniformity across the Public Service. Notwithstanding that some investigations have been outsourced to the Special Investigations Unit, the Department retains the responsibility to account for this function, since it designs norms and standards on compliance.
- Parliament should monitor the outcome of its request to the Minister to negotiate with the Ministry of Finance a lower tax structure for civil servants who participate in the Two-Pot System.

VOTE 15: TRADITIONAL AFFAIRS

Main Appropriation

R187.28 million

Adjusted Appropriation

R187.28 million

Budget increased with

R0

Percentage Change

0% increase compared to Main Appropriation

Roll-overs: N/A

Virements and shifts (total):

R1.02 million

Virements and shifts requiring Parliamentary approval: none

National Treasury approval has been obtained for:

Administration Programme

- Shifted R257 000 from goods and services (travel and subsistence) to pay for leave gratuities.

Research, Policy and Legislation Programme

- A virement of R160 000 was made from goods and services (consumables) to Programme 1 for goods and services (human resource management – recruitment).
- Shifted R482 000 from goods and services (travel and subsistence) for leave gratuities.

Institutional Support and Coordination Programme

- Shifted R44 000 from goods and services (travel and subsistence) for leave gratuities.

- A virement of R80 000 was made from goods and services (consumables, travel and subsistence) to Programme 1 for goods and services (human resource management – recruitment).

Key areas for oversight

- Several shifts were made for leave gratuities. Since the Department is in a position to budget ahead for these expenses, it is an area to monitor. It was also noted in the previous financial year.
- Human resource management appears to be a challenge for the Department, as the money shifted through virements went towards recruitment.

VOTE 29: AGRICULTURE, LAND REFORM AND RURAL DEVELOPMENT

Main Appropriation

R16.71 billion

Adjusted Appropriation

R16.99 billion

Budget decreased by

289.66 million

Percentage Change

1.73 % increase compared to Main Appropriation

Roll-overs: N/A

Unforeseeable and unavoidable expenditure

An additional R300 million is allocated to Programme 3: Food Security, Land Reform and Restitution for the reconstruction and rehabilitation of infrastructure damaged by floods in the Western Cape.

Funds shifted within a Vote following a function shift:

Programme 4: Rural Development (R5.35 million) and Programme 6: Land Administration (R4.98 million) is shifted to the Department of Forestry, Fisheries and the Environment. The forestry and fisheries function of the Department of Forestry, Fisheries and the Environment was transferred from the Department of Agriculture, Land Reform and Rural Development during the 2019 national organisation of government process. However, the Department did not transfer all the funds related to compensation of employees then, which ultimately led to the amount being settled in 2024/25.

Virements and shifts (total): R687.70 million

Virements and shifts requiring Parliamentary approval

Security, Land Reform and Restitution Programme - Shifted R93 000 from Machinery and Equipment (office equipment) to fund employee social benefits.

National Treasury approval has been obtained for:

Agricultural Production, Biosecurity and Natural Resources Management Programme

- Shifted R10 million from Goods and Services (Business and Advisory Services) to Programme 2 (Households) for higher education and training.
- Shifted R48 million from Goods and Services (Business and Advisory Services) to Programme 2 (Public Corporations and Private Enterprises) for Private enterprises (buffalo), transfers and subsidies (claims against the State).

Food Security, Land Reform and Restitution Programme

- Shifted R4 000 from Households (Recapitalisation Development) to Machinery and Equipment to finance leases.
- Shifted R67.86 million from Households (Financial Compensation) to Land and Subsoil assets for land development.
- Shifted R21.72 million from Buildings and other fixed structures (Fixed Structures) to Goods and Services for Business Advisory Services.
- Shifted R1.31 million from Land and Subsoil Assets (Land Development) to Machinery and Equipment for bags, kitchen appliances and office equipment.
- Shifted R20 000 from Land and Subsoil Assets (Land Development) to Machinery and Equipment for finance leases.
- Shifted R1.75 million from Land and Subsoil Assets (Land Development) to Buildings and other fixed structures for houses.

Key areas for oversight

Programme 2: Agricultural Production, Biosecurity and Resources

Additional allocation has been made for the sub-programmes on Inspection and Quarantine Services, as well as Biosecurity. These sub-programmes have been under scrutiny for some time, as the country has been seized with outbreaks of plant pests and animal diseases.

Programme 4: Rural Development

The annual target for the number of infrastructure projects completed was revised downwards to accommodate the shifting of funds within the vote that will be used for the priority programmes. This will affect service delivery in rural areas and Parliament will have to monitor closely the impact of reducing the number of rural infrastructure projects completed.

The shifting of R10.33 million from the Rural Development and Land Administration Programmes to the Department of Forestry, Fisheries and the Environment will mean that some of the annual targets for the two programmes must be revised downwards or will not be achieved due to reduced funding.

Programme 3: Food Security, Land Reform and Restitution

Parliament should oversee Government's undertaking to ensure equitable land access and post-settlement support for land reform beneficiaries for improved farm production, food security and job creation.

VOTE 38: TOURISM

Main Appropriation

R2.38 billion

Adjusted Appropriation

R2.38 billion

Budget decreased by

R0

Percentage Change

0%

Virements and shifts (total):

R0

Virements and shifts requiring Parliamentary approval:

None

Key areas for oversight:

The main allocation to the Vote remains unchanged. However, the following should be monitored:

- Spending in the first quarter of the 2024/25 financial year increased by R507.7 million when compared to the first half of 2023/24. This was attributed to an increase in transfers to South African Tourism and higher spending on projects within the expanded public works programme (EPWP).
- The Department of Tourism's spending versus its performance. In the 2023/24 financial year, the Department underspent on its budget by R88.3 million.
- The Department of Tourism's performance on EPWP projects, specifically infrastructure projects.
- South African Tourism's performance versus its spending. In the 2023/24 financial year, the Entity achieved only 78.3% of its targets while overspending on its budget by R20.6 million.

VOTE 41: WATER AND SANITATION

Main Appropriation

R24.1 billion

Adjusted Appropriation

R23.8 billion

Budget decreased by

R225 million

Percentage Change

0.9% decrease compared to Main Appropriation

Roll-overs: N/a

Declared unspent funds

Allocation reduced by R225 million from transfers and subsidies to provinces and municipalities. This relates to the declared unspent funds from Drakenstein local municipality's regional bulk infrastructure grant (RBIG) allocation. This was done to align spending with the revised implementation plan and cashflow projections for the municipality's sanitation infrastructure upgrade project that is funded through the budget facility for infrastructure.

Virements and shifts (total):

R501.9 million

Virements and shifts requiring Parliamentary approval:

Water Resources Management Programme - Shifted R28.67 million from Households (Reclassification of funds incorrectly classified in the 2024 ENE) to Programme 1: Households, for bursaries to non-employees.

National Treasury approval was obtained for:

Administration Programme

- Shifted R3.8 million from Goods and Services (Fleet Services) to Programme 2 (Departmental Agencies and Accounts) for the Inkomati-Usuthu Catchment Management Agency.
- Shifted R735 000 from Goods and Services (Stationery, printing and office supplies) to Programme 2: Goods and Services for travel and subsistence.

Water Resources Management Programme

- Shifted R345 000 from Machinery and Equipment (Computer Services) to Programme 2: Machinery and Equipment for computers, office furniture and office equipment.

Water Services Management Programme:

- Shifted R243 million from buildings and other fixed structures (RBIG) to Goods and Services for the Integrated Vaal River Pollution Remediation Project.

- Shifted R56.2 million from Goods and Services (computer services, infrastructure planning services, property payments) to public corporations and private enterprises for the Magalies and Vaal Central water boards for operational expenditure and the refurbishment and maintenance of infrastructure assets.
- Shifted R10 million from Goods and Services (computer services) to Foreign Governments and International Organisations for the 2030 Water Resources Group Trust Fund.
- Shifted R3.2 million from Goods and Services (computer services) to Programme 2: Departmental Agencies and Accounts for the Inkomati-Usuthu Catchment Management Agency.

Key areas for oversight:

- Finalisation of 80% of water use authorisation applications within 90 days to promote equitable access to water; facilitate social and economic development.
- Establishment of the independent economic regulator and strengthening the local water services regulatory environment.
- Rehabilitation of water infrastructure in eThekweni through the build-operate-transfer (BOT) concessions.
- The Department of Water and Sanitation's Water Partnerships Office non-revenue water (NRW) and recycling of wastewater programmes that are earmarked for public private partnership investments.

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Justice & Security

2024 allocation for Justice & Security function



Table 4: Justice & Security Adjusted Allocation 2024/25

	Main appropriation 2024/25 (R'000)	Adjusted appropriation 2024/25 (R'000)	Increase/decrease (R'000) 2024/25	Increase/decrease (%) 2024/25
Vote 21: Civilian Secretariat for Police Service (CSPS)	R155, 964	R155, 964	R0	0.0%
Vote 22: Department of Correctional Services (DCS)	R27 757, 635	R27 758, 903	R1, 268	0.0%
Vote 23: Department of Defence (DOD)	R51 810,353	R55 483,774	R3 673,421	7.1%
Vote 24: Independent Police Investigative Directorate (IPID)	R370,557	R370,557	R0	0.0%
Vote 25: Department of Justice and Constitutional Development (DoJCD)	R21 612,039	R21 650,239	R38,200	0.2%
Vote 26: Department of Military Veterans (DMV)	R863,766	R812,406	-R51,360	-5.9%
Vote 27: Office of The Chief Justice (OCJ)	R1 222,428	R1 273,788	R51,360	4.2%
Vote 28: South African Police Service (SAPS)	R113 597,115	R113 623,525	R26,410	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 2024/25-2027/28 for the peace and security function¹ will be 3.9% which is up from the 3% estimated in the previous MTBPS. Defence and state security increases by 2.8% (1.5% estimated in previous MTBPS), Police services increases by 4.7% (4.5% estimated in previous MTBPS), and Law courts and prisons increases by 4.6% (3% estimated in previous MTBPS).

¹ The Peace and Security Function also includes Home Affairs which is included in the average annual growth rate for this Function. Home Affairs reflects an average annual decrease of 1.7% over the period.

- ✓ To assist with combatting money laundering and the financing of terrorism, for the 2025 MTEF period onwards, funding will be reprioritised within the function to departments and entities to establish a shared forensic capability within the Financial Intelligence Centre. In the previous MTBPS it was stated that all deficiencies identified by the Financial Action Task Force (FATF) that resulted in South Africa's greylisting will be addressed by early 2025 and that progress had been made on 17 of 22 items on its Action list. The Minister of Finance has now reported that 16 of the 22 action items in the Action Plan have been largely or fully addressed. This leaves 6 outstanding action items to be addressed for the last scheduled reporting cycle in February 2025.
- ✓ The Independent Police Investigative Directorate, the Public Protector South Africa and the South African Human Rights Commission will receive reprioritised funds to strengthen investigative capacity to deal with case backlogs and human rights violations.
- ✓ From April 2025, the Information Regulator will be a standalone public entity, with funding realigned to procure financial, personnel, management and payroll systems so it can operate independently of the Department of Justice and Constitutional Development (DOJCD).
- ✓ 2024 in year spending adjustments include:
 - Additional funds for the DOD of R2.1 billion (adjustments for unforeseeable events) for the SANDF troop deployment in the DRC (Operation Thiba) as well R750 million (announced in the 2024 Budget) for the SANDF's involvement in Mozambique as part of Operation Vikela. In addition, R745.736 million generated through UN and AU reimbursements will be utilised for the SANDF's DRC deployment. (The MTBPS notes significant adjustments are made to carry-through costs for the SANDF troop deployment in the DRC which will be included in the 2025 Budget- totalling R3.5 billion for 2025/26 (R1.8 billion) and 2026/27 (R1.75 billion)).
 - Special adjustments (an additional R38.2 million) for the DOJCD in legal costs for South Africa's case in the International Court of Justice.
 - The Minister of Finance in his speech highlighted that to maintain the integrity of strong and independent arms of state, medium-term spending adjustments include additional funding proposed for the Office of the Chief Justice (OCJ), mostly to enhance operational capacity. The 2024/25 adjustments include R51.36 million transfer from the Department of Military Veterans to cover the carry-through costs emanating from the 2023/24 public sector wage agreement in the OCJ.

VOTE 21: CIVILIAN SECRETARIAT FOR POLICE SERVICE (CSPS)

Main Appropriation R155.96 million
Adjusted Appropriation R155.96 million
Budget increased with R0
Percentage Change 0.00% increase compared to Main Appropriation

Virements and shifts (total): R1.7 million

From the Administration and Legislation and Policy Development Programmes, R800 000 and R400 000 were moved via virements to the Intersectoral Coordination and Strategic Partnerships Programme. In total, the allocations of the Administration and Legislation and Policy Development Programmes decreased with R800 000 and R400 000, respectively while the allocation of the Intersectoral Coordination and Strategic Partnerships Programme increased with R1.2 million.

National Treasury approval has been obtained for:

Shifts within Programmes 1, 2, 3 and 4 of R250 000, R50 000, R150 000 and R50 000 respectively from *Compensation of employees* (vacant posts) to *Households* (Leave gratuities).

Key areas for oversight

- The reduction in the budget allocation to *Compensation of employees* due to vacant posts should be monitored.

VOTE 22: DEPARTMENT OF CORRECTIONAL SERVICES (DCS)

Main Appropriation

R27.757 billion

Adjusted Appropriation

R27.758 billion

Budget increased with

R1.268 million

Percentage Change

0.0045% increase compared to Main Appropriation

Overview

An amount of R19. 956 million was moved from *Payment for Capital Assets* to *Current Payments* (for Goods and services). In addition, an amount of R1.268 million was allocated to *Transfers and Subsidies*. This amount was a revenue generated from hiring out offender labour in 2023/24. This results in the net increase of R1.268 million to the Department's Main Appropriation.

Other Adjustments (Self-financing expenditure): R1.268 million

Revenue of R1.268 million was generated from hiring out offender services in the 2023/24 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): R163.874 million

The bulk of virements and shifts were a result of a virement of R129.3 million out of Programme 2 (*Goods and services*) into Programme 1 (*Goods and services*). Funds amounting to R27.265 million were also shifted in Programme 5 from *Machinery and equipment* (finance leases) to *Goods and services* (Leasing of vehicles).

Key areas for oversight

- Out of the R129.3 million moved from the Incarceration programme to the Administration programme, an amount of R17.7 million was allocated for investigations into irregular and fruitless expenditure. How much fruitless and wasteful expenditure will be investigated, who will be conducting the investigations and what are the time frames for the investigation?
- The Department generated revenue of R1.268 million in the 2023/24 financial year from hiring out offender labour. How much revenue was anticipated for that period and what other revenue streams are available (aside from the hiring out of offender labour) and how much has been generated from those streams?
- Continue to monitor quarterly spending and performance of the Department to ensure alignment to planning.

VOTE 23: DEPARTMENT OF DEFENCE (DOD)

Main Appropriation

R51.8 billion

Adjusted Appropriation

R55.5 billion

Budget increased with

R3.7 billion

Percentage Change

7.09% increase compared to Main Appropriation

Overview

The significant increase in the adjusted allocation for the Department relates largely to its increased operational commitments, notably the South African National Defence Force (SANDF) deployments in the DRC and Mozambique. As in the past, the Department has been allowed to retain reimbursements received from the United Nations. There are no virements or shifts in the Adjusted Appropriation.

Appropriation of funds for expenditure already announced: R750 million

An additional R750 million is allocated for the SANDF's involvement in Mozambique as part of Operation Vikela. The extension of Operation Vikela was announced earlier in 2024/25, but after the Main Appropriation was tabled. The additional allocation in the Adjusted Appropriation is therefore to cover expenses already incurred. Current authorisation for Operation Vikela extends to 31 December 2024.

Rollovers: R77.7 million

Programme 1 (Administration): R77.685 million is rolled over for the settlement of outstanding invoices for accommodation charges and rates and taxes with the Department of Public Works and Infrastructure.

Adjustments for unforeseeable events: R2.1 billion

Programme 2 (Force employment): An additional R2.1 billion is allocated to cover expenses related to the SANDF deployment in the DRC through Operation Thiba.

Other Adjustments (Self-financing expenditure): R745.7 million

R745.736 million generated through UN and AU reimbursements to be utilised for the SANDF's DRC deployment. Programme 2 (Force employment) receives a R583.866 million increase; Programme 3 (Landward Defence) receives a R8.618 million increase; and Programme 4 (Air Defence) receives a R153.252 million increase.

Key areas for oversight

- The SANDF deployment to the DRC and the spending of related funds requires oversight, especially to ensure the SANDF is effectively equipped for the mission and that additional funds are sufficient to cover operational expenses.
- In terms of Economic Classifications, the additional funds allocated is set to provide a total of R954.266 million for *Compensation of Employees (CoE)*. This is unlikely to prevent expected CoE over-expenditure by the end of 2024/25.
- The over-reliance on the Reserve Force for deployments requires oversight.

VOTE 24: INDEPENDENT POLICE INVESTIGATIVE DIRECTORATE (IPID)

Main Appropriation

R370.55 million

Adjusted Appropriation

R370.55 million

Budget increased with

R0

Percentage Change

0.00% increase compared to Main Appropriation

Virements and shifts (total): R4.376 million

Due to shifts and virements, the Administration Programme's allocation decreased with R100 000.00. **The allocation to the Investigation and Information Management Programme increased with R3.720 million.** The allocation to the Legal and Investigation Advisory Services Programme decreased with R3.3 million. The Compliance Monitoring and Stakeholder Management Programme's allocation decreased with R320 000.00.

National Treasury approval has been obtained for:

Shift in Programme 1 of R140 thousand from *Compensation of employees (Vacant posts)* to *Households (Leave gratuities)* and virement of R420 thousand from Programme 1 *Compensation of employees (Vacant posts)* to Programme 2 for *Households (Leave gratuities)*.

Virements requiring Parliamentary approval

R3.3 million was moved from the Legal and Investigation Advisory Services Programme to the Investigation and Information Management Programme. Parliamentary approval is needed because the virement far exceeds the 8% threshold stipulated in Section 43 of the PFMA. Almost half of the Legal and Investigation Advisory Services Programme's original budget allocation (47.6%) was moved to the Investigation and Information Management Programme for *Compensation of employees*.

Important note from the MTBPS

Over the medium term, the IPID will receive reprioritised funds to strengthen investigative capacity to deal with case backlogs.

Key areas for oversight

- The significant shift from the Legal and Investigation Advisory Services Programme to the Investigation and Information Management Programme, due to budget realignment, should be questioned.

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

Main Appropriation

R21.61 billion

(Excluding R2.495 billion direct charge against the National Revenue Fund for magistrates' salaries. **If the direct charges are included the appropriation is R24.1 billion**)

Adjusted Appropriation

R21.65 billion

(Excluding R2.495 billion direct charge against the National Revenue Fund for magistrates' salaries. **If the direct charges are included the adjusted appropriation is R24.14 billion**: No adjustments were made to magistrate's salaries.)

Budget increased by

R38.2 million

Percentage Change

0.17% *increase* compared to Main Appropriation

(0.15% *increase* compared to Main Appropriation if direct charges are included)

Special appropriation – R38.2 million for Programme 3: State Legal Services

R38.2 million is tabled in the Special Appropriation Bill (2024) to defray expenditure in the Constitutional Development subprogramme associated with legal proceedings against Israel in the International Court of Justice.

Funds shifted within the Vote following a function shift (R17.652 million):

- R14.096 million is transferred from the from the Management subprogramme in the Administration programme following the shift of the National Operational Centre to the Administration of Lower Courts subprogramme in the Lower Court Services programme.
- R2.556 million is transferred from the Corporate Services subprogramme in the Administration Programme following the shift of the promotion of access to information function to the Constitutional Development subprogramme in the State Legal Services programme.
- R1 million is transferred from the Lower Courts subprogramme in the Lower Court Services Programme following the shift of the sexual orientation, gender identity expression and characteristics function to the Constitutional Development subprogramme in the State Legal Services programme.

Virements and shifts within the Vote (total): R724.33 million

National Treasury approval has been obtained for the following virements/shifts:

Administration Programme

- R2 million shifted from *Compensation of Employees* (vacant posts) to *Households* for claims against the state in the same programme.
- R3.377 million shifted from *Compensation of Employees* (vacant posts) to *Departmental agencies and accounts* (Safety and Security Sector Education and Training Authority).

National Prosecuting Authority Programme

- R51 million vired from *Compensation of Employees* (vacant posts) in the National Prosecuting Authority Programme to *Machinery and Equipment* for laptops in the Administration Programme.
- R2.98 million shifted from *Compensation of Employees* (vacant posts) to *Departmental agencies and accounts* for payments to the Safety and Security Sector Education and Training Authority in the National Prosecuting Authority Programme.

Auxiliary and Associated Services

- R70 million shifted from *Goods and services* (Integrated Justice System programme) to *Machinery and equipment* for laptops and printers in the Auxiliary and Associated Services programme.
- R500 000 shifted from *Goods and services* at the Information Regulator to *Software and other intangible assets* for software for the Regulator.

Key areas for oversight

- **Fiscal Consolidation and service delivery.** Fiscal consolidation can hinder the ability to deliver timely and effective justice as it leads to challenges such as understaffing, inadequate facilities, and delays in case processing. R545.8 million has been shifted/and or vired from funds allocated to vacant posts (*compensation of employees*) in the Administration (R55.26 million), Lower Courts (R270.69 million), State Legal Services (R45.91 million) and National Prosecuting Authority (NPA) (R173.98 million) programmes. These funds are to be shifted/vired to *Goods and services* and *Machinery and equipment* to be used for digitisation projects, purchasing laptops, security services, virtual libraries, court infrastructure and magistrates training. The long-term impact of the non-filling of vacancies on the operational functionality of the Department and the NPA in respect of the delivery of critical justice services is unclear. This should be closely monitored by Parliament.
- **Capacitating the Investigating Directorate Against Corruption (IDAC).** The establishment of IDAC in 2024 provides for a key mechanism in the fight against

corruption. The IDAC will no longer rely on secondments for staffing, instead, it will recruit permanent staff and invest in long-term training. This should enhance the NPA's capability to combat complex corruption matters. However, to be effective the IDAC must be capacitated through a dedicated team of skilled police officers, forensic experts, and specialist investigators, among others. The fact that funds allocated to vacant posts in the NPA are being vired to fund the DOJCD's digitisation project and buy laptops may be a concern. It is not clear which posts at the NPA are affected by this reprioritisation. Given the importance of the fight against corruption, ongoing Parliamentary oversight of the capacitation of IDAC is vital.

- **Financial Action Task Force (FATF) Greylisting.** South Africa is now deemed to have largely addressed 16 of the 22 action items in its Action Plan to exit the FATF grey list. This leaves the country with six outstanding action items, five of which have a deadline of January 2025, to be addressed. While South Africa is working hard to address all outstanding action items, National Treasury has noted that exiting the grey list by June 2025 remains a difficult challenge. ***Three of the outstanding actions relate to demonstrating a sustained increase in the investigation and prosecution of complex money laundering, terror financing and unlicensed cross-border money or value transfer services (MVTs).*** Parliament should closely monitor the activities of the relevant law enforcement agencies in this regard.
- **Reprioritised funding for key Chapter 9 institutions in 2025.** The Public Protector South Africa (PPSA) and South African Human Rights Commission (SAHRC) will receive ***reprioritised funding*** to strengthen investigative capacity to deal with case backlogs and human rights violations in 2025 and over the MTEF. In the 2024 budget Cabinet approved reductions to the PPSA budget of R117.3 million and to the SAHRC budget of R53.6 million over the medium term. These Chapter 9 institutions have a key constitutional mandate and Treasury's persistent underfunding and budget reductions are an ongoing concern. It is unclear from where the re-prioritised funding will be sourced in the 2025 budget, given the constraints affecting all stakeholders across the Justice, Crime Prevention and Security Cluster, or whether it will ameliorate the impact of the 2024 budget reductions but Parliament should monitor the allocation and expenditure of this funding at both institutions.
- **Information Regulator.** The resolution of the Information Regulator's status in terms of the PFMA as a Schedule 3A National Public Entity means that as from April 2025 the Regulator will be a standalone public entity. The Regulator's dependence on the Department of Justice and Constitutional Development has been an obstacle to its ability to adequately capacitate itself and to its operations. As the Regulator undergoes the process of de-linking from the Department it is critical that it receives sufficient funding to procure financial, personnel management and payroll systems so it can operate independently of the Department. Currently, the Regulator has an approved structure of 413 posts but only 93 are funded (of which 90 are filled). If the Regulator is not adequately capacitated it will be unable to fulfil its critical mandate in

terms of the Protection of Access to Information Act and the Protection of Personal Information Act. Parliament should monitor the Listing Transition process and the Regulators budget allocation in 2025 and over the medium term.

VOTE 26: DEPARTMENT OF MILITARY VETERANS (DMV)

Main Appropriation

R863.8 million

Adjusted Appropriation

R812.4 million

Budget decreased with

R51.3 million

Percentage Change

5.9% decrease compared to Main Appropriation

Other adjustments: Funds shifted between votes (- R51.36 million)

Cabinet approved a reduction of R51.36 million to the Department's baseline. This amount is shifted to the Vote 27: Office of the Chief Justice to cover the budget shortfall for compensation of employees in line with the 2023/24 public sector wage agreement.

The Socioeconomic Support Programme decreased by R46.0 million, resulting in a net decrease of R63.0 million for the programme when virements are also considered. The Empowerment and Stakeholder Management Programme allocation decreased by R5.4 million, resulting in a net decrease of R11.4 million for the programme when virements are also considered.

Virements and shifts (total): R34.375 million

The Socioeconomic Support Programme is the most affected with a reduction of R17.0 million, largely to cover *Operating leases* and *CoE* in Programme 1 (Administration). A virement away from the Empowerment and Stakeholder Management Programme of R6.0 million was made, largely to cover *CoE* in Programme 1 (Administration).

National Treasury approval has been obtained for:

Virement from *Households* amounting to R8.0 million in Programme 2 that was moved to Programme 1 for the purpose of *Goods and services* (for operating leases).

Key areas for oversight

- The slow pace of the pension roll-out requires oversight, including ensuring that the process is not abused.
- The clearing of and digitisation of the Veterans' Database is crucial to ensure the efficient roll-out of benefits and overall financial stability in the Department

VOTE 27: OFFICE OF THE CHIEF JUSTICE (OCJ)

Main Appropriation

R1.222 billion

(Excluding **R1.175 billion** direct charge against the National Revenue Fund for judges' salaries. If the direct charges are included, the Appropriation was **R2.4 billion**)

Adjusted Appropriation

R1.273 billion

(An additional allocation of **R158 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 R1.333 billion. The total adjusted budget now stands at R2.6 billion if direct charges against the National Revenue Fund for judges' salaries are included).

Budget increased with

R51.36 million (excluding direct charges)

(R212.36 million (including direct charges))

Percentage Change

4.2% increase compared to Main Appropriation (excluding direct charges)

(8.8% increase compared to Main Appropriation (including direct charges))

The increase consists of:

- **Direct charges against the National Revenue Fund: R158 million**

An additional allocation of R158 million that was also made under the direct charge against the National Revenue Fund for the payment of salary increases for judges.

- **Other adjustments Funds shifted between votes: R51.36 million**

R51.36 million is transferred from the Department of Military Veterans to cover the carry-through costs emanating from the 2023/24 public sector wage agreement.

Key areas for oversight

- In his Medium-Term Budget Policy Statement, the Minister of Finance noted that the South African democracy is underpinned by strong independent arms of the state. The medium-term spending adjustments are aimed at maintaining the integrity of key institutions and improving state capability. Additional funding is proposed the Office of the Chief Justice (and Parliament), mostly to enhance operational capacity in the running of these important institutions.

VOTE 28: SOUTH AFRICAN POLICE SERVICE (SAPS)

Main Appropriation

R113.59 billion

Adjusted Appropriation

R113.62 billion

Budget increased with

R26.41 million

Percentage Change

0.02% increase compared to Main Appropriation

Appropriation of funds for expenditure already announced by the Minister during the tabling of the annual budget

An additional R26.41 million is allocated for the G20 Presidency. South Africa assumes the G20 Presidency from 1 December 2024 to November 2025.

Donation: R1 million

A donation will be made to the SAPS Education Trust for children of police members who have died in the line of duty. **This donation must be approved by Parliament.**

The SAPS did not implement any virements, only shifts within budget programmes. The SAPS shifted R1.53 billion away from **Compensation of employees** as follows:

- R1.138 billion in Programme 1: Administration
- R265.1 million in Programme 2: Visible Policing
- R135 million in Programme 3: Detective Services

In the **Administration Programme**, R1.05 billion was moved from *Compensation of employees* (cost savings) to *Goods and services* (computer services, fleet services, legal costs). A further R88.0 million was moved from *Compensation of employees* (cost savings) to *Buildings and other fixed structures* (Refurbishments).

In the **Visible Policing Programme**, R264.14 million was moved from *Compensation of employees* (cost savings) to *Goods and services* (Communication, fleet services, travel and subsistence). A further R1 million was moved to SAPSET as a donation (**This must be approved by Parliament**).

In the **Detective Services Programme**, R135 million was moved from *Compensation of employees* (cost savings) to *Goods and services* (Fleet services).

The allocations of the Crime Intelligence, and Protection and Security Services Programmes remain unchanged.

Important note from the MTBPS

From the 2025 MTEF period onwards, funding will be reprioritised within the peace and security function to departments and entities to establish a **shared forensic capability**

within the Financial Intelligence Centre (FIC). This will strengthen efforts to combat money laundering and the financing of terrorism and secure South Africa's removal from the Financial Action Task Force (FAFT) grey list. **The DPCI plays a key role in investigating cases of money laundering and terror financing.**

Key areas for oversight

- The shifts away from Compensation of employees due to cost savings must be questioned especially in the Detective Services Programme. The SAPS has significant capacity constraints in the Detective Services Programme with the number of Detectives.

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Social Equity

2024 allocation for Social Equity function



Table 5: Social Equity Adjusted Allocation 2024/25

	Main appropriation 2024/25 (R'000)	Adjusted appropriation 2024/25 (R'000)	Increase/decrease 2024/25 (R'000)	Increase/decrease (%) 2023/24
Vote 1: The Presidency	R604,496	R629,548	R25,052	4.1%
Vote 20: Women, Youth and Persons with Disabilities	R1 007,712	1 020,712	R13,000	1,3%

Medium Term Priorities for the social equity function

According to the MTBPS, the following medium term priorities for the social equity function are noteworthy:

- ✓ Compared with the 2024 budget, main budget non-interest spending increased by a net R10.4 billion in 2024/25 and R16.4 billion in 2025/26, with nearly 60 percent of spending supporting the social wage.
- ✓ As it relates to youth, active labour market programs (ALMPs) include government initiatives such as job creation, training and public employment services, while public employment programs (PEPs) are financed and implemented by government that creates direct employment through productive activities. Matters related to job creation were also emphasised by the Minister of Finance in his speech.
- ✓ The Minister noted that Government will be implementing initiatives like early retirement, not to merely reduce the size of the workforce, but also to introduce younger talent to the public service.
- ✓ Over the medium term, continued efforts will be made to reduce poverty, maintain welfare services and strengthen services for women, youth and people with disabilities. The 2024 Medium Term Budget Policy Statement maintains support for vulnerable households by ensuring that 59.9 percent of non-interest spending is allocated to the social wage, of which social protection is the largest component.

VOTE 1: THE PRESIDENCY

Main Appropriation

R604.496 million

(excluding R7.709 million direct charge against the National Revenue Fund for salaries of the President and Deputy President)

Adjusted Appropriation

R629.548 million

Budget increased with

R25.052 million

Percentage Change

4.1% increase compared to Main Appropriation

Rollovers: R7.693 million

R7.693 million has been rolled over for the eCabinet system to provide user training to members of the executive, heads of department and executive support staff.

Special Appropriation: R17.359 million

R17.359 million is tabled in the Special Appropriation Bill for the Department's filing of a memorial to the International Court of Justice (ICJ). A memorial refers to the document recording the main case and evidence of a case made to the ICJ. The funds will be used for the appointment of legal representatives, professional fees for interpreters and translators, and traveling costs to the court.

Virements and shifts (total): R18.495 million

Shifts were made to address the reallocation of funds that were incorrectly allocated in the 2024 Estimates of National Expenditure.

In Programme 1 funds have been shifted from:

- *Goods and services to:*
 - *Machinery and equipment* for the supply, installation and configuration of IT equipment (R13.978 million)
 - *Software and other intangible assets* (R138 000)
- *Machinery and equipment to:*
 - *Software and other intangible assets* (R2.433 million)
- *Compensation of employees to:*
 - *Households* for leave gratuities (R2 million)

In Programme 2 funds have been shifted from *Compensation of Employees* to:

- *Households* for leave gratuities (R15 000)

In Programme 3 funds have been shifted from *Compensation of Employees* to:

- *Households* for leave gratuities (R30 000)

Key areas for oversight

- Chapter 2 of the MTBPS indicates Operation Vulindlela will focus on initiatives that will reduce local government decline, address spatial inequality and advance digital government to improve large scale service delivery.
- Mention was made in the MTBPS speech of the following GNU priorities outlined by the President:
 - To drive inclusive growth and job creation;
 - To reduce poverty and tackle the high cost of living; and
 - To build a capable, ethical and developmental state.
- As outlined in the ENE of 2024, the Presidency will focus on enhanced leadership and partnerships, strengthening governance, state capacity and service delivery, as well as coordinating government policies, legislation and programmes.
- Initiatives and commitments in relation to these focus areas must be monitored to ensure that objectives are achieved.

VOTE 20: WOMEN, YOUTH AND PERSONS WITH DISABILITIES

Main Appropriation

R1.007 billion

(including allocated budgets to be transferred to the National Youth Development Agency and the Commission for Gender Equality)

Adjusted Appropriation

R1.020 billion

Budget increased with

R13 million

Percentage Change

1.3% increase compared to Main Appropriation

Virements and shifts (total): R4.8 million

Rollovers: R13 million

- Programme 1: Administration- R5.45 million was rolled over for the payment of contractual obligations and order commitments.
- Programme 2: Advocacy and Mainstreaming for the Rights of Women- R5 million was rolled over for transfer to the Commission for Gender Equality.
- Programme 3: Monitoring, Evaluation, Research and Coordination- R2.14 million was rolled over for the payment of contractual obligations and order commitments.
- Programme 4: Rights of Persons with Disabilities- R410 000 was rolled over for the payment of research on access to education.

National Treasury approval has been obtained for the following:

Programme 2: Shift of R3.342 million from *Goods and services* (Business and advisory services) to *Compensation of employees* (for the Gender-based violence and femicide secretariat) in the same programme.

Key areas for oversight

- The Department has minimised its virements and shifts substantially since the previous financial year. While these are marginal, it should still be monitored closely.
- National Treasury notes that compared to the first half of 2023/24, expenditure over the same period in 2024/25 increased by R118.4 million, 21.5 per cent. This was mainly due to the payment of invoices from 2023/24 and an increase in transfers to the National Youth Development Agency. Given the 2023/2024 audit findings (qualified with findings) it is imperative to monitor the NYDA's financial statements during quarterly reporting.
- The MTBPS remains silent on funding of the National Strategic Plan on Gender-based Violence and Femicide (GBVF) nor does it note any financing related to matters related to Gender-based Violence and Femicide. This must be addressed as it is a national concern and must be prioritised.
- The shift of R3.342 million from *Goods and services* to *Compensation of employees* (for the Gender-based violence and femicide secretariat) is significant to note. This matter has been raised in the 6th Parliament as matter of concern, specifically, regarding lack of funding. While the allocation is minimal, oversight over how this secretariat will impact on the lives of victims of GBV-F is essential.

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Social Services & Infrastructure

2023 allocation for Social Services & Infrastructure function



Table 6: Social Services & Infrastructure Adjusted Allocation 2024/25

	Main appropriation 2024/25 (R'000)	Adjusted appropriation 2024/25 (R'000)	Increase/decrease (R'000) 2024/25	Increase/decrease (%) 2024/25
Vote 5: Home Affairs	10 495 471	12 095 471	1 600 000	15,2%
Vote 13: Public Works & Infrastructure	7 612 081	7 612 081	0	0,0%
Vote 18: Health	62 218 899	62 225 399	6 500	0,0%
Vote 19: Social Development	275 141 088	278 295 933	3 154 845	1,1%
Vote 33: Human Settlements	33 145 558	33 680 386	534 828	1,6%
Vote 40: Transport	80 621 141	86 292 328	5 671 187	7,0%

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:

- ✓ Medium term revisions to spending is driven by, amongst others, repayment of the South African National Roads Agency Limited (SANRAL) debt relating to to the Gauteng Freeway Improvement Project repayment in 2025/26, as well as transferring Gauteng Province's portion of this SANRAL debt and maintenance obligations.
- ✓ Adjustment to the 2024/25 spending also include unforeseeable and unavoidable adjustments allocated to support the rebuilding and rehabilitation of flood-damaged infrastructure across several provinces and municipalities.
- ✓ Adjustments to the Provincial Road Maintenance Infrastructure Grant for road reconstruction due to flood damage.
- ✓ Adjustments are include top-ups to the Emergency Housing Grant to fund current shortfalls and historical outstanding interventions.
- ✓ Adjustments to expenditure is also motivated by increases in the Social Relief of Distress Grant.
- ✓ During 2025/26, the health sector will focus on improving efficiencies gained from spending reviews and the introduction of innovative solutions such as central medicine dispensing to ensure resources are redirected towards quality improvements and access to health services.
- ✓ To prepare for the implementation of the National Health Insurance, the sector will continue its focus on enhancing health infrastructure through allocations to direct and indirect infrastructure grants.
- ✓ The human settlements white paper will outline a new strategy for the sector, ensuring alignment across government spheres.

VOTE 5: HOME AFFAIRS

Main appropriation

R10.5 billion

Adjusted appropriation

R12.1 billion

Budget increased with

R1.6 billion

Percentage Change

15.2% increase compared to the Main Appropriation

Virements and shifts (total):

R 961.45 million

Virements and shifts requiring National Treasury approval:

R100 000 vired from the Passenger name recognition system (Programme 3) to the Digitisation project (Programme 2).

Self-financing expenditure:

R1.6 billion

Revenue was generated across all programmes It is allocated as follow:

- **Programme 1: Administration**

R467 million for the upgrading of offices that will be rolling out smart identity cards, archive management for missions, bank charges and security costs.

- **Programme 2: Citizen Affairs**

R1.093 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.

- **Programme 3: Immigration Affairs**

R40 million to defray expenses related to the production of enabling documents, rental costs for personnel living abroad, and transport costs related to the deportation of illegal immigrants.

Key areas for oversight

- Incorrect classification of funds allocated for the Compensation of Employees forms most of the virement and shifting of funds taking place within Programme 1 and Programme 2 (amounting to R326 787). This is a recurring issue as it was identified in the previous MTBPS. Therefore, Parliament should encourage the Department to address this.
- The Digitisation project receives most of the funds that are vired from the three programmes. Against this backdrop, Parliament needs to follow up, evaluate and monitor the progress or rather status of the project.

- Significant revenue (R1.6 billion) is recorded under self-financing expenditure generated across all programmes from the issuing of passports and smart identity cards, the majority of this revenue goes to Programme 2 for the production and issuing of passports and smart identity cards.
- Parliament should focus on debt collection since in 2023/24 the Department impaired an amount of R238 million due to its inability to recover amounts owed by conveyors.
- As per the AG's report, the recommendations on AGSA material irregularity included in the auditor's report must be implemented by 24 November 2024.

VOTE 13: PUBLIC WORKS AND INFRASTRUCTURE

Main Appropriation

R7.612 billion

Adjusted Appropriation

R7.612 billion

Budget increased (or decreased) with
(R0)

Percentage Change

0% compared to Main Appropriation

Key virements and shifts within and across the different programmes:

Note: R26.121 million under Programme 3 was vired and shifted.

Of this amount, **R25.5 million** was vired from Goods and Services and Administrative Fees as follows:²

- R9.5 million was vired to Programme 1 for Business and Advisory Services; Property Payments; Advertising and Finance Leases, Office Furniture.
- R19 000 was vired to Programme 2 for Finance Leases.
- R2.6 million was vired to Programme 4 for the Commonwealth War Graves Commission.
- R12.8 million was vired to Programme 5 for Contractors (R8.8 million) and Office Furniture R4.0 million.

R295 000 was shifted within Programme 3 for Finance Leases.

The other R1.0 million was vired from Vacant Posts under Programme 3 to Programme 1 for Leave Gratuity.

R150 000 was vired from Leave Gratuity under Programme 4 as follows:

- R50 000 was vired to Programme 2 for Leave Gratuity
- R100 000 was vired to Programme 5 for Leave Gratuity.

² National Treasury (2024), p. 102.

Virements and shifts for which National Treasury approval was obtained:

R2.6 million was vired to Programme 4 for the Commonwealth War Graves Commission.

Virements and shifts: No virements require approval by Parliament

Key areas for oversight

- The National Treasury does not provide any explanatory note on reasons for the movement of funds between the five main programmes, as was the practice in the past.
- The Department moving money from Vacant Posts to Leave Gratuity, is of concern. What will the impact be when these vacant 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 2024/25 financial year, approximately R2.6 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 R1.6 million away from the Finance and Supply Chain Management Office.³ The virement of R25.8 million away from the Expanded Public Works Programme (EPWP), which consists of R1.2 million from the EPWP: Infrastructure; R25.1 million from the EPWP: Operations, as well as R1.5 million 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?

The Minister of Finance highlighted the implementation of reforms to create conditions for greater Public Sector participation, as follows:⁴

- Amending the Public Private Partnership (PPP) Regulations to simplify requirements for undertaking these projects.
- Reconfiguring the Budget Facility for Infrastructure into a centralised gateway for all large infrastructure projects that require fiscal support in advance.
- Government aims to increase the pool of funders by diversifying public financing through new mechanisms and instruments, (i.e. Built-Operate-Transfer (BOT)) structures and other concessions.
- The National Treasury noted that the infrastructure investment system is being strengthened in the areas of planning, investment appraisal, contracting, monitoring and evaluation. These reforms are expected to attract significant private-sector investment to augment public-sector resources.⁵

³ National Treasury (2024), p. 98.

⁴ Minister of Finance (2024), pp. 12-14.

⁵ National Treasury (2024a), p. 46.

VOTE 18: HEALTH

Main Appropriation

R62.22 billion

Adjusted Appropriation

R62.23 billion

Budget increased with

R6.5 million

Percentage Change

0.0% change compared to Main Appropriation

Virements and shifts (total):

R51.485 million

Significant and unforeseeable economic and financial events:

R6.5 million

An additional amount of R6.5 million is allocated to the Western Cape via the Health Facility Revitalisation Grant in response to floods that affected the Western Cape between June 2023 and July 2024. The Department should invest in climate proofing the health system, as adverse weather events due to climate change are becoming more regular.

Changes to transfers and subsidies

- R18.2 million vired to Administration Foreign governments and international organisations.
- R21.1 million vired from Communicable and non-communicable Diseases Departmental agencies and accounts (non-business entities) to Non-profit institutions.
- R6.5 million was added to the Hospital Systems Provinces and municipalities Provinces Provincial Revenue

Virements and shifts requiring National Treasury approval:

Foreign governments and international organisations: World Health Organization (WHO)

- 5 virements were completed in order to pay the **WHO**. Within Programme 1, R6.2 million was shifted from Goods and Services: Contractors; stationery, printing and office supplies; travel and subsistence and R8.5 million was shifted from Goods and Services: Audit costs, consumables, contractors, travel and subsistence. Under Programme 2, R0.5 million was vired from Goods and Services: Travel and subsistence to Programme 1. Under Programme 3, R2.7 million was vired from Goods and Services: Agency and support/outsourced services, fleet services, travel and subsistence to Programme 1. And under

- Programme 6, R0.3 million was vired from Goods and services: Consultants to Programme 1. Thus, a total of R18.2 million was vired toward paying the WHO.
- The Department also shifted R2.1 million for **IT equipment**. R1.8 million was shifted within Programme 1 from Goods and Services: Contractors and R 275 000 was shifted within Programme 3 from Goods and Services: Fleet services.
 - For the reclassification of **South African National AIDS Council (SANAC)**, R21.1 million was shifted within Programme 3 from Departmental agencies and accounts to Non-profit institutions.
 - R100 000 was shifted within Programme 5 from Buildings and other fixed structures to **machinery and equipment for office furniture**.

Virements and shifts requiring Parliamentary approval:

- Within the National Health Insurance Programme R10.0 million is shifted from the Goods and Services to purchase Machinery and equipment.

Key areas for oversight

- In the 2023/24 Annual Report the Department reported poor performance achieving only 58.3% of the targets fully, whilst spending nearly all of the budget (99.8%). 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.
- The Department should explain why the R18.2 million was vired for the WHO during the adjustment period and not budgeted for in the main budget.
- In 2022/23 the Department underspent its allocated budget by nearly R1.7 billion (or 2.6%) of the final departmental appropriation. In the 2023/24 financial year this improved greatly to 99.8%, coupled with the fact that the budget was reduced year on year. The Committee should still remain vigilant that spending is kept in line with the targets.
- The reduction in the health budget over past few financial year has meant that many posts are vacant and or frozen. Health care is dependent on Human Resources for Health (HRH).
- In the 2023/24 Budget Review and Recommendations Report (BRRR), the Committee recommended that budgets for entities such as the Office of Health Standards and Compliance (OHSC), Office of the Health Ombuds (OHO), and Mines and Works Compensation Fund (MWCF) be increased so that these entities can be more effectively deliver on their mandate.
- The sector is still plagued by levels of unpaid bills and accruals in provincial departments which constitute a significant risk. Parliament should therefore closely monitor this matter.
- 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 R124.1 billion in 2021/22 to R125.3 billion in 2022/23. The SIU is continuing with its investigations into many of these medico-legal cases worth billions of rands. The Committee should continue to call for regular updates on this critical matter.
- Whilst there is 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.

- There is a need for budgeting for climate disasters and ensuring that newly built health infrastructure is climate proof in the key areas for oversight. Although the R6.5 million for the hospital in the Western Cape is welcomed, a more sustainable approach to damaged infrastructure related to climate disasters is the need to ensure that newly built health infrastructure is climate proof and that existing infrastructure is refurbished to ensure that it is climate-proofed.

VOTE 19: SOCIAL DEVELOPMENT

Main Appropriation

R 275.14 billion

Adjusted Appropriation

R278.3 billion

Budget increased (or decreased) with

R3.15 billion

Percentage Change

1.1% increase compared to Main Appropriation

Details of adjustments

- An additional R1.6 billion is allocated to partially fund the increase in the value of the Social Relief of Distress Grant from R350 to R370 per month.
- A rollover of R1.5 billion for social grant transfers.

Virements and shifts:

R5.134 million

R5.13 million shifted within Programme 4: Welfare Services Policy Development and Implementation Support to Goods and Services and between the different Non-Profit Organisations (NPOs).

Rollovers (total):

R1.5 billion

A total of R1.56 billion under Programme 2: Social Assistance was rolled over to fund outstanding/accrued *Social Relief of Distress Grant* payments from 2023/24.

Shifts requiring National Treasury approval:

R598 000 from goods and services to Travel and Subsistence (S&T).

Virement requiring Parliamentary approval:-

Shifts between the following NPOs:

- R1.49 million **from** Cape Development and Dialogue Centre Trust **to** Future Families.

- R565 000 **from** National Institute Community Development and Management **to** Association for Dementia and Alzheimer's of South Africa.
- R1.14 million **from** Families South Africa **to** Tumelong.
- R492 000 **from** Childline South Africa **to** Abba Specialist Adoption and Social Services.
- R46 000 **from** Rata Social Services **to** Abba Specialist Adoption and Social Services
- R66 000 **from** Suid-Afrikaanse Vrouefederasie **to** Tumelong.
- R142 000 **from** Suid-Afrikaanse Vrouefederasie **to** Abba Specialist Adoption and Social Services.
- R131 000 **from** Child Welfare South Africa **to** Abba Specialist Adoption and Social Services
- R463 000 shift of funding for an older persons' facility in Namibia **to** funding of a new organisation (not specified).

Key areas for oversight

- Parliament should follow-up and monitor the shifts made to the Non-Profit Organisations NPO's within Programme 4 to evaluate progress and the impact that the (NPO's) make in their respective fields. NPOs play an important role in the delivery of services on behalf of the Department. Was there a consideration of looking at all geographical areas in terms of services provided by NPO's that were funded?
- A total of R1.56 billion under Programme 2: Social Assistance was rolled over to fund outstanding/accrued *Social Relief of Distress Grant* payments from 2023/24. Parliament can ascertain if this was part of the R2.7 million roll over for the COVID-19 that was mentioned by the Finance Minister in the Medium-Term Budget Policy Statement speech?
- The new organisation to be funded from funding previously allocated to an older persons facility in Namibia is not specified. Parliament should clarify the name and type of services offered by the new organisation.
- Parliament should stay abreast of the implementation of recommendations to address material irregularities from a forensic investigation concluded on 15 November 2023. Material Irregularity (MI)

VOTE 33: HUMAN SETTLEMENTS

<p>Main Appropriation R 33.14 billion</p> <p>Adjusted Appropriation R 33.68 billion</p> <p>Budget increased with R534.83 million</p> <p>Percentage Change 1.6 % increase compared to Main Appropriation</p>

R 534.828 million increase consists of:

Unforeseeable and unavoidable expenditure: R426.9 million

An additional R426.9 million is allocated to replenish the Emergency Housing Grant to assist households affected by disasters and housing emergencies.

Rollovers: R107.93 million

- From Programme 1: Administration - R17.883 million is rolled over to fund an outdoor media campaign due to the delayed receipt of invoices from service providers.
- Programme 3: Informal Settlements - R90.045 million is rolled over to fund the construction of temporary residential units for households affected by disasters or housing emergencies.

Virements and shifts requiring National Treasury approval:

- R170 million shift within Programme 3 through the reclassification of the Emergency Housing Grant to various non-core goods and services items.
- R19 million virement from various non-core goods and services items in Programme 4 towards funding of the UN Habitat country office under Programme 5.

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. Oversight would need to be exercised over supply chain management in relation to the procurement of machinery and equipment for office use.
- An additional R426.9 million is allocated to replenish the emergency housing grant to assist households affected by disasters and housing emergencies. Monitoring spending of these funds is important to avoid irregular, wasteful or fruitless expenditure.
- Programme 1: Administration R17.88 million was rolled over to fund an outdoor media campaign due to the delayed receipt of invoices from service providers.
- And on programme 3: Informal Settlements R90.5 million was rolled over to fund the construction of temporary residential units for households affected by disasters or housing emergencies. Monitoring spending of these funds is important to avoid irregular, wasteful or fruitless expenditure.
- Parliament should continue to focus on how disasters are impacting the human settlements sector, as well as investments in climate change resilient technologies and infrastructure.
- According to the Department's 2023/24 annual report, the AG could not find evidence of disciplinary action taken against employees guilty of incurring irregular, and fruitless and wasteful expenditure. Consequence management requires oversight focus.

VOTE 40: TRANSPORT

Main Appropriation

R80.62 billion

(including R13 128 million direct charge against the National Revenue Fund)

Adjusted Appropriation

R86.29 billion

Budget increased with

R5.67 billion

Percentage Change

7.0% increase compared to Main Appropriation

Details of adjustments appropriation

R5.67 billion increase consists of:

Special Appropriation: R5.02 billion

Programme 4: Road Transport: **R5.02 billion** is tabled in the Special Appropriation Bill (2024) for the South African National Roads Agency (SANRAL) to settle its maturing debt and related interest payments.

Unforeseeable and unavoidable expenditure: R571 million

Programme 4: Road Transport: An additional **R571 million** is allocated for provincial road maintenance to reconstruct and rehabilitate infrastructure damaged by floods in the Western Cape.

Virements and shifts (total): 551.72 million

Virements and shifts within the Vote amount to R551.72 million, and of this amount, R416.6 million are made from **Programme 7: Public Transport**. Funds to the tune of R300 million are transferred from the Public Transport Network Grant (PTNG) for a one-off taxi gratuity for the extended Taxi Relief Fund within the programme.

Rollovers: R79.1 million

Programme 4: Roads Transport: R71.76 million has been rolled over for Transfers and Subsidies to the Road Traffic Infringement Agency for the rollout of the Administrative Adjudication of Road Traffic Offences (AARTO) programme.

Programme 5: Civil Aviation Transport: R4.33 million has been rolled over to augment funding for the South African Marine Safety Authority for the Marine Rescue Coordination Centre (MRCC) on Goods and Services.

Programme 6: Maritime Transport: R3 million has been rolled over for Goods and Services for a public-private partnership (PPP) transaction advisor to conduct a feasibility study for building two (2) tugboats for the prevention of oil pollution.

Key areas for oversight

- Parliament should exercise oversight over SANRAL's settlement of its maturing debt and related interest payments. In this regard, SANRAL should provide Parliament with regular updates on the progress made.

- The Department of Transport (“the Department”) should give regular updates on the provincial road maintenance to reconstruct and rehabilitate infrastructure damaged by floods in the Western Cape. In addition, Parliament should conduct oversight visits to the areas where the reconstruction and rehabilitation of the infrastructure damaged by floods are taking place.
- The Department should brief Parliament on the extended Taxi Relief Fund. Parliament should monitor the AARTO rollout by the Road Traffic Infringement Agency (RTIA)
- Parliament should monitor progress on the feasibility study to be conducted by the PPP transaction advisor for the building of two tugboats for the prevention of oil pollution.

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Trade & Economic Affairs

2024 Cluster allocation for Trade & Economic Affairs



Table 7: Trade & Economic Affairs Adjusted Allocation 2024/25

	Main appropriation 2024/25 (R'000)	Adjusted appropriation 2024/25 (R'000)	Increase/decrease (R'000) 2024/25	Increase/decrease (%) 2024/25
Vote 6: International Relations and Cooperation	6 566 231	7 081 231	515 000	7,8%
Vote 10: Public Enterprises	296 490	296 490	0	0,0%
Vote 30: Communications and Digital Technologies	3 968 611	3 968 611	0	0,0%
Vote 31: Employment and Labour	3 854 842	3 854 842	0	0,0%
Vote 34: Mineral Resources and Energy	8 839 029	8 881 462	42 433	0,5%
Vote 36: Small Business Development	2 436 545	2 419 545	-17 000	-0,7%
Vote 39: Trade, Industry and Competition	9 600 229	9 667 644	67 415	0,7%

Medium Term Priorities for the Trade and Economic function

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

- ✓ The Department of Trade, Industry and Competition is restructuring incentives to fund masterplans and achieve smart industrialisation goals.
- ✓ The Department of Small Business Development will train municipalities to tackle red tape and unnecessary procedures that hinder small business growth and cooperative development.
- ✓ Economic regulation and infrastructure will focus on digital transformation, monitoring the implementation of the national data and cloud policy, and supporting the second phase of the spectrum auction.
- ✓ The Department of Mineral Resources and Energy will be separated into two Departments by April 2025. The newly established Department of Electricity and Energy will advance the development of transmission infrastructure, oversee the amended Electricity Regulation Act (2006) and manage the Integrated National Electrification Programme. Government is reviewing the integrated national electrification programme grant and will finalise related reforms over the medium term.

VOTE 6: DEPARTMENT OF INTERNATIONAL RELATIONS AND COOPERATION

Main Appropriation

R 6.56 billion

Adjusted Appropriation

R 7.08 billion

Budget increased with

R 515 million

Special appropriation

Programme 1: Administration - R40 million is tabled in the Special Appropriation Bill (2024) for providing for the department's requirements associated with legal proceedings against Israel in the International Court of Justice.

Appropriation of funds for expenditure already announced by the minister during the tabling of the annual budget

Programme 4: Public Diplomacy and Protocol Services - An additional R25 million is allocated for the G20 presidency

Funds shifted between votes

R300 million is transferred from the Department of Higher Education to provide for losses arising from the depreciation of the rand against major currencies. Of this amount:

R19.8 million is in Programme 1: Administration

R254.906 million is in Programme 2: International Relations

R10.754 million is in Programme 3: International Cooperation

R14.54 million is in Programme 4: Public Diplomacy and Protocol Services

Self-financing expenditure

Programme 1: Administration - Revenue of R150 million has been generated from the sale of properties in Namibia, Switzerland and Italy. These funds will enable the department to finance construction and acquisition projects in New Delhi, Botswana, Rome and Angola.

Key areas for oversight

- Total **expenditure** in 2023/24 was R7.3 billion, 105.2 per cent of the adjusted appropriation of R6.9 billion for the year. Mid-year expenditure in 2023/24 was R3.8 billion, 54.3 per cent of the adjusted appropriation, whereas expenditure in the first half of 2024/25 was R3.6 billion, 51.3 per cent of the adjusted appropriation of R7.1 billion. Compared to the first half of 2023/24, expenditure over the same period in 2024/25 decreased by R121.8 million, 3.2 per cent. This was mainly due to expenditure on the BRICS summit in 2023/24 and lower-than-projected spending on ICT.
- Mid-year **revenue** in 2023/24 was R29.9 million, 51.8 per cent of the adjusted estimate, whereas revenue for the first half of 2024/25 was R30.3 million, 51.8 per cent of the adjusted estimate of R58.4 million. Compared to the first half of 2023/24, revenue over the same period in 2024/25 increased by R383 000, 1.3 per cent. This was mainly due to an increase in the receipt of VAT refunds by missions, in accordance with diplomatic privileges.

VOTE 10: DEPARTMENT OF PUBLIC ENTERPRISES

Main Appropriation

R296.5 million

Adjusted Appropriation

R 296.5 million

Budget decreased by

0

Percentage Change

No change to Main Appropriation

Virements and shifts (total):

R3.5 million

Key areas for oversight

- No shareholder compacts were signed to-date due to the transitional process of transferring state-owned companies to the policy departments with which they are aligned, in line with the President's proclamation in August 2024.
- Similarly, a moratorium was placed on filling vacant posts until the transfer is complete.
- No funds have been allocated to state-owned companies in 2024/25 financial year. However, these State-Owned Enterprises should still be monitored to ensure that funds are used accordingly.

VOTE 30: DEPARTMENT OF COMMUNICATIONS AND DIGITAL TECHNOLOGIES

Main Appropriation

R 3.969 billion

Adjusted Appropriation

R 3.969 billion

Budget Adjustment

R 0

Percentage Change

0%

Virements and shifts (total):

R2.789 million

An amount of R2.789 million, initially allocated under the Compensation of Employees and Goods and Services budgets, has been reallocated to the Households budget. This

adjustment, made due to unfilled vacancies, is intended to cover Leave Gratuities, Post-Retirement Payouts, and Act of Grace payments for condolences.

Key areas for oversight

- **Monitoring Progress & Adjustments:** Track quarterly progress reports for each metric to ensure on-time completion and address potential risks early.
- **Resource Allocation and Support:** Evaluate if additional resources or adjustments are needed for targets showing slower progress, particularly household broadband connections.
- **Outcome-Based Tracking:** Move beyond numbers to assess the actual impact of these projects, particularly in terms of access and service quality improvements for connected households and institutions.

VOTE 31: DEPARTMENT OF EMPLOYMENT AND LABOUR

Main Appropriation

R 3.8 billion

(of which R1.6 billion is in Transfers and subsidies)

Adjusted Appropriation

R 3.8 billion

Budget no increase or decreased

R 0

Percentage Change

0%, reflecting no adjustment in the appropriation

- **Programme 1: Administration** Original Appropriation **R1 billion**, an additional **R7,600,000** was added through virements and shifts, thus adjusted Appropriation: **R1,037,293,000**.
- **Programme 2: Inspection and Enforcement Services** Original Appropriation: **R661,173,000** decreased by **R23,341,000** due to virements and shifts. Adjusted Appropriation: **R637,832,000**.
- **Programme 3: Public Employment Services** Original Appropriation: **R901,785,000** An increase of **R15,741,000** from virements and shifts. Adjusted Appropriation: **R917,526,000**.
- **Programme 4: Labour Policy and Industrial Relations** Original Appropriation: **R1,262,191,000**, no adjustments implemented for this programme.
- The expenditure on compensation of employees shows a slight decrease in the midyear percentage in **2024/25 (46.1% compared to 49.2% in 2023/24)**. This may reflect the department's strategic reduction in staffing costs, possibly influenced by reduced hiring or vacancy management.

Key areas for oversight

- The committee should assess the impact of programs such as the Nasi iSpani labour activation programme and job fairs, which have contributed significantly to meeting employment opportunities and counselling services targets.
- Oversight should also focus on the impact of the recent adjustments, such as the virements that increased allocations to Public Employment Services and Administration, and reduced funds for Inspection and Enforcement Services.
- The Committee should prioritise budget execution and expenditure patterns, the effectiveness of inspection and enforcement services, and progress in employment services.
- Since the compensation of employees saw a reduction, the Committee should evaluate whether this impacts service delivery, staffing levels, or operational efficiency within the department.

VOTE 34: DEPARTMENT OF MINERAL RESOURCES AND ENERGY

<p>Main Appropriation R 8.83 billion (of which R6.4 billion is in transfers and subsidies)</p> <p>Adjusted Appropriation R8.88 billion</p> <p>Budget increase with R42.43 million</p> <p>Percentage Change 0.5% decrease compared to Main Appropriation</p>

R42.43 million increase consists of

Unforeseeable Expenditure

R30.76 million is allocated to the vote funding the new Ministry and Deputy Ministry of Electricity and Energy

Rollovers (total): R11.67 million

- Programme 3: Mining, Minerals and Energy Policy Development: R11.67 million is rolled over for the payment of international membership fees for the African Diamonds Producers Association

<p>Key areas for oversight</p> <ul style="list-style-type: none"> • The impact of the new Ministry, Deputy Ministry and Department of Electricity and Energy and Mineral and Petroleum Resources Ministry, Deputy Ministry and Department on the
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budget, human resource and capacity of the now to ensure that service delivery is not negatively affected.

- The oversight committees of Parliament must monitor performance of Programme 5 activities given the reduction and virement, particularly as this programme is responsible for electrification, energy efficiency and environmental management. Identification and oversight of the mitigation interventions to manage the shortfall of service delivery will be critical. Specifically for the target of rehabilitation of ownerless and derelict mines which has not started due to delayed appointment of service providers.
- The mineral cadastral system is expected to be live and operational during the 2024/2025 which will require key oversight by the Committee regarding its operability, transparency, the revenue collection and enforcement by the Department.

VOTE 36: DEPARTMENT OF SMALL BUSINESS DEVELOPMENT

Main Appropriation

R2.44 billion

(comprising R2.03 billion (83.5 %) in transfers and subsidies, R397.4 million (16.3 %) in current payments, R4.9 million (0.21%) in payments for capital assets)

Adjusted Appropriation

R2.42 billion

Budget decreased by

- R17 million

Percentage Change

0.7% decrease compared to Main Appropriation

Declared unspent funds of R17 million

- **R3 million** in Programme 1: Administration
- **R8.3 million** in Programme 2: Sector Policy and Research
- **R5.7 million** in Programme 3: Integrated Cooperatives and Micro Enterprise

Virements and shifts within the vote (total):

Virements are R49.54 million

Only Parliament can approve virements to other programmes that exceed 8 per cent of the total amount appropriated to those programmes, as required by Section 43 of the Public Finance Management Act (PFMA). The following exceed the 8 per cent threshold,

- **R7.16 million (11.7%)** in Programme 2: Sector Policy and Research
- **R23.67 million (11.6%)** in Programme 3: Integrated Cooperatives and Micro Enterprise Development.

Key areas for oversight

- Systemic issue of high vacancy rates which led to an underspending of R17 million.

- Budget discipline and planning integrity as the virements particularly in Programmes 2 and 3 exceed the 8 per cent PFMA compliance requirement.
- Underperformance in providing support to the township and rural enterprises. In the first half of 2024/25, the department supported 6 116 township and rural enterprises against an annual target of 30 000.
- The lack of tangible results regarding the effectiveness and impact of the Red Tape Reduction Programme, which has been in place since 2015 despite being identified as an expenditure priority in the 2024 MTBPS.
- Progress on the crucial merger of **sefa**, SEDA, and the CBDA to form the new entity, SEDFA, as well as the establishment of the Office of the Ombud, both mandated by the National Small Enterprise Amendment Act No. 21 of 2024.

VOTE 39: DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

Main Appropriation

R9,60 billion

Adjusted Appropriation

R9.67 billion

Budget increased with

R67.4 million

Percentage Change

0.7% increase compared to the Main Appropriation

The increase amounted to R67.4 million was revenue generated from rental income.

Increase to Programme 1: Administration

The R67,4 million had been channelled to programme 1 for goods and services.

Virements and Shifts within the vote (total):

R170.6 million (representing 1.8% of the adjusted appropriation)

Virements and shifts requiring Parliamentary approval:

- R26.2 million virement from **Programme 3: Investment and Spatial Industrial Development** from transfers for Industrial Development Zones to **Programme 6: Incentives** for the Manufacturing Development Incentives.
- R100.0 million virement from **Programme 4: Sectors** initially budgeted as the transfer to the Industrial Development Corporation for Sector programmes to **Programme 6: Incentives** for Services sector development incentives.

National Treasury approval was obtained for:

- R5.0 million in transfer from **Programme 9: Research** initially budgeted for compensation of employees (vacant posts) to **Programme 6: Incentives** for Services sector development incentives.
- R5.0 million shift within **Programme 4: Sectors** from the budgeted transfer to Council for Scientific and Industrial Research for the National Cleaner Production Centre to Trade and Industrial Policy Strategies.
- R5.0 million from **programme 8: Transformation and Competition** initially budgeted for compensation of employees (vacant posts) to **Programme 6: Incentives** for Services sector development incentives.
- R30.0 million from **Programme 7: Export** initially budgeted for compensation of employees (vacant posts) to **Programme 6: Incentives** for Services sector development incentives.

Key areas for oversight

The impact of the key virements including the:

- Virement from Industrial Development Zones to the Manufacturing Development Incentives.
- Virement from the compensation of employees' budget in programme 7, programme 8 and programme 9 to Services sector development incentives.

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