



Gauteng Province

● **ADJUSTED ESTIMATES OF PROVINCIAL  
REVENUE AND EXPENDITURE**

**2023**



**GAUTENG**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

**GGT2030**  
GROWING GAUTENG TOGETHER

# ADJUSTED ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE 2023



PR282/2023

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The Adjusted Estimates of Provincial Revenue and Expenditure 2023 is compiled using the latest available information from departmental and other sources. Some of this information is unaudited or subject to revision

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## LIST OF ABBREVIATIONS

AECE	Adjusted Estimates of Capital Expenditure
AEPRE	Adjusted Estimates of Provincial Revenue and Expenditure
APP	Annual Performance Plan
ARC	Agricultural Research Council
ARV	Antiretroviral Treatment
AIDS	Acquired Immunodeficiency syndrome
ANC	African National Congress
BAC	Budget at Completion
BCM	Budget Cycle Model
B-BBEE	Broad-Based Black Economic Empowerment
CAPEX	Capital Expenditure
CCS	Compulsary Community Service
CCTV	Closed Circuit Television
CFO	Chief Financial Officer
COE	Compensation of Employees
COGTA	Cooperative Governance and Traditional Affairs
CPA	Commonwealth Parliamentary Association
CPA	Contract Price Adjustment
CPC	Child Protection Committee
CYCC	Child and Youth Care Centre
CYCW	Child Youth Care Workers
CASP	Comprehensive Agricultural Support Programme
CDW	Community Development Workers
CDF	Concessionaire's Demand Forecast
CFI	Cloud-First Infrastructure
DBE	Department of Basic Education
DBSA	Development Bank of Southern Africa
DDG	Deputy Director General
DG	Director General
DED	Department of Economic Development
DID	Department of Infrastructure Development
DLTC	Driving Licence Testing Centre
DMC	Document Management Centre
DMS	Delivery Management System
DPSA	Department of Public Service and Administration
DSACR	Department of Sports, Arts, Culture and Recreation
DQA	Data Quality Audit
ECM	Enterprise Content Management
ECD	Early Childhood Development
ECE	Estimates of Capital Expenditure
E-Gov	Electronic Government
EFMS	Education Facilities Management System
EMS	Emergency Medical Services
EPWP	Expanded Public Works Programme
FDI	Foreign Direct Investment

FMDC	Fully Management Data Centre
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act
GBN	Gauteng Broadband Network
GBV	Gender Based Violence
GBVF	Gender Based Violence and Femicide
GGB	Gauteng Gambling Board
GIDZ	Gauteng Industrial Development Zone
GCRA	Gauteng City Region Academy
GDE	Gauteng Department of Education
GEP	Gauteng Enterprise Propeller
GGDA	Gauteng Growth and Development Agency
GGT	Growing Gauteng Together
GMA	Gautrain Management Agency
GIS	Geographic Information System
GPG	Gauteng Provincial Government
GPL	Gauteng Provincial Legislature
GPT	Gauteng Provincial Treasury
GTA	Gauteng Tourism Authority
GEP	Gauteng Enterprise Propeller
GG	Government Garage
GGT2030	Growing Gauteng Together
HIV and AIDS	Human Immune Virus and Acquired Immune Deficiency Syndrome
HOD	Head of Department
ICT	Information and Communication Technology
IDMS	Infrastructure Delivery Management System
LSB	Legislature Services Board
LTSM	Learner Teacher Support Materials
LTSM	Learners with Special Education Needs
LTSM	Learner Teacher Support Materials
LPID	Learners with Profound Intellectual Disability
MEC	Member of Executive Council
MV	Military veterans
NPI	Non-Profit Institution
OOP	Office of the Premier
PRF	Provincial Revenue Fund
PYEI	Presidential Youth Employment Initiative
PPE	Personal Protective Equipment
PDLTC	Public Driving Licence Testing Centres
RISFSA	Road Infrastructure Strategic Framework for South Africa
SAIPA	South African Institute of Professional Accountants
SCOA	Standard Chart of Accounts



SETA	Sector Education and Training Authority
SEZ	Special Economic Zone
SITA	State Information Technology Agency
SOPA	State of Province Address
SSIP	Secondary School Improvement Programme
SALS	South African Legislative Sector meetings

# SUMMARY OF ADJUSTMENTS FOR 2023/24

## 1. Adjusted Estimates of Provincial Revenue and Expenditure

The Gauteng Provincial Government (GPG) implemented the provincial adjustments budget process in line with the provisions of Section 18(1)(a) of the Public Finance Management Act (Act No. 1 of 1999)(PFMA) to facilitate the compilation of the 2023/24 provincial adjustments budget according to the provisions of Section 31 of the PFMA. The provincial adjustments budget revises and adjusts the 2023/24 provincial main budget that the Gauteng Member of Executive Council (MEC) for Finance tabled at the Gauteng Provincial Legislature on 09 March 2023.

The GPG revises the estimates of provincial revenue and expenditure by appropriating funds to provide for the priorities of the government, the shifting of funds between and within votes to follow the transfer of functions, the utilisation of savings under one main division for defrayment of excess expenditure in another main division, and the rollover of unspent funds from the preceding financial year.

The province uses this process to align the provincial budget with the government priorities and with the adjustments emanating from the national government. The adjustment from the National government covers the conditional grant reductions due to fiscal constraints faced by the government and the increase in equitable share funding to assist the province with the wage agreement for health and education. The adjustment budget is tabled under the overarching theme, "Finishing strong as we conclude the sixth administration and is informed by the continued implementation of the GGT2030 Plan with a key focus on the elevated priority actions of economic recovery and reconstruction, strengthening the fight against crime, corruption, vandalism, and lawlessness and changing the living conditions in townships, informal settlements, and hostels.

The GPG is using the provincial adjustments process to implement the national fiscal consolidation programme and to forge ahead with implementing the GGT2030 Plan, especially the five elevated priorities during this period of transitioning from the 6th administration to the 7th administration. The provincial budget process therefore implements the reductions in the national conditional grant allocations. It also facilitates the reallocation of funds from cost containment items and from the spending reviews. Unspent funds are reallocated towards the expenditure related to operations, elevated priorities, and frontline service delivery. Priority is also afforded to energy projects and infrastructure to mitigate the effect of loadshedding and promote economic growth.

Whilst this budget is prepared to meet the requirements of the province, the prevailing socio-economic situation has been considered during the budget preparation. The 2023/24 adjustments budget is prepared in an economic environment where in terms of the global economy there is recovery from the impact of the pandemic and the Russia/ Ukraine war, while inflation is being gradually controlled. According to the latest World Economic Outlook (WEO) report by the International Monetary Fund (IMF), global economic growth is expected to slow down from 3.5 per cent in 2022 to 3.0 per cent in 2023 and to 2.9 per cent in 2024. This is mainly due to weaker-than-expected growth in the euro area. However, the United States (US) economy is expected to provide some cushioning, as it is showing stronger-than-expected momentum.

The electricity sector challenges have particularly affected South Africa's economic growth prospects, with Gross Domestic Product (GDP) growth expected to decline from 1.9 per cent to 0.9 per cent in 2023. Over the course of the year, domestic headline inflation has eased slightly. The decline in headline inflation was mostly driven by a slight easing in food and fuel prices. However, despite inflation showing a declining trend for a large part of 2023, for miscellaneous goods and services, as well as housing and utilities, it remained high. Both food and fuel price inflation remain a considerable risk to the inflation outlook. The South African Reserve Bank (SARB) expects headline inflation to remain high but forecasts it to decline to 5.9 per cent in 2023 from 6.9 per cent, and to reach the mid-point of the target range by 2025.

Electricity and logistical constraints continue to pose a challenge to the economic growth outlook, limiting economic activity and driving up costs. In the second quarter of 2023, the domestic economy witnessed a growth of 0.6 per cent quarter-on-quarter (q-o-q), which is a slight improvement from the 0.4 per cent q-o-q growth seen in the first quarter. This improvement can be attributed to the better availability of energy in the second quarter. However, despite the increase in economic activity during this period, the economy's performance remains sluggish and lower than the peak achieved in the third quarter of 2022 in real terms. This weak performance has also resulted in a significant shortfall in revenue collection, particularly for corporate tax. This has weakened the revenue outlook and substantially raised fiscal risks. The National Treasury expects economic growth to slow down from 1.9 per cent in 2022 to 0.8 per cent in 2023.

The details of the adjustments are explained in the sections below.

## 2. Summary of the 2023 Adjusted Estimates of Provincial Receipts

### 2.1 Provincial receipts

TABLE 1: SUMMARY OF CHANGES TO RECEIPTS

R'000	Main Appropriation	Adjustments		Total Adjustments	Adjusted appropriation
		National funding	Provincial funding		
Equitable Share	120 752 475	3 712 921		3 712 921	124 465 396
Conditional Grants	27 436 744	(1 343 108)		(1 343 108)	26 093 636
<b>Transfers from National</b>	<b>148 189 219</b>	<b>2 369 813</b>		<b>2 369 813</b>	<b>150 559 032</b>
Provincial Own Receipts	7 622 407		(11 000)	(11 000)	7 611 407
<b>Gross Receipts</b>	<b>155 811 626</b>	<b>2 369 813</b>	<b>(11 000)</b>	<b>2 358 813</b>	<b>158 170 439</b>
Less: Direct charges - Political Office bearers	(85 090)		-	-	(85 090)
<b>Total Receipts</b>	<b>155 726 536</b>	<b>2 369 813</b>	<b>(11 000)</b>	<b>2 358 813</b>	<b>158 085 349</b>
Financing from Province	3 218 545		2 192 252	2 192 252	5 410 797
Provincial Financing	3 218 545		2 181 252	2 181 252	5 399 797
<b>Net Receipts</b>	<b>158 945 081</b>	<b>2,369,813</b>	<b>2,181,252</b>	<b>4,551,065</b>	<b>163,496,146</b>

The total receipts increase by a net amount of R2.4 billion from R155.7 billion to R158.1 billion, due to an increase of R3.7 billion in equitable share to support the province to respond to the cost of implementing the 2023 wage agreement for public servants. The equitable share funds for the wage agreement are earmarked for the provincial departments of education and health that are more labour-intensive. The conditional grants are reduced by R1.3 billion because of the current fiscal challenges faced by government. Provincial own receipts decline by R11 million to correctly classify the amount received from the South African National Roads Agency (SANRAL) that was incorrectly classified as revenue. The net provincial receipts amount to R163.5 billion after the allocation of the R2.2 billion provincial funding. Included in the net provincial receipts is R431 million allocated for the rollover of national conditional grants because the National Treasury granted the rollover approval for the national conditional grants that had not been surrendered to the National Revenue Fund.

### 2.2 Changes to Conditional Grants

TABLE 2: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	National Funding		
<b>Health</b>	<b>13 891 408</b>	<b>(370 230)</b>	<b>279 055</b>			<b>(91 175)</b>	<b>13 800 233</b>
HIV, TB, Malaria and Community Outreach	5 793 999	(299 727)	32 803			(266 924)	5 527 075
Health Facility Revitalisation Grant	1 116 750	(69 014)				(69 014)	1 047 736
National Tertiary Services Grant	4 988 103		226 809			226 809	5 214 912
Statutory Human Resources, Training and Development	1 879 547		19 443			19 443	1 898 990
National Health Insurance Grant	92 947						92 947
EPWP Integrated Grant	1 971	(192)				(192)	1 779
Social Sector EPWP Integrated Grant	18 091	(1 297)				(1 297)	16 794
<b>Education</b>	<b>3 743 238</b>	<b>(239 785)</b>				<b>(239 785)</b>	<b>3 503 453</b>
Education Infrastructure Grant	2 256 620	(219 546)				(219 546)	2 037 074

R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	National Funding		
HIV and Aids (Life Skills Education) Grant	36 385	(3 088)				(3 088)	33 297
National School Nutrition Programme Grant	1 094 224						1 094 224
Maths, Science and Technology Grant	60 778	(6 988)				(6 988)	53 790
Learners with Profound Intellectual Disabilities Grant	36 000						36 000
Early Childhood Development Grant	246 963	(9 213)				(9 213)	237 750
EPWP Integrated Grant	2 735	(267)				(267)	2 468
Social Sector EPWP Integrated Grant	9 533	(683)				(683)	8 850
<b>Social Development</b>	<b>22 444</b>	<b>(1 609)</b>				<b>(1 609)</b>	<b>20 835</b>
EPWP Integrated Grant							
Social Sector EPWP Incentive Grant	22 444	(1 609)				(1 609)	20 835
<b>Cooperative Governance and Traditional Affairs</b>	<b>1 960</b>	<b>(191)</b>				<b>(191)</b>	<b>1 769</b>
EPWP Integrated Grant	1 960	(191)				(191)	1 769
<b>Human Settlements</b>	<b>5 363 822</b>	<b>(659 398)</b>				<b>(659 398)</b>	<b>4 704 424</b>
Integrated Housing and Human Settlement Development Grant	4 125 835	(519 649)				(519 649)	3 606 186
Informal Settlements Upgrading Partnership Grant for Provinces	1 226 949	(138 673)				(138 673)	1 088 276
EPWP Integrated Grant	11 038	(1 076)				(1 076)	9 962
<b>Roads and Transport</b>	<b>3 947 680</b>	<b>(40 179)</b>	<b>118 242</b>			<b>78 063</b>	<b>4 025 743</b>
Provincial Roads Maintenance Grant	1 092 661	(40 179)				(40 179)	1 052 482
Public Transport Operations Grant	2 850 898		118 242			118 242	2 969 140
EPWP Integrated Grant	4 121						4 121
<b>Community Safety</b>	<b>5 057</b>	<b>(362)</b>				<b>(362)</b>	<b>4 695</b>
Social Sector EPWP Incentive Grant	5 057	(362)				(362)	4 695
<b>Agriculture and Rural Development</b>	<b>149 880</b>	<b>(7 403)</b>	<b>28 578</b>			<b>21 175</b>	<b>171 055</b>
Comprehensive Agricultural Support Programme Grant	103 014	(5 090)	27 275			22 185	125 199
Ilima/Letsema Projects Grant	37 885	(500)				(500)	37 385
Land Care Programme Grant: Poverty Relief and Infrastructure Development	5 360	(1 460)	1 303			(157)	5 203
EPWP Integrated Grant	3 621	(353)				(353)	3 268
<b>Sport, Arts, Culture and Recreation</b>	<b>301 249</b>	<b>(22 976)</b>	<b>6 109</b>			<b>(16 867)</b>	<b>284 382</b>
Community Library Services Grant	176 522	(14 000)	1 210			(12 790)	163 732
Mass Sport and Recreation Participation Programme Grant	124 727	(8 976)	4 899			(4 077)	120 650
EPWP Integrated Grant							
Social Sector EPWP Incentive Grant							
<b>Infrastructure Development</b>	<b>10 006</b>	<b>(975)</b>				<b>(975)</b>	<b>9 031</b>
EPWP Integrated Grant	10 006	(975)				(975)	9 031
<b>Total changes in conditional grants</b>	<b>27 436 744</b>	<b>(1 343 108)</b>	<b>431 984</b>			<b>(911 124)</b>	<b>26 525 620</b>

The 2023/24 allocations for the direct conditional grants have been reduced because of the current fiscal challenges faced by government. These reductions result from a review process undertaken by the national sector departments that administer conditional grants. Factors that were considered in making the reductions include, assessing the spending patterns of the grant allocations and the implication of the reductions on the overall operational activities of the grants.

The conditional grants allocation for the 2023/24 financial year reduces by a total of R911.1 million. Adjustments to the conditional grants include a total amount of R431.9 million rolled over from unspent funds and downwards adjustments of R1.3 billion.

**Gauteng Department of Health: R91.2 million decrease**

An amount of R32.8 million is rolled over to fund commitments on laboratory services within the Comprehensive HIV, AIDS Component of the District Health Programmes Grant. The remaining balance of R226.8 million is rolled over for commitments under the National Tertiary Services Grant which pertain to the purchase of medical and allied equipment, and R19.4 million is for commitments under the Training Component of the Human Resources Training Grant related to the procurement of medical and training equipment.

A total of R370.2 million is a reduction on the budget for 2023/24 financial year. The District Health Programme Grant reduces by R297.7 million, the Health Facility Revitalisation Grant by R69 million while the Extended Public Works Integrated Grant and Social Sector Extended Public Works Incentive Grant reduce by R192 000 and R1.2 million respectively.

**Gauteng Department of Education: R239.8 million decrease**

The conditional grants allocation reduces by a total of R239.7 million due to spending reductions implemented by the national government. The reduction includes the Education Infrastructure Grant with R219.5 million, Maths, Science and Technology Grant with R6.9 million, HIV and AIDS (Life Skills Education) Grant with R3 million, the maintenance portion of the Early Childhood Development Grant with R9.2 million, the Expanded Public Works Programme Integrated Grant with R267 000 and the Social Sector EPWP Incentive grant with R683 000.

**Gauteng Department of Social Development: R1.6 million decrease**

The Social Sector Expanded Public Works incentive Grant reduces by R1.6 million due to spending reductions implemented by the national government.

**Gauteng Department of Cooperative Governance and Traditional Affairs: R191 000 decrease**

The Expanded Public Works Integrated Grant reduces by R191 000 due to fiscal consolidation implemented by the national government.

**Gauteng Department of Human Settlements: R659.4 million decrease**

The budgets for conditional grants are revised downwards due to national fiscal constraints as follows: Human Settlements Development Grant (R555.6) million, Informal Settlements Upgrading Partnership Grant for Provinces (R138.7) million and Expanded Public Works Integrated Grant (R1.1) million.

**Gauteng Department of Roads and Transport: R78 million increase**

The department receives a rollover of R118.2 million for Public Transport Operations Grant to fund the settlement of unpaid invoices for services rendered in March 2023. The rollover includes R24.9 million for the Northwest Star bus subsidies. The Provincial Road Maintenance Grant is reduced by an amount of R40.2 by the national government due to spending reductions.

**Gauteng Department of Community Safety: R362 000 decrease**

The Social Sector Expanded Public Works Incentive Grant reduces by R362 000 due to spending reductions implemented by the national government.

**Gauteng Department of Agriculture and Rural Development: R21.2 million increase**

A net amount of R22.2 million is added to Comprehensive Agricultural Support Programme Grant, this due to a roll-over of R27.2 million to cover expenditure relating to for invoices related to infrastructure and the Extension Recovery Plan and a reduction of R5.1 million from from mechanization programme, sunflower seeds and training and capacity building of famers.

A net amount of R157 000 is taken from for Land care Programme Grant which accounts for a reduction of R1.5 million by national government and a rollover of R1.3 million to fund invoices from the City of Tshwane and the City of Ekurhuleni metropolitan municipalities. The Expanded Public Works Integrated Grant and Ilima/ Letsema Project Grant reduce by R353 000 and R500 000 due to fiscal consolidation implemented by national, respectively.

**Gauteng Department of Sport, Arts, Culture and Recreation: R16.9 million decrease**

An amount of R12.8 million taken from Community Library Services Grant which is the net effect of a reduction of R14 million and a roll-over of R1.2 million with the latter funding the settlement of invoices that could not be paid by the end of the financial year. A total of R4.1 million is reduced from Mass Sport and Recreation Participation Programme Grant which is the net effect of R8.9 million cut and a rollover of R4.1 million, with the latter for funding the settlement of invoices that could not be paid by the end of the financial year.

**Gauteng Department of Infrastructure Development: R975 000 decrease**

The Expanded Public Works Integrated Grant reduces by R975 000 as communicated by national government.

### 3. Summary of the 2023 Adjusted Estimates of Provincial Expenditure

#### 3.1 Changes to Provincial Payments by Vote

TABLE 3: CHANGES TO PROVINCIAL PAYMENTS BY VOTE

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	National Funding	Provincial Funding		
Office of the Premier	886 081	(144 682)				86 000	(58 682)	827 399
Gauteng Provincial Legislature	857 061							857 061
Economic Development	1 860 185		13 566				13 566	1 873 751
Health	60 093 535	(370 230)	279 055		2 500 000		2 408 825	62 502 360
Education	63 421 638	(95 103)	33 029				(62 074)	63 359 564
Social Development	5 550 806	(1 609)				70 000	68 391	5 619 197
Cooperative Governance and Traditional Affairs	639 686	(191)				441 000	440 809	1 080 495
Human Settlements	6 421 222	(659 398)				160 000	(499 398)	5 921 824
Roads and Transport	8 478 597	(179)	138 242			1 369 081	1 507 144	9 985 741
Community Safety	2 706 192	(40 362)	88 280			10 047	57 965	2 764 157
Agriculture and Rural Development	1 066 204	(8 635)	42 392			159 156	192 913	1 259 117
Sport, Arts, Culture and Recreation	1 089 937	(32 664)	23 255			42 000	32 591	1 122 528
E-Government	1 744 202					10 000	10 000	1 754 202
Gauteng Provincial Treasury	818 465	(23 000)					(23 000)	795 465
Infrastructure Development	3 311 270	(22 458)	55 473			429 000	462 015	3 773 285
<b>Total</b>	<b>158 945 081</b>	<b>(1 398 511)</b>	<b>673 292</b>		<b>2 500 000</b>	<b>2 776 284</b>	<b>4 551 065</b>	<b>163 496 146</b>

#### Gauteng Office of the Premier: R58.7 million decrease

The main budget decreases by R58.7 million to an adjusted appropriation of R827.4 million. The net decrease comprises of the R144.7 million reduction to implement the transfer of the Tshepo 1 Million Programme to the Gauteng Department of Education and the R86 million additional funding to provide for the Life Esidimeni claims and legal costs (R79 million) and for the operational costs of the Usindiso Building fire inquiry commission (R7 million). The Gauteng Office of the Premier shifted R10 million internally to augment the budget for the inquiry commission.

#### Gauteng Provincial Legislature: No changes

#### Gauteng Department of Economic Development: R13.5 million increase

The total budget increases from R1.86 billion to R1.87 billion. The R13.5 million increase is made up of a rollover of unspent funds from the 2022/23 financial year towards the payment of accruals and commitments for which the purchase orders had been issued.

#### Gauteng Department of Health: R2.4 billion increase

The budget increases by R2.4 billion from the main appropriation of R60.1 billion to R62.5 billion. The net increase of R2.4 billion is attributable to the R2.5 billion national additional funding allocated for the public service wage agreement and to the approved rollover of R279 million for conditional grants commitments that could not be paid by 31 March 2023. The conditional grants rollover amount includes R32.8 million for the Comprehensive HIV/AIDS component of the District Health Programmes Grant to fund goods and services and machinery and equipment. It also includes R226.8 million for the National Tertiary Services Grant commitments for the purchase of medical and allied equipment as well as R19.4 million for the Training Component commitments for procuring medical and training equipment.

Due to fiscal challenges, R370.2 million was reduced from the department's budget, the reductions result from a review process undertaken by the national sector departments that administer conditional grants. The reduction includes R297.7 million for the District Health Programme Grant, R69 million for the Health Facility Revitalisation Grant, R192 000 for the Extended Public Works Integrated Grant, and R1.2 million for the Social Sector Extended Public Works Incentive Grant.

#### Gauteng Department of Education: R62 million decrease

The appropriation decreases by a net amount of R62 million, from R63.4 billion to an adjusted appropriation of R63.3 billion in the 2023/24 financial year due to the reduction in the national conditional grants. The increases include R33 million approved provincial rollover for settling commitments from the previous financial year, of which R27.6 million is for the Presidential Youth Employment Initiative (PYEI) programme to fund the payment of stipends for February 2023 and March

2023, and R5.3 million is for internal bursaries to fund the registration of the second-year school-based educators that took place during the last quarter of the 2022/23 financial year. The increases also include R144.7 million received from the Gauteng Office of the Premier following the shifting of the Tshepo 1 Million Programme to the Gauteng Department of Education. The Solar Technicians Project (STP) is among the youth-related projects that will be funded by this amount. The national conditional grants decrease by a total of R239.7 million. This amount includes R219.5 million for the Education Infrastructure Grant, R6.9 million for the Maths, Science and Technology Grant, R3 million for the HIV and AIDS (Life Skills Education) Grant, R9.2 million for the maintenance portion of the Early Childhood Development Grant, R267 000 for the Expanded Public Works Programme (EPWP) Integrated Grant, and R683 000 for the Social Sector EPWP Incentive grant.

#### **Social Development: R68.3 million increase**

The overall budget increases from a main appropriation of R5.5 billion to an adjusted appropriation of R5.6 billion. The increase in budget allocation relates to the additional amount of R70 million received for the acquisition of a new building which will be repurposed into a shelter for the homeless.

The EPWP Incentive Grant reduces by R1.6 million following the review of conditional grants national government.

#### **Cooperative Governance and Traditional Affairs: R440.8 million increase**

A net increase of R440.8 million includes the R441 million additional funding allocated for energy projects within the province and the R191 000 decrease following the review of conditional grants by national government. The total budget therefore increases from R639.7 million to R1.1 billion in the 2023/24 financial year.

#### **Gauteng Department of Human Settlements: R499.3 million decrease**

There is a net decrease of R499.3 million in the department's budget. This net amount includes a decrease in the national conditional grants and an additional funding allocated. The R659 million decrease includes R519.7 million for the Human Settlements Development Grant, R138.7 million for the Informal Settlements Upgrading Partnership Grant, and R1 million for the EPWP Grant. The R160 million additional funding is allocated for the provision of interim sanitation services.

#### **Gauteng Department of Roads and Transport: R1.5 billion increase**

The appropriation increases by R1.5 billion from R8.5 billion to R10 billion. The net increase includes the R40 million decrease in the Provincial Roads Maintenance Grant following the spending reductions by national government and an additional funding allocated. The increase includes R40 million received from the Gauteng Department of Community Safety to fund the Provincial Integrated Command Centre, R138 million rollover for the Public Transport Operation Grant and for the Gauteng Taxi Industry Trust (GTIT), R25 million additional funding for municipal services, R1.2 billion additional funding for the committed infrastructure projects, R55.7 million additional funding for the gazetting of operating licensing, new number plate project, expansion of frontline services to TISH, and the OHS requirement for the TOLAB facilities in Randfontein and Tshwane.

#### **Gauteng Department of Community Safety: R57.9 million increase**

The department's budget increases by a net amount of R57.9 million from R2.706 billion to an adjusted appropriation of R2.764 billion due to rollovers, reallocations, and a surrender of funds to the Provincial Revenue Fund. R40 million is surrendered due to delays in finalising organisational structure. The Social Sector EPWP Incentive Grant is reduced by the national sector department by an amount of R362 000 due to the prevailing fiscal challenges faced by the country.

R88.2 million is a rollover to fund the elevated priority of defeating or overcoming lawlessness and crime in the province, through expanding and capacitating the police force and investing in e-police and e-security. Of the total amount of R88.2 million rolled over, R11.2 million is for the payment of stipends to Gender Based Violence Brigades and Victim Empowerment Centre patrollers, and R989 000 is for training of a drone operator pilot, R720 000 is for the procurement and installation of e-Panic buttons, R1.7 million is for the procurement of drones, R2.1 million is for the supply and installation of tetra radios and R65.6 million is for the procurement of motor vehicles, R4.3 million is for the procurement of 205 laptops, and R1.8 million is for the supply and delivery of gazebos.

#### **Gauteng Department of Agriculture and Rural Development: R192.9 million increase**

The total budget has been adjusted upwards from R1.066 billion to the adjusted appropriation of R1.259 billion, increasing by an amount of R192.9 million. An amount of R1.2 million is surrendered for infrastructure capacity building. R42 million is an approved rollover for the procurement of pool vehicles for agricultural extension officers, tractors, and supply and delivery of piggery and poultry inputs and equipment, project management administration, and payment of stipends to establish conservation agriculture (Soybean) Farms for temporary workers, cannabis laboratory equipment, and analytical instruments. The rollovers also provide for the energy Audit research project, Pre-feasibility study for the proposed establishment of a regional Waste Facility "Eco park" in Gauteng, development of a standardised waste tariff model for municipalities landfill sites, drilling of borehole and appointment of transactional Advisor.

An amount of R159.1 million is additional funding allocated for wages, unemployment insurance fund (UIF) & compensation for occupational injuries and diseases act (COIDA) for Green Army EPWP Programme. The department has recruited 6000 EPWP Green Army to participate in the Bontle ke Botho Gauteng's Clean and Green programme. The EPWP participants will

reduce poverty and unemployment including skills development for the poor citizens of Gauteng particularly in TISH areas.

**Gauteng Department of Sport, Arts, Culture and Recreation: R32.5 million increase**

The department's budget decreases by R32.5 million from R1.089 billion to adjusted appropriation of R1.122 billion. R9.6 million is surrendered to the Provincial Revenue Fund due to delays in the construction of infrastructure projects. The department receives the rollover of R23.2 million for Community Libraries Services Grant; Mass Participation Sport Development Grant to fund commitments and accruals. The rollovers for accruals in goods and services amount to R8.9 million, for transfers and subsidies to Gauteng based football teams in the Premier Soccer League and the National First Division amounts to R7.6 million, for transfers and subsidies to household bursaries for non-employees amounts to R233 000. National budget cuts of R22.9 million were implemented due to current fiscal challenges and decline in government tax collection.

Provincial additional funding of R42 million is received. This amount includes R10 million for the Gauteng Film summit, R20 million for Gig Trucks to be used for GPG communication in TISH areas, R7 million for the Monate December Programme to increase social cohesion and nation building to strengthen the battle against crime, corruption, vandalism, and lawlessness through commissioned and prescribed work in TISH areas. It also includes R5 million for the construction of artificial turfs to give communities access to professional soccer fields within communities and therefore providing a development opportunity for this sporting code.

**Gauteng Department of e-Government: R10 million increase**

The main appropriation increases by R10 million from R1.744 billion to an adjusted appropriation of R1.754 billion. The R10 million increase is allocated to fund the implementation of the e-Panic button project.

**Gauteng Provincial Treasury: R23 million decrease**

An unutilized R23 million for vacant posts in the organisational structure is surrendered to the Provincial Revenue Fund, which reduces the budget from R818.5 million to R795.5 million in the 2023/24 financial year.

**Gauteng Department of Infrastructure Development: R462 million increase**

The department's budget increases to R3.773 billion. The net increase of R462 million includes R21.4 million surrendered to the Provincial Revenue Fund because of deferred capital projects. It also includes an approved rollover from 2022/23 financial year to 2023/24 financial year for various projects such as the R43 000 allocated for buildings and other fixed structure, R51.9 million allocated to goods and services to make provision for utilities, and R3.5 million allocated to transfers and subsidies to fund municipal rates and taxes.

An amount of R429 million is allocated for the ongoing spending on commitments, which comprises of R100 million for operational leases and R329 million additional funding for alternative energy projects.



### 3.2 Changes to Provincial Payments by Economic Classification

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TABLE 4: CHANGES TO PROVINCIAL PAYMENTS BY ECONOMIC CLASSIFICATION

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	National Funding	Provincial Funding		
<b>Current Payments</b>	<b>126 861 659</b>	<b>(296 785)</b>	<b>161 928</b>	<b>(428 066)</b>	<b>2 500 000</b>	<b>1 259 680</b>	<b>3 196 757</b>	<b>130 058 416</b>
Compensation Of Employees	91 735 142	(71 410)		(1 363 743)	2 500 000	1 600	1 066 447	92 801 589
Salaries and Wages	79 762 354	(67 054)		(1 024 019)	1 898 454		807 381	80 569 735
Social Contributions	11 972 788	(4 356)		(339 724)	601 546	1 600	259 066	12 231 854
Goods and Services	35 126 517	(225 375)	161 928	930 118		1 258 080	2 124 751	37 251 268
Interest and rent on land				5 559			5 559	5 559
<b>Transfers and subsidies</b>	<b>26 077 840</b>	<b>(783 287)</b>	<b>177 697</b>	<b>852 119</b>		<b>229 500</b>	<b>476 029</b>	<b>26 553 869</b>
Provinces and Municipalities	1 970 135	(7 691)	3 540	(210)			(4 361)	1 965 774
Departmental Agencies and Accounts	3 864 203			88 937			88 937	3 953 140
Higher Education Institutions	70 115			(2 567)			(2 567)	67 548
Public Corporations and Private Enterprises	3 321 190		118 242	(184 822)			(66 580)	3 254 610
Non Profit Institutions	10 767 845	(152 198)		775 052		30 000	652 854	11 420 699
Households	6 084 352	(623 398)	55 915	175 729		199 500	(192 254)	5 892 098
<b>Payments for capital assets</b>	<b>6 005 582</b>	<b>(318 439)</b>	<b>333 667</b>	<b>(424 644)</b>		<b>1 287 104</b>	<b>877 688</b>	<b>6 883 270</b>
Buildings and other Fixed Structures	3 591 516	(318 439)	43	(573 770)		1 277 057	384 891	3 976 407
Machinery and Equipment	2 145 118		333 624	152 515		10 047	496 186	2 641 304
Land and Sub-Soil Assets	261 031							261 031
Software and other Intangible Assets	7 917			(3 389)			(3 389)	4 528
<b>Payments For Financial Assets</b>				<b>591</b>			<b>591</b>	<b>591</b>
Thefts and Losses				591			591	591
<b>Total Economic Classification</b>	<b>158 945 081</b>	<b>(1 398 511)</b>	<b>673 292</b>		<b>2 500 000</b>	<b>2 776 284</b>	<b>4 551 065</b>	<b>163 496 146</b>

The province's allocation increases by R4.5 billion from R158.9 billion to R163.4 billion. The increase comprises of R673.3 million rollovers, R2.5 billion additional funding from national government, R2.8 billion from provincial additional funding and R1.4 billion surrendered to the Provincial Revenue Fund. The adjustments also include virements and shifts within departments.

Adjustments to compensation of employee increase the budget by R1.066 billion from the main budget of R91.7 billion to R92.8 billion. Additions to compensation of employees are allocated to the Gauteng Department of Health (i.e., R2.5 billion) to support the implementation of the public sector wage agreement and to the Gauteng Department of Agriculture and Rural Development (i.e., R159.1 million) that receives the provincial funding to provide for 6000 EPWP green army. The major reductions in compensation of employees are in the Gauteng Provincial Treasury and Gauteng Department of Community Safety which surrender to the Provincial Revenue Fund R23 million and R40 million, respectively, for vacant posts. R1.4 billion reduction in compensation of employees through virements and shifts reflect in various departments to fund programs.

The budget for goods and services is R2.1 billion higher during the adjustments budget process. The net increase comprises of provincial additions and reductions through surrenders, virements and shifts. Among key provincial departments contributing significantly to the R225 million surrenders is the Gauteng Department of Health due to spending reductions that reduces the conditional grant allocations in provinces.

The R161.9 million rollovers contribute to the increase in goods and services. Amongst others, R40.3 million is allocated to the Gauteng Department of Health to fund the payment of the previous year's commitments on goods and services and machinery and equipment. R12.5 million is allocated to the Gauteng Department of Economic Development to reimburse previous year's expenditure incurred prior to the rollover approval. R5.3 million is allocated to the Gauteng Department of Education to fund the registration of the second-year school-based educators that took place during the last quarter of the 2022/23 financial year. The Gauteng Department of Community Safety rolls over R 12.1 million for the payment of stipends, training of drone pilots and for procuring and installation of e-panic buttons. R24.7 million is allocated to the Gauteng Department of Agriculture and Rural Development for supply and delivery of piggery and poultry inputs and equipment project management administration, and payment of stipends to establish conservation agriculture (Soybean)

Farms for temporary workers, cannabis laboratory equipment, and analytical instruments. Lastly, the Gauteng Department of Infrastructure Development is allocated R51.9 million to make provisions for municipal services.

Through virements and shifts, goods and services increased by R930.1 million. The Gauteng Office of the Premier reallocates R51 million to address spending pressure such as the provincial strategic support task team, legal fees resulting from inter-departmental claims received from the National Department of Justice, replacement of obsolete laptops and purchase of new laptops and inter-departmental claims for VIP protection services from the Gauteng Department of Community Safety. The Gauteng Department of Economic Development reprioritised funds towards programmes and activities which are geared towards the delivery of the Township Informal Settlement and Hostel (TISH), Township Enterprise Development Act (TEDA) initiatives, and SEZ programmes. The Gauteng Department of Social Development reallocates R13.5 million mainly from dignity packs. The Gauteng Department of Education in response to the elevated priorities, reprioritized funds to make provision for improving grade 12 results, investing in school infrastructure, youth development, Schools of Specialisation, supplementing the budget for school nutrition programme for quintile 4 and 5 schools, scholar transport due to increase in learner numbers and school furniture. Furthermore, savings are realised on the procurement of learner and teacher support material (LTSM) because of a bulk buying discount received from the service provider. The Information Communication and Technology (ICT) budget is also reclassified between the different items to align with the revised spending plan. In addition, the budget for the payment of stipends to bus conductors is reclassified from operating payments to NPI as the payments will be administered by the schools and funds are also made available for curriculum projects within primary schools. Reprioritisation is done within the conditional grants to align with the revised spending plans and the implementation of cost containment measures realised savings which are used to defray excess expenditure and to cover a budget shortfall within items that fund frontline service delivery. The Gauteng Department of Roads and Transport reallocates funds so that elevated priorities and operational requirements can have the required resources.

Provincial funding totalling R2.8 billion is added to provincial departments. It includes R441 million allocated to the Gauteng Department of Cooperative Governance and Traditional earmarked for energy projects within the province. The Gauteng Department of Human Settlements receives funds for interim sanitation services while the Gauteng Department of Infrastructure Development receives R100 million for operational leases and R329 million for energy projects. The Gauteng Department Agriculture and Rural Development is funding wages, unemployment insurance fund and Compensation For Occupational Injuries And Diseases Act (COIDA) for 6000 Green Army EPWP Programme. The Gauteng Office of the Premier is allocated funding for Life Esidimeni claims and legal costs, and for the Usindiso Building fire inquiry commission. Gauteng Department of Roads and Transport receive R80.7 million, of which R25 million is for the payment of municipal services and R55.7 million additional funding is for several items including gazetting of operating licensing, new number plate project, the expansion of frontline services to TISH and the Occupational Health and Safety requirements for the Transport Operating Licensing Administration Boards (TOLAB) facilities in Randfontein and Tshwane.

Total transfers and subsidies increase by R476 million. Of this amount, R118.2 million is a rollover under public corporations and private enterprises in the Gauteng Department of Roads and Transport to settle invoices that could not be settled before the payment cut-off date in March 2023. Departmental agencies and accounts increase by R88.9 million, which comes from virements and shifts. The Gauteng Department of Economic Development's entities contribute significantly to this amount. Public corporations and private enterprises reduce by R66.5 million mainly due to reprioritisation of funds from the North-West Star as the contracts linked to this fund are now incorporated within the Provincial Transport Operation Grant.

Transfers to non-profit institutions (NPIs) increase by R652.8 million to fund the Gauteng Department of Education for reclassifying the budget for paying stipends to school safety patrollers from compensation of employees to transfers to NPIs as payments will be made by schools and to reclassify the budget for School Governing Body (SGB) advocacy from goods and services to transfer to Matthew Goniwe School of Governance and Leadership.

Transfers to households is reduced by R192.3 million. They include the Gauteng Department of Human Settlement's cuts on conditional grants (i.e., Human Settlements Development Grant, Informal Settlements Upgrading Partnership Grant and EPWP Integrated Grant).

The R877.7 million increase in payments for capital assets include surrenders, rollovers, additional funds and virements and shifts. Gauteng Department of Health surrenders funds for buildings and other fixed structures due to budget cuts on conditional grants (i.e., Health Facility Revitalisation Grant and EPWP integrated Grant for Provinces). The Gauteng Department of Education surrenders funds due to budget cuts on conditional grants (i.e., Education Infrastructure Grant). Through virements and shifts, the Gauteng Department of Education reallocates R440 million to make provision for the self-built classroom programme for the SGB to build additional brick-and-mortar classrooms to address overcrowding. The Gauteng Department of Community Safety reallocates R102.5 million to machinery and equipment to purchase motor vehicles, guns, drones and to convert an identified secure building into an operational command and control centre which is equipped with the necessary ICT infrastructure to fight crime and make Gauteng a safer place.

The Gauteng Department of Community Safety is allocated an additional funding of R10 million under machinery and equipment to reimburse the department for receipts from SANRAL that were surrendered to the PRF at the end of the

2022/23 financial year. The Gauteng Department of Roads and Transport reduces the budget for land and sub-soil assets to correct a misallocation of software licenses.

## 4. Details of Transfers to Local Government, Public and Trading Entities

### 4.1 Changes to transfers to Local Government

TABLE 5: CHANGES TO TRANSFERS TO LOCAL GOVERNMENT

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	National Funding	Provincial Funding		
Category A	1 171 255	(3 400)	3 540	71 535			71 675	1 242 930
Category B	486 139	(4 291)		190			(4 101)	482 038
Category C	23 811							23 811
Unallocated								
<b>Total Transfers</b>	<b>1 681 205</b>	<b>(7 691)</b>	<b>3 540</b>	<b>71 725</b>			<b>67 574</b>	<b>1 748 779</b>

In terms of section 29(2)(a)(i) of the Division of Revenue Bill, a Provincial Treasury is required to publish the transfer allocations to local government by each department by means of a gazette. These allocations are also published in the budget documents of a province.

In the financial year 2023/24, the Gauteng Department of Human Settlements makes transfers to Category A and Category B municipalities for the delivery of housing stock or units, where a municipality is appointed as the implementing agent. The Gauteng Department of Cooperative Governance and Traditional Affairs makes transfers to municipalities for the purpose of improving Fire and Rescue Services response capabilities, GRAP 17 support in targeted municipalities, and for the EPWP conditional grant to continue to support job creation initiatives in communities. The Gauteng Department of Sport, Arts, Culture, and Recreation provides funding to municipalities for the operationalisation of community libraries in accordance with the directives of the National Department of Arts and Culture through the Community Library Services Grant. Transfers made by the Gauteng Department of Infrastructure Development are for the payment of rates and taxes on behalf of the Gauteng Provincial Government to all the municipalities across the province. The Gauteng Department of Agriculture and Rural Development budgeted transfers in favour of Mogale City Local Municipality for payment of rates and taxes on behalf of the department. The Gauteng Department of Roads and Transport also makes a provision the payment of municipal services.

#### Function Shifts, Surrenders and Suspensions: (R7.7 million)

An amount of R7.7 million is surrendered back to the Provincial Revenue Fund due to the implementation of compulsory conditional grants cuts to implement spending reductions. The Gauteng Department of Sport, Arts, Culture and Recreation surrenders R7.5 million from their allocation earmarked for transfer in favour of municipalities, whilst the Gauteng Department of Cooperative Governance and Traditional Affairs surrenders an amount of R191 000 from the EPWP Incentive Grant.

#### Rollovers: R3.5 million

The Gauteng Department of Infrastructure Development receives a rollover amount of R3.5 million for the payment of outstanding municipal services on behalf of the province.

#### Virements and shifts: R71.7 million

Through shifts, the following departments allocate additional funding and redirects funding from municipalities as follows: the Gauteng Department of Human Settlements allocates an additional amount of R71.9 million in favour of the City of Tshwane Metropolitan Municipality following the reprioritisation of the departmental business plan related to the Informal Settlements Upgrading Partnership Grant (ISUPG) to be utilized for the provision of rudimentary water; sanitation and waste management services for the 7 427 Mamelodi flood victims and K54 informal residents. The Gauteng Department of Roads and Transport re-directs an amount of R400 000 from the allocation earmarked for rates and taxes due to reduced usage of water and electricity because of remote working by some officials of the department. Whilst, the Gauteng Department of Agriculture and Rural Development makes an additional amount of R190 000 available for transfer payment in favour of Mogale City Local Municipality in respect of municipal services.

## 4.2 Changes to Transfers to Public Entities

TABLE 6: CHANGES TO TRANSFERS TO PUBLIC ENTITIES

R thousand	Main Appropriation	2023/24 Adjustments					Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	National Funding	Provincial Funding	
1. Gautrain Management Agency	2 506 958						2 506 958
2. Gauteng Growth and Development Agency	621 682			(4 000)			617 682
3. Gauteng Enterprise Propeller	197 710			23 623			221 333
4. Gauteng Tourism Authority	109 954			8 000			117 954
5. Gauteng Partnership Fund	467 285						467 285
<b>Total Transfers</b>	<b>3 436 304</b>			<b>27 623</b>			<b>3 463 927</b>

Transfers to public entities are adjusted upwards by R27.6 million from R3.4 billion to R3.5 billion during the 2023/24 adjustments budget process. The adjustments are as follows:

### Gautrain Management Agency (GMA)

There are no changes.

### Gauteng Growth and Development Agency (GGDA)

The budget for the GGDA reflects a net decrease of R4 million resulting in an adjusted appropriation of R617.7 million. GGDA identified R20 million from the Constitution Hill Visitor Centre budget will not be spent due to construction challenges and therefore this amount is redirected within GGDA to the following projects amounting to R16 million: R4 million for Vaal SEZ - Additional town planning activities for the first phase, R8 million for the Constitution Hill Creative Industries Hub, R4 million for the Constitution Hill Human Rights Signature Event. The balance of R4 million is for an inter departmental claim, for the Madiba International Boxing Event, hosted by SACR.

### Gauteng Enterprise Propeller (GEP)

There is a net increase of R23.6 million in the allocation for GEP. This amount includes R20 million for the loan disbursement programme and R8.1 million to fund a shortfall in the operational budget to ensure that the entity meets its operational commitments.

An amount of R4.5 million is redirected to GTA and is disaggregated as follows:

- R2.5 million is part of the entity's contribution towards the Integrated Communication and Marketing strategy; and
- R2 million is for the partnership with GTA for the Enterprise and Supplier Development Programme.

### Gauteng Tourism Authority (GTA)

The budget for GTA is R8 million higher during the adjustments budget process. The increase includes R4.5 million received from GEP, of which R.2 million is for implementing the Integrated Communication and Marketing strategy, and R2 million is for the Enterprise and Supplier Development (ESD) Programme. The increase also includes R2.5 million for the operations, repairs, and maintenance costs in Ga-Rankuwa Hotel School, and R1 million for the Spring to Festive Summer Campaign.

### Gauteng Partnership Fund (GPF)

There are no changes.

### 4.3 Changes to Transfers to Trading Entities

TABLE 7: CHANGES TO TRANSFERS TO TRADING ENTITIES

R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	National Funding		
1. Cradle of Humankind	52 699			16 600		16 600	69 299
2. Dinokeng	35 819			300		300	36 119
3. Gauteng Liquor Board	79 115						79 115
4. Gauteng Gambling Board	409						409
5. Gauteng Infrastructure Funding Agency	65 468			9 400		9 400	74 868
<b>Total Transfers</b>	<b>233 510</b>			<b>26 300</b>		<b>26 300</b>	<b>259 810</b>

Transfers to trading entities increase by R26.3 million from R233.5 million to an adjusted appropriation of R259.8 million. These changes impact the Gauteng Infrastructure Financing Agency and the trading entities of the Gauteng Department of Economic Development.

#### **Cradle of Humankind**

Cradle of Humankind transfers increase by R16.6 million. These adjustments include:

- R10 million for the Sterkfontein Caves that is closed due to water damage.
- R2 million for the World Rowing Masters Regatta.
- R1.6 million for the infrastructure maintenance to the main building (TUMULUS).
- R1.5 million to cover Maropeng Africa Leisure (MAL) operational losses for the 2023/24 financial year; and
- R1.5 million for signage and marketing.

#### **Dinokeng**

An amount of R300 00 is reprioritised to the entity for the awareness project on dangerous animals around the game reserve and to improve the signage in the Dinokeng Game Reserve and surrounding areas.

#### **Gauteng Gambling Board and Gauteng Liquor Board (GLB)**

There are no changes.

#### **Gauteng Infrastructure Financing Agency**

The transfer is adjusted upwards by R9.4 million resulting in an adjusted budget of R74.9 million. The funds provide for operational support of the advisory panels that have been set up to assist with the establishment of the provincial state bank and the pharmaceutical company.

## 5. Summary of the 2023 Adjusted Estimates of Provincial Own Receipts

TABLE 5: SUMMARY OF THE ADJUSTED ESTIMATES OF PROVINCIAL OWN RECEIPTS

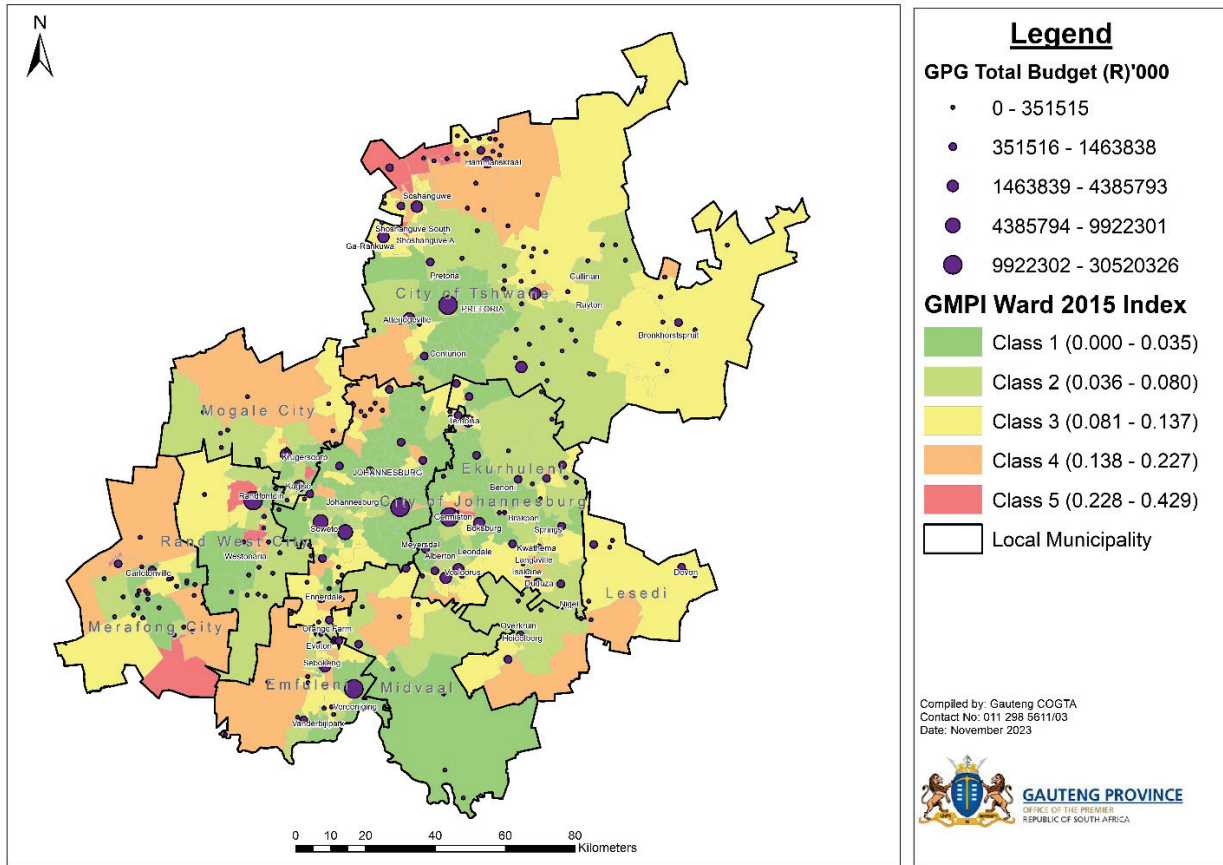
R thousand	Main Appropriation	Total AdjustmentS	Adjusted AppropriatioΠ	Actual Receipts April - September 2023
Office of the Premier	390		390	443
Gauteng Provincial Legislature				
Economic Development	1 240 418		1 240 418	615 434
Health	562 433		562 433	248 362
Education	40 951		40 951	27 361
Social Development	4 386		4 386	11 350
Cooperative Governance and Traditional Affairs	397		397	156
Human Settlements	949		949	932
Roads and Transport	5 005 843		5 005 843	2 006 836
Community Safety	45 816	(11 000)	34 816	14 685
Agriculture and Rural Development	15 863		15 863	9 969
Sport, Arts, Culture and Recreation	394		394	248
E-Government	812		812	335
Gauteng Provincial Treasury	670 898		670 898	723 791
Infrastructure Development	32 856		32 856	11 373
<b>Total Changes in Own Receipts</b>	<b>7 622 406</b>		<b>7 611 406</b>	<b>3 671 275</b>

The provincial own receipts are adjusted downward by R11 million from R7.622 billion to R7.611 billion because of a reduction in the budget of the Gauteng Department of Community Safety to correctly classify the amount received from the South African National Roads Agency (SANRAL) that was incorrectly classified as revenue.

The Gauteng Department of Community Safety received funding from SANRAL to provide for the salaries of traffic officers who are involved in the SANRAL projects. The department classified the money received as revenue, whereas it was later established that according to the accounting standards the money should have been recorded in the books of the department as receivables. The department, therefore, obtained treasury-approval to reverse the transaction and exclude this money from the provincial own receipts. The department's budget for provincial own receipts reduces by R11 million from R45.8 million to R34.8 million in the 2023/24 financial year.

The landscape of provincial own receipts remains unchanged. Ninety-eight per cent of the total provincial own receipts comes from the combination of four provincial departments, which are the Gauteng Department of Roads and Transport, Gauteng Department of Economic Development, Gauteng Department of Health, and Gauteng Provincial Treasury. The other provincial departments contribute two per cent of the total provincial own receipts.

**Spatial Referencing**



The aim of spatially referencing the Adjustment Budget is to visually demonstrate how allocations have changed taking into account factors and scenarios not known at the time of the initial tabling; unforeseeable and unavoidable events; as well as crowding in funding from underperforming programmes towards critical priorities. The map above reflects some of the changes effected in the reprioritisation of the adjustment budget which aims to target investment in the designated focus areas of Gauteng Townships, Informal Settlements and Hostels. In addition, the map aims to demonstrate how the GPG budget is spent across the province in line with critical provincial outcomes.

**VOTE 1****OFFICE OF THE PREMIER**

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>886 081</b>	<b>827 399</b>	<b>(58 682)</b>	
<b>of which:</b>				
Current payments	699 536	699 870		334
Transfers and subsidies	174 926	105 508	(69 418)	
Payments for capital assets	11 619	22 021		10 402
Payment for financial assets				
<b>Executive authority</b>	<b>Premier</b>			
<b>Accounting officer</b>	<b>Director General</b>			

**1. Vision and Mission****Vision**

Leadership for an integrated city-region, characterised by social cohesion and economic inclusion; the leading economy on the continent, underpinned by sustainable socio-economic development.

**Mission**

To advance radical socio-economic transformation and steer Gauteng towards a seamless and integrated city-region characterised by social cohesion and economic inclusion.

**2. Changes to Programme Purpose, Objective and Measures**

No changes.



### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 1.1 OFFICE OF THE PREMIER

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	153 182			26 154		86 000	112 154	265 336
2. Institutional Development	404 243			(12 179)			(12 179)	392 064
3. Policy & Governance	328 656	(144 682)		(13 975)			(158 657)	169 999
<b>Total for Programmes</b>	<b>886 081</b>	<b>(144 682)</b>				<b>86 000</b>	<b>(58 682)</b>	<b>827 399</b>

Economic classification	R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		699 536			(46 166)		46 500	334	699 870
Compensation of employees		395 835			4 893			4 893	400 728
Salaries & wages		354 811			1 770			1 770	356 581
Social contribution		41 024			3 123			3 123	44 147
Goods and services		303 701			(51 059)		46 500	(4 559)	299 142
<b>Transfers and subsidies</b>		<b>174 926</b>	<b>(144 682)</b>		<b>35 764</b>		<b>39 500</b>	<b>(69 418)</b>	<b>105 508</b>
Departmental agencies and accounts					35 062			35 062	35 062
Higher education institutions		30 244							30 244
Non-profit institutions		144 682	(144 682)					(144 682)	
Households					702		39 500	40 202	40 202
<b>Payments for capital assets</b>		<b>11 619</b>			<b>10 402</b>			<b>10 402</b>	<b>22 021</b>
Machinery and equipment		11 619			10 402			10 402	22 021
<b>Total economic classification</b>		<b>886 081</b>	<b>(144 682)</b>				<b>86 000</b>	<b>(58 682)</b>	<b>827 399</b>

The Gauteng Office of the Premier has a budget baseline of R886.1 million in the 2023/24 financial year, and the baseline reduces by a net effect of R58.7 million to the adjusted budget of R827.4 million. The net decrease is driven by a function shift of Tshepo 1 million Programme from the Gauteng Office of the Premier to the Gauteng Department of Education that amounts to R144.7 million and an additional funding of R86 million allocated for the Life Esidimeni project and the Commission of Enquiry project. The Life Esidimeni project receives R79 million allocated to provide for the claims of mental health care users that the Gauteng Office of the Premier will transfer to the claimants, executors, and administrators of the claim process and to cover legal fees. An amount of R7 million is allocated because the Gauteng Office of the Premier has a mandate to set up a commission of inquiry surrounding the death of 77 people and dozens of people injured at Usindiso Building Office in Marshalltown, Johannesburg.

The movement of funds through shifts and virements is mainly to address spending pressure such as the provincial strategic support task team, legal fees resulting from inter-departmental claims received from National Department of Justice, procurement of tools of trade which is the replacement of obsolete laptops and new laptops, for the needs of employees and inter-departmental claims from the Gauteng Department of Community Safety for VIP protectors. Also, payments of employees who terminated their service with the department, to make provision for the commission of inquiry into Marshalltown Johannesburg fire and the transfer payments to the South African Broadcasting Corporation for television licence renewals and to the Sci-Bono Discovery Centre to improve and upgrade the multimedia studio.

The budget of Programme 1: Administration increases by R112.1 million through additional funding and through virements and shifts. The additional funding is for the Life Esidimeni claims and legal fees. The virements provide for the revised activities, inter-governmental claims from the Gauteng Department of Community Safety, replacement of obsolete laptops, and spending pressures in compensation of employees. The budget for Programme 2: Institutional Development decreases by R12.2 million through shifts and virements. Shifts within the programme provide for the replacement of photographic equipment used by Communication branch, the procurement of laptops, and creation of a new transfer payment for transfer to Sci-Bono Discovery Centre. Virements provides funding for the projected overspending in compensation of employees in other programmes. Through virements and shifts, the budget for Programme 3: Policy and Governance reduces by R158.7 million. The transfer of the Tshepo 1 million Programme from the Gauteng Office of the Premier to the Gauteng Department of Education is a major

cause of the reduction. The virement of funds to Programme 1 and Programme 2 contributes to the budget reduction.

Adjustments reflect in all categories of economic classification. Through shift and virements, the budget for compensation of employees increases by R4.9 million to align the payment of salaries in programmes according to the organisational structure and provide for spending pressures. Shifts and virements reduce the budget for goods and services by R51.1 million. This amount is reallocated towards other expenditure items. Goods and services also receive R46.5 million additional funding for the Life Esidimeni project.

An overall decrease in the budget for transfers and subsidies of R69.4 million results from the transfer of the Tshepo 1 million Programme from the Gauteng Office of the Premier to the Gauteng Department of Education. The reduction is negated by increases through shifts and virements to provide for television licence renewals, to create a new transfer payment to Sci-Bono Discovery Centre, and to provide for leave gratuity payments. An additional funding for the Life Esidimeni claims pay-outs also contribute to the increases within transfer payments.

Virements and shifts increase the budget for payments for capital assets by R10.4 million to procure photographic equipment for the Communication branch and to procure staff laptops.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

### Programme 1: Administration

TABLE 1.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Premiers Support	20 739			1 312			1 312	22 051
Executive Council Support	9 355			485			485	9 840
Director General	61 277			17 642		86 000	103 642	164 919
Financial Management	58 942			8 415			8 415	67 357
Programme Support Prg1	2 869			(1 700)			(1 700)	1 169
<b>Total for Programmes</b>	<b>153 182</b>			<b>26 154</b>		<b>86 000</b>	<b>112 154</b>	<b>265 336</b>

Economic classification	R Thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation	
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National			Additional Funding: Provincial
<b>Current payments</b>		144 180			23 992		46 500	70 492	214 672
Compensation of employees		98 962			5 616			5 616	104 578
Salaries & wages		90 301			4 660			4 660	94 961
Social contribution		8 661			956			956	9 617
Goods and services		45 218			18 376		46 500	64 876	110 094
<b>Transfers and subsidies</b>					103		39 500	39 603	39 603
Households					41		39 500	39 541	39 541
<b>Payments for capital assets</b>		9 002			2 059			2 059	11 061
Machinery and equipment		9 002			2 059			2 059	11 061
<b>Total economic classification</b>		<b>153 182</b>			<b>26 154</b>		<b>86 000</b>	<b>112 154</b>	<b>265 336</b>

TABLE 1.3 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				<b>(7 625)</b>
Compensation of employees	To align structure and reprioritise funds within compensation of employees to fund lower-level items within social contributions.	(2 994)	To defray an anticipated overspending in other directorates due to ongoing departmental structure alignments, overtime payments for the hotline learners, and the overspending within lower-level items of social contributions within the programme.	8 610
Goods and services	Unspent funds for operating leases; consultant services for probity audit, communication landline and data, contractors for audio-visual services, municipality rates; reduced in-person meeting costs, and DG's cancelled international trip.	(4 631)	To provide for the operational costs for the Usindiso Building fire inquiry commission, contracted security services in the department, Gauteng Department of Safety's VIP protection services, overspending in venues and g-Fleet services, voting tools for disaster management workshop.	23 007
<b>Transfers and subsidies</b>				<b>103</b>
Departmental agencies and accounts			To cover payment for TV lincense renewal to SABC which is a public entity.	62
Households			To pay for leave gratuity as benefits of employees who left the department.	41
<b>Payments for capital assets</b>				<b>2 059</b>
Machinery and equipment			Provision for purchasing of new audio-visual and photographic equipment for the Communication branch, and g-Fleet lease of vehicles which increased from 71 to 95.	2 059
<b>Total economic classification</b>				<b>(7 625)</b>

The budget for Programme 1: Administration reflects a net increase of R112.1 million from R153.2 million to R265.3 million due to additional funds received to cater for the mental health care claims and legal costs, as well as for setting up the commission of inquiry into the Usindiso Building fire that resulted in 77 deaths and injury to many people in Marshalltown, Johannesburg. Reprioritisation within the baseline through virements and shifts provides for the operational requirements.

## Virements and shifts

Through virements, the budget for Programme 1: Administration increases by R26.1 million received from Programme 2: Institutional Development and Programme 3: Policy and Governance to fund operational requirements. Shifts within compensation of employees are funding the spending pressure in lower-level items mainly from salaries and wages to social contributions, Nasi Ispani posts as well as the budget alignment of sub-programmes. The budget for goods and services increases by R18.4 million to fund operational requirements. These include the claims payment for VIP protection services rendered by the Gauteng Department of Community Safety, for commission of inquiry's operational costs, funding for the provincial strategic support task team, provision of probity audit services, provision of uniforms for security officers and provision for property payments, utilities bill for both building cost. Payments for capital assets increases by R2.1 million due to the procurement of photographic equipment for communication units for coverage of community engagements and attendance of events and g-Fleet services due to increased number of lease vehicles.

## Additional Funding Provincial: R86 million

R86 million is provided for the Life Esidimeni project and the commission of enquiry. Of this amount, R79 million is allocated for the Life Esidimeni legal costs and transfer payments to households to cater for the payouts to beneficiaries. A balance of R7 million is for the establishment of the commission of inquiry into the Usindiso Building fire that resulted in 77 deaths and injury to many people in Marshalltown, Johannesburg.

## Programme 2: Institutional Development

TABLE 1.4: PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Strategic Human Resources	100 112			3 529			3 529	103 641
2. Information Communication	17 075			3 495			3 495	20 570
3. Legal Services	13 887			1 075			1 075	14 962
4. Communication Services	203 990			(6 679)			(6 679)	197 311
5. Programme Support Prg2	2 237			(45)			(45)	2 192
6. Service Delivery Interventions	66 942			(13 554)			(13 554)	53 388
<b>Total for Programmes</b>	<b>404 243</b>			<b>(12 179)</b>			<b>(12 179)</b>	<b>392 064</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>401 626</b>			<b>(55 821)</b>			<b>(55 821)</b>	<b>345 805</b>
Compensation of employees	203 494			(1 735)			(1 735)	201 759
Salaries & wages	179 983			(3 453)			(3 453)	176 530
Social contribution	23 511			1 718			1 718	25 229
Goods and services	198 132			(54 086)			(54 086)	144 046
<b>Transfers and subsidies</b>				<b>35 299</b>			<b>35 299</b>	<b>35 299</b>
Departmental agencies and accounts				35 000			35 000	35 000
Households				299			299	299
<b>Payments for capital assets</b>	<b>2 617</b>			<b>8 343</b>			<b>8 343</b>	<b>10 960</b>
Buildings and other fixed structures								
Machinery and equipment	2 617			8 343			8 343	10 960
<b>Total economic classification</b>	<b>404 243</b>			<b>(12 179)</b>			<b>(12 179)</b>	<b>392 064</b>

**TABLE 1.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: INSTITUTIONAL DEVELOPMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(199 501)</b>		<b>143 680</b>
Compensation of employees	To align the departmental structure and reprioritise funds within compensation of employees to fund lower-level items within social contributions.	(48 236)	To defray an anticipated overspending in other directorates due to ongoing departmental structure alignments, overtime payments for the hotline learners, and the overspending within lower-level items of social contributions within the programme.	46 501
Goods and services	Projected underspending of earmarked funds for Communication projects is reallocated towards transfer payments to Sci-Bono Discovery Centre. Unspent funds for adverts and promotional items due to cost containment. Lower spending on software licences. Reduced printing of banners, programmes, and leaflets for events due to cost containment. Postponed events e.g., OHS Imbizo, Mental Health Conference and Men's Symposium. Earmarked funds moving to Programme 1 to fund the Usindiso Building fire inquiry commission.	(151 265)	To fund the changing of the News and Publications project into a sub-sub programme, was created as a project. To purchase branding materials and exhibition stands for the unexpected energy expo 2023. To fund operational costs of the Ntirhisano Outreach Programme, Premier's stakeholder engagements and other key programmes. To augment the budget for the Fully Managed Data Centre usage. To fund research services and perception surveys that were delayed in the previous year.	97 179
<b>Transfers and subsidies</b>				<b>35 299</b>
Households			To pay for leave gratuity and benefits of employees who left the department.	299
<b>Payments for capital assets</b>		<b>(867)</b>		<b>9 210</b>
Machinery and equipment	Computer hardware server is no longer required in the current year as the office is in the process of entering into a new agreement with another service provider.	(867)	To purchase laptops for employees who were previously using desktops. To purchase other laptops should have purchased in 2022/23 for which the procurement process was delayed.	9 210
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(200 368)</b>		<b>188 189</b>

### Virements and shifts

Virements and shifts result in a net decrease of R12.2 million in Programme 2 because of cost containment and delayed planned activities for Provincial Communication Services such as expenditure on radio and video production, animation, and beneficiary videos. Funds are reallocated mainly towards key projects pronounced by the Premier, such as commission of inquiry, enhancing communication to the public and improving service delivery of the province and compensation of employees to fund the spending pressures in Programme 1.

Shifts within compensation of employees cater for spending requirements of sub-items and caters for the alignment of sub-programmes budgets within the existing approved organisational structure. This is due to movement of staff among directorates to ensure that employees are placed in correct units.

Through virements, the budget for goods and services decreases by R1.4 million. This is due to over-provision for the bulk SMS as there is less usage for this service.

The budget for transfers to households increases by R299 000 to cover leave gratuity payments for employees who terminated employment with public service.

Payments for capital assets increase because of R8.3 million received for the replacement of damaged laptops, procurement of new laptops and maintenance of GIS server in the Information Communication Technology sub-programme.

In goods and services, there is a low spending of earmarked funds within the Provincial Communication Services because of delays in planned activities such as radio and video production, animation, and beneficiary videos. The unspent funds are reprioritised to create a new sub-sub-programme for the additional allocation for the elevated priority projects for better expenditure trends monitoring. Also, an amount of R10 million is reduced from earmarked allocation for TISH elevated priorities to provide for the establishment of the Usindiso Building fire inquiry commission.

Transfers to departmental agencies increase by R35 million to provide for the improvement and upgrade of the multimedia studio in Sci-Bono Discovery Centre. Funds were allocated under Provincial Communication Services for the same purpose. The delivery of elevated priorities will be fast tracked based on the existing capacity and resources already available at the Sci-Bono Discovery Centre.

**Programme 3: Policy and Governance****TABLE 1.6: PROGRAMME 3: POLICY AND GOVERNANCE**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Intergovernmental Relations	57 701			(5 468)			(5 468)	52 233
2. Provincial Policy Management	267 493	(144 682)		(8 307)			(152 989)	114 504
3. Programme Support Prg3	3 462			(200)			(200)	3 262
<b>Total for Programmes</b>	<b>328 656</b>	<b>(144 682)</b>		<b>(13 975)</b>			<b>(158 657)</b>	<b>169 999</b>

Economic classification	R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>153 730</b>			<b>(14 337)</b>			<b>(14 337)</b>	<b>139 393</b>
Compensation of employees		93 379			1 012			1 012	94 391
Salaries & wages		84 527			563			563	85 090
Social contribution		8 852			449			449	9 301
Goods and services		60 351			(15 349)			(15 349)	45 002
<b>Transfers and subsidies</b>		<b>174 926</b>	<b>(144 682)</b>		<b>362</b>			<b>(144 320)</b>	<b>30 606</b>
Higher education institutions		30 244							30 244
Non-profit institutions		144 682	(144 682)					(144 682)	
Households					362			362	362
<b>Payments for capital assets</b>									
Machinery and equipment									
<b>Total economic classification</b>		<b>328 656</b>	<b>(144 682)</b>		<b>(13 975)</b>			<b>(158 657)</b>	<b>169 999</b>

**TABLE 1.7: Details of shifts and virements per economic classification: Programme 3: Policy and Governance**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(45 668)</b>		<b>31 331</b>
Compensation of employees	Realignment of budget to fund lower-level items within salaries and wages in line with the departmental structure.	(21 287)	To defray overspending and make provision in other sub-programs within salaries and wages as well as social contribution items.	22 299
Goods and services	Implementation of cost containment measures. Funds for cancelled activities. Funds for the delayed issuance of investigations tender. Cancelled steering meetings for the provincial planning for the 7th term of the office. Unspent funds for the lifestyle audit service that the SIU offered for free.	(24 381)	To fund the SIU investigations costs. To pay for the costs of the TISH service status report. To pay for the costs of developing the provincial strategy around security issues.	9 032
<b>Transfers and subsidies</b>				<b>362</b>
Households			To pay for injury-on-duty claims and to pay leave gratuity to former employees.	362
<b>Total economic classification</b>		<b>(45 668)</b>		<b>31 693</b>

**Function shift R144.7 million**

The Tshepo 1 Million Programme is transferred from the Gauteng Office of the Premier to the Gauteng Department of Education to centralise the youth-related programmes in the Gauteng Department of Education in line with its mandate on development.

**Virements and shifts**

Through virements and shifts, the budget of the programme reduces by R13.97 million to fund spending pressure in programme 1

In compensation of employees, funds are reallocated from salaries and wages item to pay for employee benefits under social contributions in line with personnel requirements of sub-programmes. R1 million received to cater for Nasi Ispani posts.

Through virements, goods and services reduce by R15.3 million. The unspent funds were initially allocated for cancelled activities

such as the steering committee meeting for the provincial planning for the 7<sup>th</sup> term of the office, the forensic investigations tender, and the lifestyle audit services that the Special Investigations Unit offered for free. The use of online meetings and no provision of catering for meetings and interviews are among the cost containment measures implemented to avail funds for reallocation to other spending needs.

The budget for transfers to households increases by R362 000 to provide for leave gratuity payments to former employees and injury-on-duty claims.

## 5. Expenditure 2022/23 and Preliminary Expenditure 2023/24

TABLE 1.8: EXPENDITURE 2022/23 AND PRELIMINARY EXPENDITURE 2023/24

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of ad- justed appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
1. Administration	320 400	83 587	198 568	62%	265 336	101 840	22%
2. Institutional Develop- ment	267 743	113 945	244 638	91%	392 064	135 924	19%
3. Policy and Governance	297 895	137 105	298 035	100%	169 999	62 685	(54)%
<b>Total</b>	<b>886 038</b>	<b>334 637</b>	<b>741 241</b>	<b>84%</b>	<b>827 399</b>	<b>300 449</b>	<b>-10%</b>
<b>Current payments</b>	<b>562 975</b>	<b>233 900</b>	<b>509 418</b>	<b>90%</b>	<b>689 712</b>	<b>278 374</b>	<b>40%</b>
<b>Compensation of employees</b>	<b>377 887</b>	<b>173 374</b>	<b>359 379</b>	<b>95%</b>	<b>395 835</b>	<b>192 751</b>	<b>49%</b>
<b>Goods and Services</b>	<b>185 088</b>	<b>60 526</b>	<b>150 039</b>	<b>81%</b>	<b>293 877</b>	<b>85 623</b>	<b>29%</b>
<b>Transfers and subsidies</b>	<b>331 714</b>	<b>90 230</b>	<b>216 357</b>	<b>65%</b>	<b>105 508</b>	<b>15 305</b>	<b>-83%</b>
<b>Provinces and municipi- palities</b>		<b>60</b>					
Departmental agencies and accounts					35 062	62	
<b>Higher education institutions</b>	<b>30 182</b>	<b>15 122</b>	<b>30 244</b>	<b>100%</b>	<b>30 244</b>	<b>7 561</b>	<b>(50)%</b>
Non-profit institutions	131 108	57 928	144 682				(100)%
<b>Households</b>	<b>170 424</b>	<b>17 120</b>	<b>41 431</b>	<b>24%</b>	<b>40 202</b>	<b>7 682</b>	<b>(55.13)%</b>
<b>Payments for capital assets</b>	<b>15 324</b>	<b>10 451</b>	<b>15 256</b>	<b>100%</b>	<b>22 021</b>	<b>6 770</b>	<b>(35)%</b>
Machinery and equipment	15 324	10 451	15 256	100%	22 021	6 770	(35)%
<b>Payments for financial assets</b>		<b>56</b>	<b>210</b>				
<b>Total</b>	<b>886 038</b>	<b>334 637</b>	<b>741 241</b>	<b>84%</b>	<b>827 399</b>	<b>300 449</b>	<b>(10)%</b>

### Expenditure trends 2022/23

The department spent R334.6 million of the R722.8 million main appropriation as of 30 September 2022. The annual spending amounted to R743 million against the adjusted budget of R803 million as of 31 March 2022.

The unspent R60 million of the budget was due to the delayed bursary payments for some institutions and the advertisements of Life Esidimeni information sharing with stakeholders in Gauteng community that did not take place and the annual perception survey. A further underspending was due to several projects that could not take place in the 2022/23 financial year, such as such as Gauteng Women's Excellence Awards, Men's Symposium, Military Veteran commemoration day, International Day Against Homophobia, Biphobia and Transphobia, and International Women's Day.

### Preliminary expenditure trends for the first half of 2023/24

The department spent R300 million during the first six months of 2023/24 versus R334.6 million spent in the corresponding period in 2022/23. The slow spending is mainly due to challenges in upskilling of internal writers to be able to have multimedia skills and procurement of multimedia equipment's under the News publications projects. An underspending in goods and services results from the market failure to respond to requests for evaluation studies. Challenges experienced in the renewal of the Geographic Information System delayed the expenditure. The Gauteng Office of the Premier, Gauteng Department of e-Government and SETA are jointly resolving the matter.

**Programme 1: Administration**

The expenditure for the first six months amounting to R101 million is 3 per cent more than R83 million spent in the same period of 2022/23 financial year. High spending is attributed to the unbudgeted payments for the Life Esidimeni claims and related legal costs in the 2023/24 financial year.

**Programme 2: Institutional Development**

The spending of R135.9 million as at the end of first six months in 2023/24 financial year is 19 per cent more than R113.9 million spent in 2022/23 financial year during the same period. The main contributing factors to the decline in expenditure include the software licences for the Geographic Information System, challenges in upskilling of internal writers to be able to have multimedia skills and procurement of multimedia equipment's under the News publications projects, and the reduced number of community meetings for the Ntirhisano Outreach Programme.

**Programme 3: Policy and Governance**

The expenditure amounting to R62.6 million during the 2023/24 first six months is 54 per cent less than R137.1 million spent during the same period in the previous financial year. One of reasons for the lower expenditure is the non-payments for Tshepo 1 million Programme that was reallocated to the Gauteng Department of Education early in the financial year and whose budget is reallocated during the adjustments budget process. The other reason is a delayed transfer payment to the Gauteng City Region Observatory (GCRO) whilst awaiting the submission of the GCRO reports. The payment is scheduled for the third quarter.

**6. Departmental Receipts**

TABLE 1.9: DEPARTMENTAL RECEIPTS

Department	2022/23				2023/24		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
Tax receipts				0%			0%
Sales of goods and services other than capital assets	246	123	323	31%	281	193	57%
Interest, dividends and rent on land	3	(15)	4	33%	3	2	(113)%
Sales of capital assets			1	0%			0%
Financial transactions in assets and liabilities	137	220	314	129%	106	248	13%
<b>Total</b>	<b>386</b>	<b>328</b>	<b>642</b>	<b>66%</b>	<b>390</b>	<b>443</b>	<b>35%</b>

**Revenue trends for the first half of the 2023/24 financial year**

The table above shows the contribution of each revenue source towards total departmental receipts generated as of 30 September 2023. The main source of departmental receipts is sales of goods and services other than capital assets. This item consists of parking fees and commission earned on garnishee orders and insurance premiums.

Departmental receipts totalling R443 000 as of 30 September 2023 are 35 per cent higher than R328 000 collected as of 30 September 2022. The increase is in sales of goods and services other than capital assets, which has generated 57 per cent more revenue in 2023/24 (i.e., R193 000 in 2023/24 vs R123 000 in 2022/23). A 13 per cent increase is also in financial transactions in assets and liabilities because of recovery over monies owed to the government such as salary reversals relating to the previous financial year, and the collection of debts from employees who breach the bursary contract and employees who resigned while owing for bursaries. The interest revenue contributes the lowest share of the departmental receipts, and it is R2 000 lower in 2023/24 than the R4 000 collected in 2022/23.



## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 1.10: SUMMARY OF CHANGES TO TRANSFER AND SUBSIDIES

R Thousand	Main Appropriation					Total Adjustments	Adjusted Appropriation
		Balance after Virements	Roll-overs: National	Roll-overs: Provincial	Additional Funding: National		
<b>3. Policy and Governance</b>	<b>174 926</b>	<b>174 926</b>				<b>(144 682)</b>	<b>30 244</b>
GCRO-WITS	30 244	30 244					30 244
Harambee Tshepo 1 Million	144 682	144 682				(144 682)	
<b>Total changes in conditional Name of transfer payments</b>	<b>174 926.00</b>	<b>174 926</b>				<b>(144 682)</b>	<b>30 244</b>

The budget for transfer payments reduces from R174.9 million to R30.2 million during the adjustments budget process because of the function shift from the Gauteng Office of the Premier to the Gauteng Department of Education. The Tshepo 1 Million Programme was transferred to the Gauteng Department of Education to align it with the mandate of youth development allocated to the Gauteng Department of Education. Therefore, the R144.7 million budget is reallocated from the Gauteng Office of the Premier in line with section 31(2)(e) of the Public Finance Management Act (Act 1 of 1999) that allows for a shifting of funds to follow the transfer of a function carried out in terms of section 42 of the PFMA.

The budget and performance indicators of the Tshepo 1 Million Programme are transferred to the Gauteng Department of Education in accordance with section 14 of the Public Service Act. The transferred budget also caters for the human resources in the oversight team comprising of five (5) officials.

### 7.2 Changes to conditional grants

Not applicable

### 7.3 Changes to infrastructure

Not applicable

**VOTE 2****GAUTENG PROVINCIAL LEGISLATURE**

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>857 061</b>	<b>857 061</b>		
<b>of which:</b>				
Current payments	688 268	683 852	(4 416)	
Transfers and subsidies	160 668	160 668		
Payments for capital assets	8 125	12 541		4 416
Payment for financial assets				
<b>Executive authority</b>	<b>Speaker</b>			
<b>Accounting officer</b>	<b>Secretary of the Legislature</b>			

**1. Vision and Mission****Vision**

A progressive legislature that fosters confidence in democracy and improving the quality of life of the people of Gauteng.

**Mission**

To build a capable and robust legislature with the capacity to fulfil its mandates.

**2. Changes to Programme Purpose, Objective and Measures**

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 2.1: GAUTENG PROVINCIAL LEGISLATURE

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Leadership and Governance	63 742							63 742
2. Office of the Secretary	27 806			(108)			(108)	27 698
3. Corporate Support Services	418 375			(755)			(755)	417 620
4. Core Business	288 825			(833)			(833)	287 992
5. Office of the CFO	58 313			1 696			1 696	60 009
<b>Total for Programmes</b>	<b>857 061</b>							<b>857 061</b>

Economic classification	R Thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Current payments</b>		<b>688 268</b>			<b>(4 416)</b>		<b>(4 416)</b>	<b>683 852</b>
Compensation of employees		421 712						421 712
Salaries & wages		421 712						421 712
Social contribution								
Goods and services		266 556			(4 416)		(4 416)	262 140
<b>Transfers and subsidies</b>		<b>160 668</b>						<b>160 668</b>
Provinces and municipalities								
Non-profit institutions		160 668						160 668
Households								
<b>Payments for capital assets</b>		<b>8 125</b>			<b>4 416</b>		<b>4 416</b>	<b>12 541</b>
Buildings and other fixed structures								
Machinery and equipment		8 125			4 416		4 416	12 541
<b>Payments for financial assets</b>								
<b>Total economic classification</b>		<b>857 061</b>						<b>857 061</b>

Section 53 of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (FMPPLA) requires the institution to conduct the mid-year assessment of budget and performance before 31 October each year, and to also revise spending projections for the second half of the financial year. In complying with the requirements of the Act, all programmes undertook the mid-year review exercise and revised their current planned activities in response to changes that have an impact on the main budget, including consideration of emerging priorities that cannot be postponed to the next financial year. During this process, further cost-efficiency measures were implemented and funds were also reprioritised from underperforming activities to areas experiencing budgetary and spending pressures.

The mid-year review resulted in savings from goods and services totalling R4.4 million largely from security services due to non-renewal of the Sage building rental contract, lower usage of 3G data, recruitment costs as a result of freezing of vacancies and from the consolidation of licenses. Additional savings have been realised from travel, printing, bank charges and from implementing activities virtually and in-house. Declared savings have been redirected to capital assets to fund budgetary and spending pressures on laptops, motor vehicles for VIP Protectors, computer for the chamber control room and the monitor for access control.

The budgets for Programme 2: Office of the Secretary, Programme 3: Corporate Support Services and Programme 4: Core Business programmes have been adjusted downwards by a total amount of R1.696 million through virements to Programme 5: Office of the CFO to fund motor vehicles for VIP Protectors and bottled water supplies. Funds were also shifted within programmes to finance emerging priorities and spending pressures. Overall, the institutional budget remains unchanged from the main budget at R857.1 million.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

### Programme 1: Leadership and Governance

TABLE 2.2: PROGRAMME 1: LEADERSHIP AND GOVERNANCE

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the Executive Director	24 617			(51)			(51)	24 566
2. Administrative Operations	2 920			(168)			(168)	2 752
3. Inter-Legislature Relations	9 030			(1 420)			(1 420)	7 610
4. Oversight and Liaison	27 175			1 639			1 639	28 814
<b>Total for Programmes</b>	<b>63 742</b>							<b>63 742</b>

Economic classification	R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>63 742</b>							<b>63 742</b>
Compensation of employees		24 563							24 563
Salaries & wages		24 563							24 563
Social contribution									
Goods and services		39 179							39 179
Interest and rent on land									
<b>Transfers and subsidies</b>									
Provinces and municipalities									
Departmental agencies and accounts									
Higher education institutions									
Foreign governments and international organisations									
Public corporations and private enterprises									
Non-profit institutions									
Households									
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment									
Heritage assets									
Specialised military assets									
Biological assets									
Land and sub-soil assets									
Software and other intangible assets									
<b>Payments for financial assets</b>									
Thefts & Losses									
<b>Total economic classification</b>		<b>63 742</b>							<b>63 742</b>

**TABLE: 2.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: LEADERSHIP AND GOVERNANCE**

<b>Economic classification</b>	<b>Motivation</b>	<b>From</b>	<b>Motivation</b>	<b>To</b>
<b>Current payments</b>		<b>(1 639)</b>		<b>1 639</b>
Compensation of employees				
Goods and services	Savings have been realised from activities that were held in-house and virtually as well as from reduced travel costs for Committees. Unspent funds have been identified from cancelled travel for Presiding Officers.	(1 639)	To fund spending pressures on Committees parliamentary exchange programmes and conferences.	1 639
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Software and other intangible assets				
Payments for financial assets				
<b>Total economic classification</b>		<b>(1 639)</b>		<b>1 639</b>

The budget for Programme1: Leadership and Governance remains unchanged from the main budget at R63.7 million.

### **Virements and shifts**

Through savings within the programme, a total amount of R1.6 million is reallocated within goods and services to fund spending pressures on Committees parliamentary exchange programmes and conferences which emanated from the reconfiguration of Committees. The reconfiguration process was only finalised after the main budget allocation process. Committees parliamentary exchange programmes and conferences are aimed at capacitating Members of the Legislature represented in Committees with the knowledge and best learning experiences from other legislative sectors in order to improve the execution of their constitutional responsibilities.

**Programme 2: Office of the Secretary****TABLE: 2.4: PROGRAMME 2: OFFICE OF THE SECRETARY**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the Secretary	27 692			(79)			(79)	27 613
2. Office of the Integrity Commissioner	114			(29)			(29)	85
<b>Total for Programmes</b>	<b>27 806</b>			<b>(108)</b>			<b>(108)</b>	<b>27 698</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>27 806</b>			<b>(108)</b>			<b>(108)</b>	<b>27 698</b>
Compensation of employees	19 206							19 206
Salaries & wages	19 206							19 206
Social contribution								
Goods and services	8 600			(108)			(108)	8 492
Interest and rent on land								
<b>Transfers and subsidies</b>								
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Non-profit institutions								
Households								
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Software and other intangible assets								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>27 806</b>			<b>(108)</b>			<b>(108)</b>	<b>27 698</b>

**TABLE: 2.5 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: OFFICE OF THE SECRETARY**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(108)</b>		
Compensation of employees				
Goods and services	Savings from the printing of the annual report and travel for stakeholder engagements	(108)		
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(108)</b>		

The budget for Programme 2: Office of the Secretary is adjusted downwards by R108 197 from the main budget of R27.8 million to an adjusted budget of R27.7 million. million to an adjusted budget of R27.7 million.

## Virements and shifts

Through virements to Programme 5: Office of the CFO, the programme's budget for goods and services has been decreased by R108 197 from savings realised on the printing of the annual report and travel. The identified savings have been redirected to spending pressures for bottled water as a result of unforeseen water shortages within the Institution which emanated from the suspected water contamination and water scarcities within Gauteng.

## Programme 3: Corporate Support Services

TABLE: 2.6: PROGRAMME 3: CORPORATE SUPPORT SERVICES

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. ED: Corporate Support Services	132 771			2 499			2 499	135 270
2. Members Affairs	172 666			(99)			(99)	172 567
3. Institutional Support Services	27 869			(882)			(882)	26 987
4. Operational Support Services	48 033			(1 979)			(1 979)	46 054
5. IT and Technology	37 036			(294)			(294)	36 742
<b>Total for Programmes</b>	<b>418 375</b>			<b>(755)</b>			<b>(755)</b>	<b>417 620</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>250 162</b>			<b>(3 697)</b>			<b>(3 697)</b>	<b>246 465</b>
Compensation of employees	132 473							132 473
Salaries & wages	132 473							132 473
Social contribution								
Goods and services	117 689			(3 697)			(3 697)	113 992
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>160 668</b>							<b>160 668</b>
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Non-profit institutions	160 668							160 668
Households								
<b>Payments for capital assets</b>	<b>7 545</b>			<b>2 942</b>			<b>2 942</b>	<b>10 487</b>
Buildings and other fixed structures								
Machinery and equipment	7 545			2 942			2 942	10 487
Software and other intangible assets								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>418 375</b>			<b>(755)</b>			<b>(755)</b>	<b>417 620</b>

TABLE: 2.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: CORPORATE SUPPORT SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		(6 267)		<b>2 570</b>
Compensation of employees				
Goods and services	Unspent funds from security contract due to non-renewal of Sage building lease agreement and from lower usage of 3G data. Unspent funds on recruitment costs due to moratorium on vacancies for the larger part of the financial year as well as savings from licensing fees and sector related travel.	(6 267)	To fund budgetary pressures for the organisational development exercise that is currently underway	2 570
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		(930)		<b>3 872</b>
Buildings and other fixed structures				
Machinery and equipment		(930)	To defray excess expenditure on laptops that has been rolled over from 2022/23 and to fund the replacement of chamber control room computer and access control monitor.	3 872
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(7 197)</b>		<b>6 442</b>

The programme's budget is adjusted downwards by R755 438 from the main budget of R418.4 million to an adjusted budget of R417.6 million. The unspent funds have been reallocated to Programme 5: Office of the CFO and are primarily from the security contract which has been reduced due to non-renewal of the Sage building rental contract.

### Virements and shifts

Through virements and funds shifts, goods and services has been decreased by R3.7 million largely from savings realised from the 3G data over-billing which has experienced lower usages as well as from the consolidation of licensing fees. Savings have been reallocated within the programme to fund budgetary pressures under machinery and equipment at R2.9 million and to Programme 5: Office of the CFO at R755 438.

Through funds shifts within the programme, an amount of R2.6 million is allocated for the Organisational Development (OD) exercise which is continuing from the previous financial year. The OD project is aimed at repositioning and repurposing the GPL towards building a strong, futuristic and resilient strategy that is aligned to the constitutional mandate as well as to foster collaboration across the organisation.

The R2.9 million allocated for machinery and equipment is financing the 2022/23 rollover for laptops that are due for replacement as well as emerging budgetary requirements for the chamber control room computer and access control monitor.



**Programme 4: Core Business****TABLE: 2.8: PROGRAMME 4: CORE BUSINESS**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. ED: Core Business	198 169			(114)			(114)	198 055
2. Parliamentary Business	37 655			(4 728)			(4 728)	32 927
3. Information and Knowledge Management	18 099			2 599			2 599	20 698
4. Communication	34 902			1 410			1 410	36 312
<b>Total for Programmes</b>	<b>288 825</b>			<b>(833)</b>			<b>(833)</b>	<b>287 992</b>

Economic classification R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>288 825</b>			<b>(833)</b>			<b>(833)</b>	<b>287 992</b>
Compensation of employees	198 016							198 016
Salaries & wages	198 016							198 016
Social contribution								
Goods and services	90 809			(833)			(833)	89 976
Interest and rent on land								
<b>Transfers and subsidies</b>								
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Non-profit institutions								
Households								
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
Software and other intangible assets								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>288 825</b>			<b>(833)</b>			<b>(833)</b>	<b>287 992</b>

TABLE: 2.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: CORE BUSINESS

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		(4 842)		4 009
Compensation of employees				
Goods and services	Unspent funds largely from Committee activities that have been implemented virtually and through implementation of cost-efficiency measures. Unspent funds have also been identified from People with Disability and Senior Citizens Sector Parliaments which have been suspended to allow for feedback sessions.	(4 842)	To fund spending pressures on Hansard equipment and interpretation because of increased Committee activities that required Hansard support as well as advertising due to increased number of referred Bills that required advertising for public participation	4 009
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		(4 842)		4 009

The budget for Programme 4: Core Business is adjusted downwards by R833 355 from the main budget of R288.8 million to an adjusted budget of R288 million. Unspent funds have been redirected to spending pressures under Programme 5: Office of the CFO.

### Virements and shifts

Through funds shifts from Parliamentary Business sub-programme, the budget for Information and Knowledge Management sub-programme is increased by a total amount of R2.6 million to fund spending pressures on hansard outsourcing due to increased Committee activities requiring hansard interpretation and technical equipment.

Communications sub-programme receives an additional funding of R1.4 million through funds shifts from Parliamentary Business sub-programme to supplement spending pressures on advertising and media buying. The spending pressure emanates from the increased number of referred NCOP Bills that must be subjected to public hearings through the soliciting of public inputs, education and awareness programmes to respond to public participation constitutional mandate.

**Programme 5: Office of the CFO****TABLE 2.10: PROGRAMME 5: OFFICE OF THE CFO**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Chief Financial Officer	52 234							52 234
2. Finance	172			(16)			(16)	156
3. Supply Chain Management	4 211			1 712			1 712	5 923
4. Audit, Risk and Governance	1 696							1 696
<b>Total for Programmes</b>	<b>58 313</b>			<b>1 696</b>			<b>1 696</b>	<b>60 009</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>57 733</b>			<b>222</b>			<b>222</b>	<b>57 955</b>
Compensation of employees	47 454							47 454
Salaries & wages	47 454							47 454
Social contribution								
Goods and services	10 279			222			222	10 501
Interest and rent on land								
<b>Transfers and subsidies</b>								
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Non-profit institutions								
Households								
<b>Payments for capital assets</b>	<b>580</b>			<b>1 474</b>			<b>1 474</b>	<b>2 054</b>
Buildings and other fixed structures								
Machinery and equipment	580			1 474			1 474	2 054
Software and other intangible assets								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>58 313</b>			<b>1 696</b>			<b>1 696</b>	<b>60 009</b>

TABLE: 2.11: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: OFFICE OF THE CFO

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		(16)		<b>238</b>
Compensation of employees				
Goods and services	Savings have been realised from subsistence and travel claims and bank charges which have been lower than anticipated as a result of lower forex payments.	(16)	To fund spending pressures on the procurement of bottled water as a result of unforeseen shortage of water supplies within the Institution which emanates from the suspected water contamination and water scarcity within Gauteng	238
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>				<b>1 474</b>
Buildings and other fixed structures				
Machinery and equipment			To defray excess expenditure on motor vehicles for VIP protectors.	1 474
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(16)</b>		<b>1 712</b>

The budget for Programme 5: Office of the CFO is adjusted upwards by R1.7 million, from the main budget of R58.3 million to an adjusted budget of R60 million.

### Virements and shifts

The budget for Supply Chain Management sub-programme is increased by a total amount of R1.7 million through virements and funds shifts to goods and services and capital assets.

A total amount of R238 582 is funding spending pressures for bottled water because of unforeseen water shortages within the Institution which emanated from the suspected water contamination and water scarcity within Gauteng. Of the total R238 582, an amount of R15 999 is received through funds shifts from Finance sub-programme and the remaining funds are received through virements from Programme 2: Office of the Secretary and Programme 4: Core Business at R108 197 and R114 386, respectively.

Capital assets is increased by R1.5 million to defray excess expenditure on motor vehicles for VIP Protectors. The additional funding is received through virements from Programme 3: Corporate Support Services and Programme 4: Core Business at R755 438 and R718 969, respectively.

## 5. Expenditure 2022/23 and Preliminary Expenditure 2023/24

TABLE: 2. 13 EXPENDITURE 2022/23 AND PRELIMINARY EXPENDITURE 2023/24

Programme	2022/23				2023/24		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
1. Leadership and Governance	62 863	23 886	59 049	94%	63 742	47 600	99%
2. Office of the Secretary	27 902	8 150	20 799	75%	27 698	9 360	15%
3. Corporate Support Services	414 989	225 241	387 385	93%	417 620	241 256	7%
4. Core Business	259 427	108 375	239 414	92%	287 992	122 271	13%
5. Office of the CFO	59 982	24 149	49 541	83%	60 009	29 331	21%
<b>Total</b>	<b>825 163</b>	<b>389 801</b>	<b>756 188</b>	<b>92%</b>	<b>857 061</b>	<b>449 818</b>	<b>15%</b>
<b>Current payments</b>	<b>648 306</b>	<b>261 241</b>	<b>593 195</b>	<b>91%</b>	<b>683 852</b>	<b>309 637</b>	<b>19%</b>
Compensation of employees	385 436	168 019	361 396	94%	421 712	192 209	14%
Goods and Services	262 870	93 222	231 799	88%	262 140	117 428	26%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>158 015</b>	<b>128 200</b>	<b>158 015</b>	<b>100%</b>	<b>160 668</b>	<b>129 372</b>	<b>1%</b>
Provinces and municipalities							
Departmental agencies and accounts							
Non-profit institutions	158 015	128 200	158 015	100%	160 668	129 372	1%
Households							
<b>Payments for capital assets</b>	<b>18 842</b>	<b>360</b>	<b>4 978</b>	<b>26%</b>	<b>12 541</b>	<b>10 809</b>	<b>2903%</b>
Buildings and other fixed structures							
Machinery and equipment	18 842	360	4 978	26%	12 541	10 809	2903%
Land and sub-soil assets							
Software and other intangible assets							
<b>Payments for financial assets</b>							
<b>Total</b>	<b>825 163</b>	<b>389 801</b>	<b>756 188</b>	<b>92%</b>	<b>857 061</b>	<b>449 818</b>	<b>15%</b>

## Expenditure trends for 2022/23

The GPL has spent a total amount of R756.2 million in the 2022/23 financial year, equating to 92 per cent of the institutional allocated budget. A larger proportion of the 2022/23 expenditure is assigned to compensation of employees at 48 per cent of the total expenditure, followed by goods and services and transfers to political parties at 31 per cent and 21 per cent respectively. Less than 1 per cent of the actual expenditure is attributed to capital expenditure.

Compensation of employees amounted to R361.4 million, translating to 94 per cent of the allocated personnel budget. The recorded expenditure includes salaries for both the GPL and political support staff as well as other employee benefits. The 6 per cent positive variance under compensation of the employees can be credited to outstanding pay-progression for employees in the P07 and P08 salary levels and vacancies that remain suspended pending the conclusion of the ongoing Organisational Development exercise.

Spending on goods and services totalled R231.8 million, representing 88 per cent of goods and services allocated budget. Activities driving goods and services expenditure consist of Committee activities and public participation programmes, activities of the House, provision of facilities and support to Members of the GPL, institutional events, citizens responsibility campaigns, committees exchange programmes, operational costs and contractual obligations. Also included in the goods and services expenditure are institutional projects comprising Digital Parliament, Organisational Development exercise, Money Bill and Records Management. Goods and services underspent by 12 per cent largely due to Committee activities and some of institutional events that were impacted by the congested institutional calendar, the postponement of the Gender-Responsive Budgeting onsite training to 2023/24 as well as delays in the completion of institutional projects consisting of Communication Strategy, Human Resources Strategy and other planned milestones of Records Management. The underspending can also be credited to training and wellness allocations that were not fully utilised by Staff and Members as well as travel that was affected by the reconfiguration of Committees. At-least R6.4 million of the unspent funds can also be attributed to savings from conducting legislature business virtually and from continued implementation of cost-efficiency measures.

A combined amount of R158 million was transferred to political parties in the 2022/23 financial year, with support for political party work at R98.4 million and constituency support at R59.6 million.

Payments for capital assets summed to R5 million, translating to 26 per cent of capital budget. The recorded expenditure relates to procurement of laptops, ICT strategy in terms of modernisation of software-defined wide area network, Public Address (PA) system for Presiding Officers as well as office furniture and equipment.

### **Preliminary expenditure trends for the first half of 2023/24**

At mid-year, the GPL has spent a total amount of R449.8 million in comparison to the R389.8 million that was spent in the same period of 2022/23, representing an increase of 15 per cent or R60 million. In monetary terms, both compensation of employees and goods and services recorded an increase of R24.2 million each, followed by capital assets at R10.4 million and transfers at R1.2 million.

Compensation of employees accounted for 43 per cent of the total mid-year expenditure, trailed by transfers to political parties and goods and services at 29 per cent and 26 per cent respectively. The remaining 2 per cent share of the mid-year expenditure relates to procurement of capital assets.

A total amount of R192.2 million was spent on compensation of employees for both GPL and political support staff. Personnel expenses for the current period increased by 14 per cent when compared with the R168 million that was spent in the same period of 2022/23 due to implementation of the cost-of-living adjustments for both senior management and bargaining unit staff members.

Goods and services expenditure amounted to R117.4 million and grew by 26 per cent when compared with the same period of 2022/23 financial year. The increase is due to Committee exchange programmes and conferences which have been undertaken earlier in the first six months of the financial year in anticipation of a recess in the latter part of the financial year to prepare for the next years' general elections. Increased spending was also recorded under hansard support and advertising due to increased number of NCOP Bills that have been referred and Committee activities requiring interpretation and technical equipment. Activities driving goods and services mid-year expenditure include House and Committee activities, public participation and education programmes, Members facilities, operating expenses and contractual obligations as well as institutional projects consisting of Records Management, Organisational Development exercise and Space Optimisation.

Political parties received a combined amount of R129.4 million in the first half of the financial year in support of their political party work and constituency work. The increase in the 2023/24 constituency support allocation contributed to the 1 per cent slight growth in transfers when compared with the same period of the previous financial year.

Capital assets reflect a substantial increase in comparison to the last financial year mid-year performance. At mid-year, a total amount of R10.8 million was spent on laptops for Staff and Members, motor vehicles for VIP protectors, office furniture and equipment.

### **Programme 1: Leadership and Governance**

The programme has spent R47.6 million in the first six months of the financial year when compared to the R23.9 million that was spent in the same period of 2022/23, representing an increase of 99 per cent. The increase in expenditure is largely under goods and services due to Committees and Presiding Officers international study tours and exchange programmes which were undertaken in the first half of the financial year as a result of expected recess later in the financial year in preparation for the next national and provincial general elections.

Of the total expenditure for the programme, compensation of employees accounted for R11.3 million and goods and services for R36.3 million. Goods and services expenditure is driven mainly by Committees and Presiding officers study tours and exchange programmes, Commonwealth Parliamentary Association activities, Gauteng Speakers Forum activities, external board members fees and stakeholder engagements.

### **Programme 2: Office of the Secretary**

The programme has spent R9.4 million in the first half of the financial year in comparison to the R8.2 million that was spent in the same period of the last financial year, equating to an increase of 15 per cent. The increase is more evident under compensation of employees due to implementation of the cost-of-living adjustments for both senior management and bargaining unit staff members.

Compensation of employees accounted for R7.2 million of the mid-year expenditure whilst goods and services accounted for R2.2 million. Goods and services expenditure is mostly driven by gender-responsive budgeting onsite training, the 6th Legislature mid-year review report, legal fees, participation in legislative sector activities and the printing of Members' declaration books.

### **Programme 3: Corporate Support Services**

At mid-year, the programme spent R241.3 million when compared with the R225.2 million that was spent in the same period of the 2022/23 financial year, reflecting an increase of 7 per cent. The increase can be attributed to the implementation of

the cost-of-living adjustments for both senior management and bargaining unit staff members. Included in the programme's expenditure is the total amount of R151.3 million which has been spent on Political Parties through support staff personnel costs, transfers, audit fees as well as travel benefits and training, representing 63 per cent share of the programme's mid-year actuals.

Compensation of employees accounted for R62.2 million whilst goods and services accounted for R42.2 million of the overall mid-year expenditure for the programme. Driving goods and services expenditure are operational costs and contractual obligations, Members facilities, Organisational Development exercise, Space Optimisation project, wellness programmes, training and bursaries as well as sector related activities.

Transfers made to political parties totalled R129.4 million at mid-year. Of the total transfers made to political parties, an amount of R98.4 million was transferred for political party work and R31 million for constituency work.

Capitals assets summed to R7.5 million and comprises laptops for Members and Staff as well as a camera for ID and access cards.

**Programme 4: Core Business:**

The programme has spent R122.3 million in the first six months of the 2023/24 financial year in comparison to the R108.4 million that was spent in the same period of 2022/23, showing an increase of 13 per cent. The increase has been recorded on both compensation of employees and goods and services, with a sizeable increase under compensation of employees due to the implementation of cost-of-living adjustments for both senior management and bargaining unit staff members. Goods and services increased as a result of higher than anticipated Committee activities requiring hansard support and public participation due to increased number of referred NCOP Bills.

Compensation of employees accounted R90.5 million and goods and services for R31.8 million of the mid-year expenditure. The recorded expenditure under goods and services comprises House and Committee activities, public participation and educational programmes, children sector parliament and library functions as well as Records Management project. Also included in the expenditure are citizens' responsibility campaigns comprising voter education and Presiding Officers outreach programmes as well as institutional events such as Vita Basadi awards, Nelson Mandela Day, Africa Day as well as women and men's month activities.

**Programme 5: Office of the CFO**

The programme has spent a total amount of R29.3 million in the first half of the financial year in comparison to the R24.1 million that was spent in the same period of 2022/23, displaying an increase of 21 per cent. The implementation of cost-of-living adjustments for both senior management and bargaining unit staff members can be credited to the increased expenditure in the first half of 2023/24. Also contributing to the increased expenditure is procurement of motor vehicles for VIP Protectors.

Of the total expenditure for the period, compensation of employees accounted for R21 million, followed distantly by goods and services and capital assets at R5 million and R3.3 million respectively. Goods and services expenditure consists of audit fees, bank charges, inventory, Audit and Risk Committee board members fees as well as maintenance and support fees for the budgeting and risk management systems. The recorded expenditure under capital assets relate to motor vehicles for VIP Protectors, office furniture and equipment.

## 6. Departmental Receipts

TABLE 2.14: DEPARTMENTAL RECEIPTS

Department	2022/23				2023/24		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
Tax receipts							
Sales of goods and services other than capital assets	1 842	1 618	2 430	32%	2 433	1 188	(27)%
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	28 500	12 162	37 467	31%	54 060	29 761	145%
Sales of capital assets							
Financial transactions in assets and liabilities							
<b>Total</b>	<b>30 342</b>	<b>13 780</b>	<b>39 897</b>	<b>31%</b>	<b>56 493</b>	<b>30 948</b>	<b>125%</b>

### Revenue trends for the first half of 2023/24

The source of revenue for the GPL is primarily from interest earned on positive bank balances and investments, City Hall bookings and rent from the parking space. At mid-year, the GPL collected a total amount of R30.9 million in comparison to the R13.8 million that was collected in the same period of 2022/23, representing an increase of 125 per cent. The increase in revenue collection is due to interest earned on investments. Interest received accounted for 96 per cent share of revenue collected at mid-year and the remaining 4 per cent was collected through sales of goods and services which comprises rent from the parking space, City Hall bookings, and insurance claims for laptops.

## 7. Changes to Transfers and Subsidies, Conditional Grants and Infrastructure

### 7.1 Changes to transfers and subsidies

No changes.

### 7.2 Changes to conditional grants

Not applicable.

### 7.3 Changes to infrastructure

Not applicable.





**VOTE 3****DEPARTMENT OF ECONOMIC DEVELOPMENT**

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated of which:</b>	<b>1 860 185</b>	<b>1 873 751</b>		<b>13 566</b>
Current payments	460 127	451 452	(8 675)	
Transfers and subsidies	1 385 258	1 410 574		25 316
Payments for capital assets	14 800	11 725	(3 075)	
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Economic Development</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

**1. Vision and Mission****Vision**

A radically transformed, modernised and re-industrialised economy in Gauteng, manifesting decent work, economic inclusion and equity.

**Mission**

The mission of the Department of Economic Development in pursuit of its vision is to:

- Ensure radical transformation, modernisation and re-industrialisation of the Gauteng economy;
- Provide an enabling policy and legislative environment for equitable economic growth and development;
- Develop and implement programmes and projects that will:
- Revitalise Gauteng's township economies;
- Build new smart, green, knowledge-based economy and industries;
- Ensure decent employment and inclusion in key economic sectors;
- Facilitate radical economic transformation, modernisation and re-industrialisation;
- Include the marginalised sectors of women, youth and persons with disabilities in mainstream economic activities; and
- Establish appropriate partnerships for delivery and ensure the DED effectively delivers on its mandate.

**2. Changes to programme purpose, objective, and measures**

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

**TABLE 3.1: DEPARTMENT OF ECONOMIC DEVELOPMENT**

R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National Additional Funding: Provincial		
1. Administration	269 822		12 110	(6 352)		5 758	275 580
2. Integrated Economic Development Service	197 710			23 623		23 623	221 333
3. Trade and Sector Development	820 154			20 900		20 900	841 054
4. Business Regulation & Governance	136 842		488	(2 000)		(1 512)	135 330
5. Economic Planning	435 657		968	(36 171)		(35 203)	400 454
<b>Total for Programmes</b>	<b>1 860 185</b>		<b>13 566</b>			<b>13 566</b>	<b>1 873 751</b>

Economic classification R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National Additional Funding: Provincial		
<b>Current payments</b>	<b>460 127</b>		<b>12 513</b>	<b>(21 188)</b>		<b>(8 675)</b>	<b>451 452</b>
Compensation of employees	264 426			(9 615)		(9 615)	254 811
Salaries & wages	226 784			(7 131)		(7 131)	219 653
Social contribution	37 642			(2 484)		(2 484)	35 158
Goods and services	195 701		12 513	(11 573)		940	196 641
<b>Transfers and subsidies</b>	<b>1 385 258</b>			<b>25 316</b>		<b>25 316</b>	<b>1 410 574</b>
Departmental agencies and accounts	1 097 388			44 523		44 523	1 141 911
Public corporations and private enterprises	287 870			(19 822)		(19 822)	268 048
Households				615		615	615
<b>Payments for capital assets</b>	<b>14 800</b>		<b>1 053</b>	<b>(4 128)</b>		<b>(3 075)</b>	<b>11 725</b>
Machinery and equipment	14 800		1 053	(4 128)		(3 075)	11 725
Software and other intangible assets							
<b>Payments for financial assets</b>							
<b>Total economic classification</b>	<b>1 860 185</b>		<b>13 566</b>			<b>13 566</b>	<b>1 873 751</b>

The department's budget is adjusted to appropriate roll-overs and the reprioritisation of budget between and within programmes and items. The appropriation is adjusted upwards by an increase of R13.6 million from a main budget of R1.86 billion to an adjusted budget of R1.873 billion.

The approved roll-over of R13.5 million relates to 2022/23 accruals and commitments which is used to reimburse previous year expenditure incurred prior to the rollover approval.

Funds were identified internally, and the Department reprioritised these towards programmes and activities which are geared towards the delivery of the Township Informal Settlement and Hostel (TISH), Township Enterprise Development Act initiatives (TEDA), and SEZ programmes.

An amount of R81.1 million is made available from various projects off which some of the funds were allocated towards projects such as:

- Township Retail Programme
- Last Mile Delivery Programme (Expansion)
- Ga-Rankuwa Hotel School contingent for additional operational, repairs and maintenance
- 8th Annual Celebration of the Madiba International Boxing Dinner Event,
- GEP Loan disbursement,
- Maintenance of the Sterkfontein Caves due to water damage,
- Vaal SEZ - Additional town planning activities identified during the first phase and Constitutional Hill Creative Industries –

#### 4. Details of adjustments to estimates of departmental expenditure 2023/24

##### Programme 1: Administration

TABLE 3.2: PROGRAMME 1: ADMINISTRATION

R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
1.Office of the MEC	8 773		2 500			2 500	11 273
2.Office of the HOD	14 032		500			500	14 532
3.Financial Management	56 422		3 300	(7 000)		(3 700)	52 722
4.Corporate Services	190 595		5 810	648		6 458	197 053
<b>Total for Programmes</b>	<b>269 822</b>		<b>12 110</b>	<b>(6 352)</b>		<b>5 758</b>	<b>275 580</b>

Economic classification	R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Current payments</b>		<b>255 022</b>		<b>11 057</b>	<b>(2 589)</b>		<b>8 468</b>	<b>263 490</b>
Compensation of employees	158 006				(7 365)		(7 365)	150 641
Salaries & wages	136 980				(5 001)		(5 001)	131 979
Social contribution	21 026				(2 364)		(2 364)	18 662
Goods and services	97 016		11 057	4 776		15 833	112 849	
<b>Transfers and subsidies</b>				<b>365</b>		<b>365</b>	<b>365</b>	
Provinces and municipalities								
Households				365		365	365	
<b>Payments for capital assets</b>	<b>14 800</b>		<b>1 053</b>	<b>(4 128)</b>		<b>(3 075)</b>	<b>11 725</b>	
Buildings and other fixed structures								
Machinery and equipment	14 800		1 053	(4 128)		(3 075)	11 725	
Software and other intangible assets								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>269 822</b>		<b>12 110</b>	<b>(6 352)</b>		<b>5 758</b>	<b>275 580</b>	

TABLE 3.3 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(31 265)</b>		<b>28 676</b>
Compensation of employees	Funds are available due to the misalignment of employees and budget allocated under objectives with no spending.	(14 593)	Funds are allocated to augment the budget where there is high spending to where people are located in the structure.	7 228
Goods and services	Funds are availed from the following items: Communication as the department has changed the service provider; Property payments due to claims payments received from the entities who refund the department for operating leases for 124 Main Street; Operating lease due to the procurement of the economic recovery buses as the RT57 contract delayed in providing updated prices for the buses; and Consultants under qualification verification which resulted from the delays in the approval of structure.	(16 672)	Provision is made for the following: Thermal CCTV tender which was budgeted under Capex; risk assessment, and appeal panel by the MEC; and a new lease contract for regional offices in the Westrand and Tshwane. Funds are also allocated towards the payment of the 8th Annual Celebration of the Madiba International Boxing Dinner Event.	21 448
<b>Transfers and subsidies</b>				<b>365</b>
Households			Funds are shifted to cover payments of leave gratuity for officials that retired or resigned from the department.	365
<b>Payments for capital assets</b>		<b>(5 464)</b>		<b>1 336</b>
Machinery and equipment	Funds are being shifted to cater for Thermal CCTV under goods and services, which was incorrectly captured as Capex.	(5 464)	Provision is made for GG vehicle finance lease.	1 336
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(36 729)</b>		<b>30 377</b>

##### Roll-overs: R12.1 million

An amount of R12.1 million is rolled over towards the payment of accruals, and commitments with PO's, (Awarded contracts and committed contractual obligations) for services rendered at the end of 2022/23 financial year.

### Virements and shifts

Through virements and shifts a net amount of R6.3 million is made available from this programme, of which R7 million is from Compensation of Employees owing to non-finalization of the Organizational structure while R1 million and R500 000 is shifted from Goods and services and Machinery and Equipment respectively due the savings realized as a result of the reimbursement of Accruals and payment of Capital assets which was realized from the 2022/23 rollover approval.

In addition, funds are availed from the registry layout project as the tender is anticipated to be awarded in the latter part of the financial year. Funds are also redirected from bulk media buying, media monitoring and printing projects.

Furthermore, an amount R26.9 million is shifted within the programme. Funds are reprioritized to follow were the expenditure in Compensation of Employees are incurred and to augment the shortfall under Goods and Services for operational expenditure and emerging projects.

Provision is made to defray overspending caused by leave gratuity payments for employees who have left the employment of the department. Lastly, funds are redirected from the Machinery and Equipment to Goods and Services to correct a misallocation of funds.

### Programme 2: Integrated Economic Development Services

**TABLE 3.4: PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES**

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1.Enterprise Development	197 710			23 623			23 623	221 333
2.Regional & Local Economic Development								
3.Economic Empowerment								
<b>Total for Programmes</b>	<b>197 710</b>			<b>23 623</b>			<b>23 623</b>	<b>221 333</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>								
Compensation of employees								
Goods and services								
<b>Transfers and subsidies</b>	<b>197 710</b>			<b>23 623</b>			<b>23 623</b>	<b>221 333</b>
Departmental agencies and accounts	197 710			23 623			23 623	221 333
Households								
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>197 710</b>			<b>23 623</b>			<b>23 623</b>	<b>221 333</b>

**TABLE 3.5 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: INTERGRATED ECONOMIC DEVELOPMENT SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				
Compensation of employees				
Goods and services				
<b>Transfers and subsidies</b>		<b>(4 500)</b>		<b>28 123</b>
Departmental agencies and accounts	Funds are shifted from GEP to GTA for the implementation of the Integrated Communication Strategy. Funds are also redirected towards the partnership between GTA and GEP for the Enterprise and Supplier Development (ESD) programme.	(4 500)	Provision is made for the loan disbursement programme as well towards augmenting the operational costs budget.	28 123
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(4 500)</b>		<b>28 123</b>

**Virements and shifts**

The programme budget reflects a net increase of R23.6 million from the main budget of R197.7 million to an adjusted budget of R221.3 million. Through virements, an amount of R4.5 million was shifted from Gauteng Enterprise Propeller (GEP) to Gauteng Tourism Authority (GTA) as part of GEP's contribution towards the Integrated Communication and Marketing strategy (R2,5 million). An amount of R2 million is for GEP's partnering with GTA for the enterprise and supplier development program.

In addition, an amount of R20 million is allocated to the entity for their loan disbursement programme and R8.1 million for operational costs shortfall to ensure that the entity meets its operational commitments.

**Programme 3: Trade and Sector Development****TABLE 3.6: PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT**

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Trade and Investment Promotion	198 472			24 900			24 900	223 372
2. Sector Development	621 682			(4 000)			(4 000)	617 682
3. Strategic Initiatives								
<b>Total for Programmes</b>	<b>820 154</b>			<b>20 900</b>			<b>20 900</b>	<b>841 054</b>
Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
R thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>								
Compensation of employees								
Goods and services								
<b>Transfers and subsidies</b>	<b>820 154</b>			<b>20 900</b>			<b>20 900</b>	<b>841 054</b>
Departmental agencies and accounts	820 154			20 900			20 900	841 054
Non-profit institutions								
Households								
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>820 154</b>			<b>20 900</b>			<b>20 900</b>	<b>841 054</b>

**TABLE 3.7 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				
Compensation of employees				
Goods and services				
<b>Transfers and subsidies</b>		<b>(20 000)</b>		<b>40 900</b>
Provinces and municipalities				
Departmental agencies and accounts	Funds are redirected from the Conhill Visitor Centre due to challenges encountered during construction process.	(20 000)	Funds are shifted as follows: R4.5 million allocated towards GTA from GEP for the implementation of the Integrated Communications Strategy and the ESD programme in partnership with DED.  The Cradle of Humankind World Heritage Site (COHWH) budget increase with the following projects; R1,5 million towards Maropeng Africa Leisure (MAL). R2 million allocated towards the World Rowing Masters Regatta 2023. An amount of R1.5 million is redirected to Cradle of Humankind for signage and marketing; R1.6 million for Infrastructure maintenance; and R10 million for the Sterkfontein Caves.  R1 million is allocated to GTA for the Spring to Festive Summer Campaign and R2.5 million for the Ga-Rankuwa Hotel School.  Lastly, an amount of R300 thousand is allocated to Dinokeng Projects.	40 900
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(20 000)</b>		<b>40 900</b>

### Virements and shifts

The programmes budget is adjusted upwards by R20.9 million from the main appropriation of R820 million to an adjusted appropriation of R841 million.

An amount of R4.5 million is shifted from programme 2 (GEP) to programme 3 under GTA. The funds are shifted for the implementation of the Integrated Communication and Marketing strategy (R2.5 million) and the Enterprise and Supplier Development (ESD) program (R2 million). A further R1 million is allocated to GTA for the Spring to Festive Summer Campaign and R2.5 million for the Ga-Rankuwa Hotel School contingent for additional operational costs, repairs and maintenance.

The Cradle of Humankind World Heritage Site 2023/24 allocated budget increased by R16.6 million as funds are shifted for the following emerging projects: R1.5 million towards additional funding to cover Maropeng Africa Leisure (MAL) projected operational losses for the 2023/24 financial year; and R2 million for the World Rowing Masters Regatta. The Cradle of Humankind further received R1.5 million for signage and marketing; R1.6 million for the infrastructure maintenance to the main building (TUMULUS); and R10 million for the Sterkfontein Caves that is closed due to water damage.

Funds of R300 000 are shifted to the Dinokeng projects for the awareness project on dangerous animals around Game Reserves and the improvement of signage in the DRG and surrounding areas.

GGDA identified R20 million from the Conhill Visitor Centre budget will not be spent due to construction challenges and redirected funding of R4 million for the Vaal SEZ - Additional town planning activities first phase; R8 million towards the ConHill Creative Industries – Hub; and R4 million for the Conhill Human Right Signature Event and R4 million towards Madiba International Boxing

## Programme 4: Business Regulation and Governance

**TABLE 3.8: PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE**

ProgrammeS	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1.Governance	7 815		488	(2 100)			(1 612)	6 203
2.Regulation Services	26 790							26 790
3.Consumer Protection	22 713			100			100	22 813
4.Liquor Regulation	79 115							79 115
5. Gauteng Gambling Board	409							409
<b>Total for Programmes</b>	<b>136 842</b>		<b>488</b>	<b>(2 000)</b>			<b>(1 512)</b>	<b>135 330</b>
Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
R thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>57 318</b>		<b>488</b>	<b>(2 150)</b>			<b>(1 662)</b>	<b>55 656</b>
Compensation of employees	54 721			(2 150)			(2 150)	52 571
Salaries & wages	45 900			(2 030)			(2 030)	43 870
Social contribution	8 821			(120)			(120)	8 701
Goods and services	2 597		488				488	3 085
<b>Transfers and subsidies</b>	<b>79 524</b>			<b>150</b>			<b>150</b>	<b>79 674</b>
Departmental agencies and accounts	79 524							79 524
Households				150			150	150
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>136 842</b>		<b>488</b>	<b>(2 000)</b>			<b>(1 512)</b>	<b>135 330</b>

**TABLE 3.9 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(3 604)</b>		<b>1 454</b>
Compensation of employees	Funds are available due to vacant positions.	(2 150)		
Goods and services	Funds are available due to board members performance review and training being cancelled. Funds have been shifted to where expenditure is incurred within the same line item.	(1 454)	Provision is made to defray over expenditure and to provide budget for the appointment of board members where entities have vacant board member positions.	1 454
<b>Transfers and subsidies</b>				<b>150</b>
Provinces and municipalities				
Departmental agencies and accounts				
Households			Funds are shifted to cover payments of leave gratuity for officials who retired or resigned from the department.	150
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(3 604)</b>		<b>1 604</b>

### Virements and shifts

The programme budget decreases by R1.5 million from the main budget of R136.8 million to an adjusted budget of R135 million.



Through virements an amount of R2 million was redirected from this programme under Compensation of Employees owing to non-finalization of the organizational structure. Furthermore, funds are shifted from Compensation of Employees to defray the expenditure under Households for leave gratuity payments and to the sub-programme Governance to fund the advertisement of the vacant board members positions for the entities.

### Programme 5: Economic Planning

**TABLE 3.10: PROGRAMME 5: ECONOMIC PLANNING**

Programmes	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
1.Policy & Planning	22 300			964		964	23 264
2.Research & Development	4 039						4 039
3.Knowledge Management	1 507						1 507
4.Sector& Industry Development	375 130		968	(57 792)		(56 824)	318 306
5.Inclusive Economy	32 681			20 657		20 657	53 338
<b>Total for Programmes</b>	<b>435 657</b>		<b>968</b>	<b>(36 171)</b>		<b>(35 203)</b>	<b>400 454</b>
<b>Economic classification</b>							
<b>R thousand</b>							
<b>Current payments</b>	<b>147 787</b>		<b>968</b>	<b>(16 449)</b>		<b>(15 481)</b>	<b>132 306</b>
Compensation of employees	51 699			(100)		(100)	51 599
Salaries & wages	43 904			(100)		(100)	43 804
Social contribution	7 795						7 795
Goods and services	96 088		968	(16 349)		(15 381)	80 707
Administrative fees	104			166		166	270
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>287 870</b>			<b>(19 722)</b>		<b>(19 722)</b>	<b>268 148</b>
Provinces and municipalities							
Departmental agencies and accounts							
Higher education institutions							
Public corporations and private enterprises	287 870			(19 822)		(19 822)	268 048
Non-profit institutions							
Households				100		100	100
<b>Payments for capital assets</b>							
Machinery and equipment							
Software and other intangible assets							
<b>Payments for financial assets</b>							
<b>Total economic classification</b>	<b>435 657</b>		<b>968</b>	<b>(36 171)</b>		<b>(35 203)</b>	<b>400 454</b>

**TABLE 3.11 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: ECONOMIC PLANNING**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(24 274)</b>		<b>7 825</b>
Compensation of employees	Funds are available because of vacant positions especially at SMS level.	(100)		
Goods and services	Reprioritisation was made within the Sector unit to make funds available to Economic Planning and Inclusive Economy units; to provide budget for the Economic Data Services and software; Township Retail and Taxi Economy projects to address the delivery of the Township Informal Settlement and Hostel (TISH); and Township Enterprise Development Act initiatives (TEDA).	(24 174)	Funds are shifted to correct the misalignment of budget and ensure that the budget is allocated to where expenditure will be incurred within consultants and professional services. The budget is shifted to defray the overspending.	7 825
<b>Transfers and subsidies</b>		<b>(40 000)</b>		<b>20 278</b>
Provinces and municipalities				
Public corporations and private enterprises	Funds are made available from Tasez's diesel budget as a result of overestimation of energy supply requirements.	(40 000)	Funds are shifted to fund GBS Global Business Construction, Bricks Manufacturing and Automotive. Provision is also made available towards the Inclusive Economy unit to augment the budget for the Last Mile Delivery Project.	20 178
Households			Funds are shifted to cover payments of leave gratuity for officials that retired or resigned from the department.	100
<b>Payments for capital assets</b>				
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(64 274)</b>		<b>28 103</b>

### Virements and shifts

The programme budget decreases by R35 million from the main budget of R435 million to an adjusted budget of R400 million.

Through virement, an amount of R36 million is redirected from this programme. The bulk of the virement was from Transfers and Subsidies as R40 million of the allocated R42 million for diesel costs to the TASEZ was reprioritised because of the overestimation of energy supply requirements. The R40 million of the allocated diesel budget was reprioritised towards emerging priority projects.

Additionally, under Transfers and Subsidies R5 million is made available for the promotion of the township economy and development of the township-based enterprises through the grant agreement with the implementing agent.

The programme shifted an amount of R19 million internally to fund projects such as the Last Mile delivery programme, Township Retail Programme and also to augment the budget under the Furniture Satellite hub Establishment, the Resource Efficiency Programmes and the B-BBEE High Growth Sector Initiatives, all geared towards initiatives of economic recovery, investment, industrialisation, youth employment and the township economy, while focusing on sectors of the economy with high employment potential.

## 5. Expenditure 2021/22 and Preliminary Expenditure 2022/23

**TABLE3:12 EXPENDITURE 2019/20 AND PRELIMINARY EXPENDITURE 2020/20**

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
1.Administration	261 551	111 580	238 399	91%	275 580	112 787	1%
2.Integrated Economic Development Services	223 876	172 813	223 876	100%	221 333	166 366	(4)%
3.Trade and Sector Development	788 013	384 671	798 613	101%	841 054	430 266	12%
4.Business Regulation and Governance	146 797	74 431	143 344	98%	135 330	72 755	(2)%
5.Economic Planning	376 593	162 943	346 381	92%	400 454	172 469	6%
<b>Total</b>	<b>1 796 830</b>	<b>906 438</b>	<b>1 750 613</b>	<b>97%</b>	<b>1 873 751</b>	<b>954 643</b>	<b>5%</b>
<b>Current payments</b>	<b>447 020</b>	<b>171 224</b>	<b>386 863</b>	<b>87%</b>	<b>451 452</b>	<b>177 904</b>	<b>4%</b>
Compensation of employees	244 418	112 056	232 884	95%	254 811	118 561	6%
Goods and Services	202 602	59 168	153 979	76%	196 641	59 343	0%
Interest and rent on land							0%
<b>Transfers and subsidies</b>	<b>1 332 425</b>	<b>725 461</b>	<b>1 349 078</b>	<b>101%</b>	<b>1 410 574</b>	<b>772 906</b>	<b>7%</b>
Departmental agencies and accounts	1 105 816	608 884	1 116 416	101%	1 141 911	645 874	6%
Households	1 861	924	1 981	106%	615	231	(75)%
<b>Payments for capital assets</b>	<b>17 385</b>	<b>9 753</b>	<b>14 645</b>	<b>84%</b>	<b>11 725</b>	<b>3 833</b>	<b>(61)%</b>
Machinery and equipment	17 385	9 753	14 645	84%	11 725	3 833	(61)%
<b>Payments for financial assets</b>			<b>27</b>				<b>0%</b>
<b>Total</b>	<b>1 796 830</b>	<b>906 438</b>	<b>1 750 613</b>	<b>97%</b>	<b>1 873 751</b>	<b>954 643</b>	<b>5%</b>

### Expenditure trends for 2022/23

The Department spent 97 per cent as at the end of the 2022/23 financial year of its adjusted budget of R1.7 billion.

The underspending of R46.2 million (3 per cent), is due to the delays in finalization of the wage agreement as well as the high vacancy rate in the department.

Furthermore, there were projects which were not committed at the end of the financial year. Amongst such projects were the implementation of the B-BBEE elements on behalf of GGDA and GTA by the Department, the pre-feasibility study for energy microgrids, phase 2 of the Code Book and the UJ Competitive study.

There were also projects (cleaning materials and equipment) which were cancelled due to bidders not complying to specification which also contributed to the underspending.

### Preliminary expenditure trends for the first half of 2023/24

#### Programme 1: Administration

The expenditure totals R112 million against the main appropriation budget of R269 million by the end of September. The underspending is attributed to the high rate of vacant posts at SMS level and the delay in the finalisation of the procurement processes.

#### Programme 2: Integrated Economic Development Services

A total amount of R166 million has been transferred to GEP at the end of the 2nd quarter. Transfers are made according to the cash flow projections provided by the entity.

### Programme 3: Trade and Sector Development

The expenditure under Programme 3 amounts to R430 million against the budget of R820 million. A total amount of R92.4 million has been transferred to GTA, R28.8 million to Cradle of Humankind and Dinokeng R22.9 million as at the end of the second quarter. In addition, GGDA received R285 million as at September 2023.

### Programme 4: Business Regulation and Governance

Programme 4 incurred expenditure amounting to R72.7 million against its initial allocated budget of R136 million at the end of the second quarter. The programme is projecting the implementation of most projects during the third and fourth quarter of the financial year.

### Programme 5: Economic Planning

The year-to-date underspending in programme 5 is attributed to the vacancies within the programme as there were delays in filling critical positions such as the Chief Director: Economic Planning and Development. Some Service Level Agreement's (SLA) under programme 5 are still awaiting sign off by implementation partners. However, improved spending was experienced by the TASEZ during Q2 as appointed contractors are working overtime to make up time lost due to delays experienced during Q1.

## 6. Departmental Receipts

TABLE 3.13 DEPARTMENTAL RECEIPTS

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
<b>Tax receipts</b>	<b>1 149 187</b>	<b>627 213</b>	<b>1 111 889</b>	<b>(89)%</b>	<b>1 235 990</b>	<b>665 258</b>	<b>6.1%</b>
Casino taxes	515 009	450 752	793 362	54%	813 610	488 796	8.4%
Horse racing taxes	563 563	162 779	318 527	(43)%	350 000	176 462	8.4%
Liquor licences	70,615	13,682	-	(100.0)%	72,380	-	(100.0)%
Sales of goods and services other than capital assets	250	(48 935)	193	(23)%	260	(53 118)	9%
Interest, dividends and rent on land	3 734	1 247	2 696	(28)%	3 898	3 170	154%
Sales of capital assets			97	0%			0%
Financial transactions in assets and liabilities	260	84	157	(40)%	270	124	47.6%
<b>Total</b>	<b>1 153 431</b>	<b>579 609</b>	<b>1 115 032</b>	<b>(3)%</b>	<b>1 240 418</b>	<b>615 434</b>	<b>6.2%</b>

### Revenue trends for the first half of the 2023/24 financial year

The table above shows the contribution of each revenue source towards the total revenue generated from April to September 2023.

The revenue collected by the Department as at the end September 2023 is R615 million against a total revenue appropriation of R1.2 billion, showing an increase of R36 million.

Analysis of collection by revenue type indicates following:

Tax receipts (Casino, Horse racing taxes and Bookmakers) - The collection under tax receipts as of 30 September 2023/24 financial year is R488 million. This is an increase of R38 million compared from September of last financial year and current financial year. Horse racing is also showing an increase in collection, from R163 million to R176 million.

The 8 per cent Commission amounting to R53 million was paid to Gauteng Gambling Board (GGB) as of 30 September 2023, results from the Casino, Horse racing taxes and Bookmaker's revenue collected by Gauteng Gambling Board (GGB) on behalf of the Department. The department paid a commission of R45 million last financial year, this an increase of R3 million compared. The difference is linked to the collection, low collection equal to low commission.

Interest, dividends and rent on land – the interest that gets generated are derived from the trust account of the GGB. The total interest collected as of 30 September 2023 amounted to R3 million. The R3 million is an increase of approximately R2 million if compared to the same period last financial year. The revenue estimate for 2023/24 increased from R3.8 million to R3.7 million as compared to the previous financial year.

Financial transactions in assets and liabilities – This category is mainly used for the recording of other types of receipts (such as overpayments of salaries, revenue that relates to previous financial years as well as the repayment of debts by employees and ex-employees such as contractual debts arising from bursaries). The Department has collected R124 000 to date out of the estimated collection of R270 000 which equated to 46% collection for the period under review. The revenue estimated for this increased from R260 000 to R270 000 and collection has also increased, from R84 000 to R124 000.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 3.14 CHANGES TO TRANSFERS TO PUBLIC ENTITIES

R Thousand	Adjusted Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2</b>	<b>197 710</b>			<b>23 623</b>			<b>23 623</b>	<b>221 333</b>
Gauteng Economic Propeller (GEP)	197 710			23 623			23 623	221 333
<b>Programme 3</b>	<b>820 154</b>			<b>20 900</b>			<b>20 900</b>	<b>841 054</b>
Cradle Of Humankind	52 699			16 600			16 600	69 299
Gauteng Tourism Authority (GTA)	109 954			8 000			8 000	117 954
Dinokeng	35 819			300			300	36 119
Gauteng Growth & Development Agency (GGDA)	621 682			(4 000)			(4 000)	617 682
<b>Programme 4</b>	<b>79 524</b>							<b>79 524</b>
4. Liquor Regulation	79 115							79 115
5. Gauteng Gambling Board	409							409
<b>Programme 5</b>	<b>287 870</b>			<b>(19 822)</b>			<b>(19 822)</b>	<b>268 048</b>
Public corporations and private enterprises	287 870			(40 000)			(40 000)	247 870
<b>Total changes in conditional Name of transfer payments</b>	<b>1 385 258</b>			<b>24 701</b>			<b>24 701</b>	<b>1 409 959</b>

Transfers and subsidies increase by a net amount of R24.7 million.

#### Gauteng Enterprise Propeller

GEP transfers increase by R28 million for their loan disbursement programme (R20 million) and operational costs shortfall (R8,1 million) to ensure that the entity meets its operational commitments. In addition, an amount of R4.5 million is allocated to GTA.

#### Gauteng Tourism Authority

GTA's budget increases by R8 million. A total amount of R4.5 million is shifted from programme 2 (GEP) to the entity for the implementation of the Integrated Communication and Marketing strategy (R2,5 million) as well as the Enterprise and Supplier Development (ESD) program with an allocation of R2 million. Furthermore, GTA received R2.5 million for the Ga-Rankuwa Hotel School contingent for additional operational, repairs and maintenance and R1 million for the Spring to festive summer campaign.

#### Gauteng Growth and Development Agency

GGDA had identified that R20 million from the Conhill Visitor Centre budget will not be spent due to construction challenges and these funds have been redirected within GGDA towards funding the following projects; Vaal SEZ - Additional town planning activities for the first phase R4 million, ConHill Creative Industries – Hub R8 million and Conhill Human Right Signature Event was allocated R4 million and R4 million towards Madiba International Boxing

**Cradle of Humankind**

The Cradle of Humankind World Heritage Site 2023/24 allocated budget increased by R16.6 million as funds are shifted for the following emerging projects: R1.5 million towards additional funding to cover Maropeng Africa Leisure (MAL) projected operational losses for the 2023/24 financial year; and R2 million for the World Rowing Masters Regatta. The Cradle of Humankind further received R1.5 million for signage and marketing; R1.6 million for the infrastructure maintenance to the main building (TUMULUS); and R10 million for the Sterkfontein Caves that is closed due to water damage

**Dinokeng**

An amount of R300 00 is shifted to Dinokeng for the awareness project on dangerous animals around the game reserve and to improve the signage in the DRG and surrounding areas.

**Gauteng Liquor Board (GLB) and Gauteng Gambling Board (GGB)**

There are no changes.

**7.1.1 Changes to Public corporations and private enterprises**

The TASEZ reported that the allocated R42 million for diesel costs in 2023/24 financial year will not be utilized due to the overestimation of the energy supply requirements thus R40 million of the allocated budget has been made available to be reprioritised towards emerging priority projects.

**7.2 Changes to infrastructure**

Refer to the 2023 Adjusted Estimates of Capital Expenditure (AECE).



# VOTE 4

## HEALTH

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>60 093 535</b>	<b>62 502 360</b>		<b>2 408 825</b>
<b>of which:</b>				
Current payments	56 013 061	58 326 669		2 313 608
Transfers and subsidies	1 806 571	1 789 329	(17 242)	
Payments for capital assets	2 273 903	2 386 362		112 459
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Health and Wellness</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision And Mission

A responsive, value-based and people centred health care system in Gauteng.

#### Mission

The Gauteng Department of Health defines its mission as follows:

- Transforming the health care system through the implementation of National Health Insurance;
- Enhancing the patients experience of care;
- Improving the quality, safety and quantity of health services provided, with a focus on primary health care;
- Strengthening public health education and health promotion;
- Optimising the health sector contribution to socio-economic development; and
- Ensuring a responsive, innovative and digitally transformed health system.

### 2. Changes to Programme Purpose, Objective and Measures

No changes.



### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 4.1 DEPARTMENT OF HEALTH

Programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Administration	1 489 406			126 527			126 527	1 615 933
2. District Health Services	20 137 498	(301 024)	32 803	63 632	1 138 241		933 652	21 071 150
3. Emergency Medical Services	1 778 114				139 321		139 321	1 917 435
4. Provincial Hospital Services	11 357 425		10 665	50 419	659 995		721 079	12 078 504
5. Central Hospital Services	21 762 135		235 587	(144 841)	558 600		649 346	22 411 481
6. Health Sciences & Training	1 196 718			(95 737)			(95 737)	1 100 981
7. Health Care Support Services	453 930				3 843		3 843	457 773
8. Health Facilities Management	1 918 309	(69 206)					(69 206)	1 849 103
<b>Total for programmes</b>	<b>60 093 535</b>	<b>(370 230)</b>	<b>279 055</b>		<b>2 500 000</b>		<b>2 408 825</b>	<b>62 502 360</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>56 013 061</b>	<b>(301 216)</b>	<b>40 303</b>	<b>74 521</b>	<b>2 500 000</b>		<b>2 313 608</b>	<b>58 326 669</b>
Compensation of employees	35 665 552	(1 297)		(4 350)	2 500 000		2 494 353	38 159 905
Salaries & wages	31 836 700	(1 297)		(150 196)	1 898 454		1 746 961	33 583 661
Social contribution	3 828 852			145 846	601 546		747 392	4 576 244
Goods and services	20 347 509	(299 919)	40 303	78 871			(180 745)	20 166 764
<b>Transfers and subsidies</b>	<b>1 806 571</b>			<b>(17 242)</b>			<b>(17 242)</b>	<b>1 789 329</b>
Provinces and municipalities	512 480							512 480
Departmental agencies and accounts	26 955							26 955
Higher education institutions	10 844							10 844
Non-profit institutions	772 718							772 718
Households	483 574			(17 242)			(17 242)	466 332
<b>Payments for capital assets</b>	<b>2 273 903</b>	<b>(69 014)</b>	<b>238 752</b>	<b>(57 279)</b>			<b>112 459</b>	<b>2 386 362</b>
Buildings and other fixed structures	694 546	(69 014)		(64 686)			(133 700)	560 846
Machinery and equipment	1 579 357		238 752	7 407			246 159	1 825 516
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>60 093 535</b>	<b>(370 230)</b>	<b>279 055</b>		<b>2 500 000</b>		<b>2 408 825</b>	<b>62 502 360</b>

The appropriation of the Gauteng Department of Health is adjusted upward by a net amount of R2.4 billion to an adjusted appropriation of R62.5 billion.

The net increase of R2.4 billion is attributable to roll-over of R279 million, additional funding of R2.5 billion for the cost of implementing the 2023 public service wage agreement and a R370.2 million reduction in conditional grants which is implemented by the national government in response to the fiscal challenges faced by the country. The in-year reduction to conditional grants is informed by a review process undertaken by the national sector departments that administer the conditional grants. Factors that were considered in making the reductions include, assessing the spending patterns of the grant allocations and the implication of the reductions on the overall operational activities of the grants. The District Health Programme Grant reduce by R297.7 million, the Health Facility Revitalisation Grant by R69 million while the Extended Public Works Integrated Grant and Social Sector Extended Public Works Incentive Grant reduce by R192 000 and R1.2 million respectively.

The total amount rolled over from unspent conditional grants funding is R279 million which is appropriated to fund commitments that could not be paid by the 31st of March 2023. Of this total amount, R32.8 million is rolled over for commitments under the Comprehensive HIV/AIDS component of the District Health Programmes Grant and it is allocated to the items, goods and services and machinery and equipment. The remaining balance of R226.8 million is rolled over for commitments under the National Tertiary Services Grant which pertain to the purchase of medical and allied equipment, and R19.4 million is for commitments under the Training Component of the Human Resources Training Grant related to the procurement of medical and training equipment.

An amount of R2.5 billion received from national is added to the provincial equitable share allocation of the department to respond to the cost of implementing the 2023 public service wage agreement.

The adjustment budget is also largely informed by the outcome of both the mid-year budget and performance assessment as well as the revised spending projections for the second half of the 2023/24 financial year which culminated in the internal reprioritisation of the budget in order to address the emerging budget risks.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

##### Programme 1: Administration

TABLE 4.2 PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Office of the MEC	25 075			2 790			2 790	27 865
2. Management	1 464 331			123 737			123 737	1 588 068
<b>Total for programme</b>	<b>1 489 406</b>			<b>126 527</b>			<b>126 527</b>	<b>1 615 933</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>1 475 930</b>			<b>12 452</b>			<b>12 452</b>	<b>1 488 382</b>
Compensation of employees	561 788							561 788
Salaries & wages	499 022							499 022
Social contribution	62 766							62 766
Goods and services	914 142			12 452			12 452	926 594
<b>Transfers and subsidies</b>	<b>3 651</b>			<b>88 285</b>			<b>88 285</b>	<b>91 936</b>
Provinces and municipalities								
Households	3 651			88 285			88 285	91 936
<b>Payments for capital assets</b>	<b>9 825</b>			<b>25 790</b>			<b>25 790</b>	<b>35 615</b>
Buildings and other fixed structures								
Machinery and equipment	9 825			25 790			25 790	35 615
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>1 489 406</b>			<b>126 527</b>			<b>126 527</b>	<b>1 615 933</b>

TABLE 4.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(34 540)</b>		<b>46 992</b>
Goods and services	Shifting of budget within the programme informed by the identification of savings and reprioritisation from slow spending items related to revenue collection agencies.	(34 540)	Funds shifted to cater for the launch of the health awareness campaign of improving the patient's experience of care in response to the elevated priority programmes as well as commitments on the implementation of the health information system.	46 992
<b>Transfers and subsidies</b>				<b>88 285</b>
Households			Reprioritization of funds to reduce excess spending emanating from the payment of medico-legal claims.	88 285
<b>Payments for capital assets</b>				<b>25 790</b>
Machinery and equipment			Provision made to procure computers towards revenue enhancement collection strategy.	25 790
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(34 540)</b>		<b>161 067</b>

## Virements and shifts

Virement and shifting of funds are informed by the identification of savings from slow spending items to cater for the launch of the health awareness campaigns aimed at improving the patient's experience of care in line with the elevated priorities of the province. The campaign is about repositioning the Health Centres of Excellence which are instrumental in positioning Gauteng as a leading province when it comes to the provision of quality healthcare services.

A total amount of R126.5 million is added to this programme of which R95.7 million is from Programme: 6 Health Sciences and Training, R20 million is from Programme 5: Central Hospital Services and R10.7 million is from Programme 2: District Health Services to defray excess expenditure incurred on the settlement of medico-legal claims. Furthermore, this virement is informed by the roll-out and implementation of the health information system and the need to procure computers, desktops, and label printers to enhance revenue collection within the institutions.

## Programme 2: District Health Services

TABLE 4.4 PROGRAMME 2: DISTRICT HEALTH SERVICES

Sub-programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. District Management	1 106 118			(41 002)			(41 002)	1 065 116
2. Community Health Clinics	2 810 322			24 242	265 189		289 431	3 099 753
3. Community Health Centres	2 524 083			114 038			114 038	2 638 121
4. Community Based Services	2 734 575	(1 297)		(66 465)	344 033		276 271	3 010 846
5. HIV And AIDS	6 039 240	(299 727)	32 803	(10 000)	367 810		90 886	6 130 126
6. Nutrition	75 290							75 290
7. Coroner Services	328 711			8 317	12 829		21 146	349 857
8. District Hospitals	4 519 159			34 502	148 380		182 882	4 702 041
<b>Total for programme</b>	<b>20 137 498</b>	<b>(301 024)</b>	<b>32 803</b>	<b>63 632</b>	<b>1 138 241</b>		<b>933 652</b>	<b>21 071 150</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>18 860 130</b>	<b>(301 024)</b>	<b>32 803</b>	<b>59 814</b>	<b>1 138 241</b>		<b>929 834</b>	<b>19 789 964</b>
Compensation of employees	11 298 450	(1 297)		74 422	1 138 241		1 211 366	12 509 816
Salaries & wages	9 755 880	(1 297)		44 995	792 525		836 223	10 592 103
Social contribution	1 542 570			29 427	345 716		375 143	1 917 713
Goods and services	7 561 680	(299 727)	32 803	(14 608)			(281 532)	7 280 148
<b>Transfers and subsidies</b>	<b>1 002 772</b>			<b>350</b>			<b>350</b>	<b>1 003 122</b>
Provinces and municipalities	512 480							512 480
Non-profit institutions	457 718							457 718
Households	32 574			350			350	32 924
<b>Payments for capital assets</b>	<b>274 596</b>			<b>3 468</b>			<b>3 468</b>	<b>278 064</b>
Buildings and other fixed structures								
Machinery and equipment	274 596			3 468			3 468	278 064
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>20 137 498</b>	<b>(301 024)</b>	<b>32 803</b>	<b>63 632</b>	<b>1 138 241</b>		<b>933 652</b>	<b>21 071 150</b>

**TABLE 4.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: DISTRICT HEALTH SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(256 750)</b>		<b>316 564</b>
Compensation of employees	Shifting of compensation of employees' budget within sub-programmes to align with expenditure.	(127 398)	Shifting of compensation of employees' budget within sub-programmes to align with expenditure. In addition, the budget for compensation of employees which is earmarked for posts created during the COVID-19 pandemic is shifted to this programme to support the revised list of hospitals with increased service demands.	201 820
Goods and services	Plans to procure minor assets have been deferred until the new financial year. Budget was also realigned between sub-programmes to accommodate increased service demands.	(129 352)	Provision for increased laboratory services, medicine and medical supplies as a result of increased patient load and service demands. Funds are also shifted to offset excess expenditure on diesel.	114 744
<b>Transfers and subsidies</b>		<b>(1 450)</b>		<b>1 800</b>
Households	Reallocation of budget from social benefits item.	(1 450)	Realignment of budget to defray excess expenditure related to employees' social benefits.	1 800
<b>Payments for capital assets</b>		<b>(790)</b>		<b>4 258</b>
Machinery and equipment	Funds are shifted due to slow spending.	(790)	Funds are shifted to machinery and equipment to pay accruals.	4 258
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(258 990)</b>		<b>322 622</b>

**Function Shifts, Surrenders and Suspensions: R301 million**

The budget for the Comprehensive HIV/AIDS Component and the Social Sector EPWP Incentive Grant is reduced by R299.7 million and R1.2 million, respectively due to fiscal constraints.

**Roll-overs: R32.8 million**

A total of R32.8 million is rolled over to fund the payment of the previous year's commitments on goods and services and machinery and equipment within the Comprehensive HIV/AIDS component.

**Virements and shifts**

The programme's budget is shifted within sub-programmes in order to align the compensation of employees' budget with the actual expenditure. In addition, an amount of R74.4 million earmarked for posts created during the COVID-19 pandemic is shifted to compensation of employees in this programme in order to support the revised list of hospitals where there is an increase in service demands. Funds are also reallocated to defray excess expenditure incurred on laboratory services, fuel, oil, gas, and medical supplies. Furthermore, R350 000 is shifted to households to fund leave gratuity payments made to ex-employees. In addition, R3.4 million is allocated to machinery and equipment to procure medical and allied equipment in line with the revised procurement plan. These shifts are affected within the Community Health Centres, Coroner Services and District Hospitals sub-programmes.

**Additional Funding: National: R1.1 billion**

An additional amount of R1.1 billion from national is allocated to the equitable share of the department to respond to the cost of implementing the 2023 public service wage agreement.

**Programme 3: Emergency Medical Services****TABLE 4.6: PROGRAMME 3: EMERGENCY MEDICALS SERVICES**

Sub-programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Emergency Transport	1 470 724			49 200	120 075		169 275	1 639 999
2. Planned Patient Transport	307 390			(49 200)	19 246		(29 954)	277 436
<b>Total for programme</b>	<b>1 778 114</b>				<b>139 321</b>		<b>139 321</b>	<b>1 917 435</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>1 459 711</b>			<b>(11 839)</b>	<b>139 321</b>		<b>127 482</b>	<b>1 587 193</b>
Compensation of employees	1 006 480				139 321		139 321	1 145 801
Salaries & wages	907 609				43 321		43 321	950 930
Social contribution	98 871				96 000		96 000	194 871
Goods and services	453 231			(11 839)			(11 839)	441 392
<b>Transfers and subsidies</b>	<b>8 403</b>			<b>(6 500)</b>			<b>(6 500)</b>	<b>1 903</b>
Provinces and municipalities								
Households	8 403			(6 500)			(6 500)	1 903
<b>Payments for capital assets</b>	<b>310 000</b>			<b>18 339</b>			<b>18 339</b>	<b>328 339</b>
Buildings and other fixed structures								
Machinery and equipment	310 000			18 339			18 339	328 339
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>1 778 114</b>				<b>139 321</b>		<b>139 321</b>	<b>1 917 435</b>

**TABLE 4.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: EMERGENCY MEDICAL SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(80 409)</b>		<b>68 570</b>
Goods and services	Reprioritisation of budget within sub-programmes and items with sufficient budget for the remainder of the year.	(80 409)	Budget is shifted for payment of accruals on medical supplies and to ensure compliance with EMS Regulations. Funds are also reallocated to cover the annual distribution of uniforms and protective clothing to existing employees and new recruits.	68 570
<b>Transfers and subsidies</b>		<b>(6 500)</b>		
<b>Payments for capital assets</b>				<b>18 339</b>
<b>Machinery and equipment</b>			Funds are shifted to machinery and equipment to pay accruals.	18 339
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(86 909)</b>		<b>86 909</b>

**Virements and shifts**

A total of R49.2 million is reprioritised from the Planned Patient Transport sub-programme, mainly from fleet services and transport to the Emergency Transport sub-programme to offset excess expenditure on medical supplies and fleet services, as well as accruals within machinery and equipment.

**Additional Funding: National: R139.3 million**

An additional of R139.3 million from national is allocated to the equitable share of the department to respond to the cost of implementing the 2023 public service wage agreement.

**Programme 4: Provincial Hospital Services****TABLE 4.8: PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES**

Sub-programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. General Hospitals	8 199 417		7 909	36 848	656 877		701 634	8 901 051
2. Tuberculosis Hospitals	390 450			910			910	391 360
3. Psychiatric/Mental Hospitals	1 985 866			6 772			6 772	1 992 638
4. Dental Training Hospitals	667 965		2 756	5 889			8 645	676 610
5. Other Specialised Hospitals	113 727				3 118		3 118	116 845
<b>Total for programme</b>	<b>11 357 425</b>		<b>10 665</b>	<b>50 419</b>	<b>659 995</b>		<b>721 079</b>	<b>12 078 504</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>11 142 090</b>			<b>61 311</b>	<b>659 995</b>		<b>721 306</b>	<b>11 863 396</b>
Compensation of employees	7 966 504			50 419	659 995		710 414	8 676 918
Salaries & wages	7 005 561			48 419	588 877		637 296	7 642 857
Social contribution	960 943			2 000	71 118		73 118	1 034 061
Goods and services	3 175 586			10 892			10 892	3 186 478
<b>Transfers and subsidies</b>	<b>21 690</b>			<b>(1 298)</b>			<b>(1 298)</b>	<b>20 392</b>
Households	21 690			(1 298)			(1 298)	20 392
<b>Payments for capital assets</b>	<b>193 645</b>		<b>10 665</b>	<b>(9 594)</b>			<b>1 071</b>	<b>194 716</b>
Machinery and equipment	193 645		10 665	(9 594)			1 071	194 716
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>11 357 425</b>		<b>10 665</b>	<b>50 419</b>	<b>659 995</b>		<b>721 079</b>	<b>12 078 504</b>

**TABLE 4.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(67 403)</b>		<b>128 714</b>
Compensation of employees	Shifting of compensation of employees' budget withing sub-programmes to align with expenditure.	(2 000)	Shifting of compensation of employees' budget to align with expenditure. In addition, the budget for compensation of employees which is earmarked for posts created during the COVID-19 pandemic is shifted to this programme in order to support the revised list of hospitals with increased service demands.	52 419
Goods and services	Budget shifted from slow spending items to avail funding for spending pressures and to align budget with expenditure due to payment of accruals.	(65 403)	Reprioritisation of funds to cover accruals and high demand on medical gloves, fuel and consumables. Provision is also made to accommodate above inflation costs implemented by municipalities on electricity, water and refuse services.	76 295
<b>Transfers and subsidies</b>		<b>(1 298)</b>		
<b>Payments for capital assets</b>		<b>(9 594)</b>		
Machinery and equipment	Procurement plans postponed until the end of the financial year. Funds are also shifted due to delays in procurement processes.	(9 594)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(78 295)</b>		<b>128 714</b>

**Rollovers: R10.6 million**

A total of R10.6 million is rolled over to cover the payment of the previous year's commitments on the procurement of machinery and equipment. Of the total amount of R10.6 million, an amount of R7.9 million is allocated to Training component of the Human Resources and Training Grant and R2.7 million is allocated to the National Tertiary Services grant.

**Virements and shifts**

An amount of R50.4 million earmarked for posts created during the COVID-19 pandemic is shifted to compensation of employees

in this programme in order to support the revised list of hospitals where there is an increase in service demands. The shifting of funds within sub-programmes is informed by the need to alleviate excess expenditure mainly within the non-negotiable budget line items such as food and food supplies, medical supplies, and property payments as well as to defray excess expenditure due to payment of accruals.

### Additional Funding: National: R659.9 million

An additional amount of R659.9 million from national government is allocated to the equitable share of the department to respond to the cost of implementing the 2023 public service wage agreement.

## Programme 5: Central Hospital Services

TABLE 4.10 PROGRAMME 5: CENTRAL HOSPITAL SERVICES

Sub-programmes	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
1. Central Hospitals	16 929 989		199 115	(291 831)	312 417		17 149 690
2. Provincial Tertiary Hospital Services	4 832 146		36 472	146 990	246 183		5 261 791
<b>Total for programme</b>	<b>21 762 135</b>		<b>235 587</b>	<b>(144 841)</b>	<b>558 600</b>	<b>649 346</b>	<b>22 411 481</b>

Economic classification	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
<b>Current payments</b>	<b>20 673 771</b>		<b>7 500</b>	<b>(139 492)</b>	<b>558 600</b>	<b>426 608</b>	<b>21 100 379</b>
Compensation of employees	13 876 645			(124 841)	558 600	433 759	14 310 404
Salaries & wages	12 838 531			(235 767)	470 315	234 548	13 073 079
Social contribution	1 038 114			110 926	88 285	199 211	1 237 325
Goods and services	6 797 126		7 500	(14 651)		(7 151)	6 789 975
<b>Transfers and subsidies</b>	<b>363 749</b>						<b>363 749</b>
Non-profit institutions	315 000						315 000
Households	48 749						48 749
<b>Payments for capital assets</b>	<b>724 615</b>		<b>228 087</b>	<b>(5 349)</b>		<b>222 738</b>	<b>947 353</b>
Machinery and equipment	724 615		228 087	(5 349)		222 738	947 353
<b>Payments for financial assets</b>							
Thefts & Losses							
<b>Total economic classification</b>	<b>21 762 135</b>		<b>235 587</b>	<b>(144 841)</b>	<b>558 600</b>	<b>649 346</b>	<b>22 411 481</b>

**TABLE 4.11: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: CENTRAL HOSPITAL SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(472 759)</b>		<b>333 267</b>
Compensation of employees	Shifting of compensation of employees' budget within sub-programmes to align with expenditure. In addition, shift of budget from this programme to reallocate compensation of employees earmarked for posts created during the COVID-19 pandemic to the revised list of hospitals where there is an increase in service demand.	(382 757)	Shifting of compensation of employees' budget to align with expenditure in addition, the budget for compensation of employees which is earmarked for posts created during the COVID-19 pandemic is shifted within this programme to support the revised list of hospitals with increased service demands.	257 916
Goods and services	Reallocation of budget within the programme from slow spending items and shifting due to the implementation of cost containment measures.	(90 002)	Realignment of the budget within sub-programmes to accommodate increased service demands and above inflation price increases on food and food supplies.	75 351
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>		<b>(5 349)</b>		
Machinery and equipment	Procurement plans postponed until the end of the financial year.	(5 349)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(478 108)</b>		<b>333 267</b>

**Roll-overs: R235.5 million**

A roll-over of R235.5 million is appropriated to fund payments of related to the procurement of medical and allied equipment in the previous financial year, of which R224 million is allocated to the National Tertiary Services Grant and R11.5 million to the Training component of the Human Resources and Training Grant.

**Virements and shifts**

The programme budget decreases by R144.8 million due to a shift of budget from this programme to reallocate compensation of employees earmarked for posts created during the COVID-19 pandemic to the revised list of hospitals where there is an increase in service demand. Shifting of budget within the sub-programmes is also effected to defray excess expenditure under non-negotiable budget line items such as food and food supplies, medical supplies and other supplies to accommodate an increased in service demand and above-inflation price increases.

**Additional Funding: National: R558.6 million**

The programme receives an additional R558.6 million from the national government to cover the cost of implementing the 2023 public service wage agreement.



**Programme 6: Health Sciences and Training****TABLE 4.12 PROGRAMME 6: HEALTH SCIENCES AND TRAINING**

Sub-programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Nurse Training Colleges	696 496			(7 452)			(7 452)	689 044
2. EMS Training Colleges	56 156							56 156
3. Bursaries	341 974			(88 285)			(88 285)	253 689
4. Other Training	102 092							102 092
<b>Total for programme</b>	<b>1 196 718</b>			<b>(95 737)</b>			<b>(95 737)</b>	<b>1 100 981</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>779 797</b>			<b>2 582</b>			<b>2 582</b>	<b>782 379</b>
Compensation of employees	680 814							680 814
Salaries & wages	596 907							596 907
Social contribution	83 907							83 907
Goods and services	98 983			2 582			2 582	101 565
<b>Transfers and subsidies</b>	<b>405 775</b>			<b>(98 285)</b>			<b>(98 285)</b>	<b>307 490</b>
Departmental agencies and accounts	26 955							26 955
Higher education institutions	10 844							10 844
Households	367 976			(98 285)			(98 285)	269 691
<b>Payments for capital assets</b>	<b>11 146</b>			<b>(34)</b>			<b>(34)</b>	<b>11 112</b>
Machinery and equipment	11 146			(34)			(34)	11 112
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>1 196 718</b>			<b>(95 737)</b>			<b>(95 737)</b>	<b>1 100 981</b>

**TABLE 4.13: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: HEALTH SCIENCES AND TRAINING**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(7 296)</b>		<b>9 878</b>
Compensation of employees				
Goods and services	Shifting of funds to implement cost-cutting measures and reprioritization due to adequate funding.	(7 296)	Reallocation of budget due to increased cost of security services within the Nurse Training Colleges sub-programme and to cater for the payment of accruals.	9 878
<b>Transfers and subsidies</b>		<b>(98 285)</b>		
Higher education institutions				
Households	Reprioritisation and virement of funds due to slow intake of nursing students.	(98 285)		
<b>Payments for capital assets</b>		<b>(34)</b>		
Machinery and equipment	Realignment of budget within sub-programmes due to slow spending within machinery and equipment.	(34)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(105 615)</b>		<b>9 878</b>

**Virements and shifts**

A total amount of R95.7 million is redirected to Programme 1: Administration, as funds were reprioritized from the slow spending items, of which R88.2 million is from households within the Bursaries sub-programme due to a slow intake of nursing students and R7.4 million is from the Nursing Training Colleges sub-programme due to slow spending.

Furthermore, are shifted to cater for the increased cost of security services mainly within the Nursing Training Colleges sub-programme and to accommodate the payment of accruals.

## Programme 7: Health Care Support Services

**TABLE 4.14 PROGRAMME 7: HEALTH CARE SUPPORT SERVICES**

Sub-programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Laundries	338 339				2 416		2 416	340 755
2. Food Supply Services	115 590				1 427		1 427	117 017
3. Medicine Trading Account	1							1
<b>Total for programme</b>	<b>453 930</b>				<b>3 843</b>		<b>3 843</b>	<b>457 773</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>451 021</b>			(87)	<b>3 843</b>		<b>3 756</b>	<b>454 777</b>
Compensation of employees	219 313				3 843		3 843	223 156
Salaries & wages	182 735			(2 350)	3 416		1 066	183 801
Social contribution	36 578			2 350	427		2 777	39 355
Goods and services	231 708			(87)			(87)	231 621
<b>Transfers and subsidies</b>	<b>531</b>			<b>95</b>			<b>95</b>	<b>626</b>
Households	531			95			95	626
<b>Payments for capital assets</b>	<b>2 378</b>			<b>(8)</b>			<b>(8)</b>	<b>2 370</b>
Machinery and equipment	2 378			(8)			(8)	2 370
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>453 930</b>				<b>3 843</b>		<b>3 843</b>	<b>457 773</b>

**TABLE 4.15: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 7: HEALTH CARE SUPPORT SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(8 227)</b>		<b>8 140</b>
Goods and services	Shifting of funds from items that are estimated to be adequately funded for the remainder of the financial year.	(5 877)	Funds are shifted to procure cleaning and packaging materials for the laundries and cook freeze facilities.	5 790
<b>Transfers and subsidies</b>				<b>95</b>
Households			Funds shifted to cover projected expenditure.	95
<b>Payments for capital assets</b>		<b>(8)</b>		
Machinery and equipment	Procurement plan deferred until the end of the year.	(8)		
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(8 235)</b>		<b>8 235</b>

### Virements and shifts

The shifting of funds within the programme is informed by the reprioritisation of funds to align spending within the goods and services items mainly to address high spending under consumable supplies and to procure cleaning and packaging materials for the laundries and cook freeze facilities.

### Additional Funding: National: R3.8 million

An additional amount of R3.8 million is from the national government to cover the cost of implementing the 2023 public service wage agreement.

**Programme 8: Health Facilities Management****TABLE 4.16: PROGRAMME: HEALTH FACILITIES MANAGEMENT**

Sub-programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Community Health Facilities	293 782			(16 073)			(16 073)	277 709
2. Emergency Medical Rescue Services	15 420			(13 259)			(13 259)	2 161
3. District Hospital Services	215 536			21 907			21 907	237 443
4. Provincial Hospital Services	419 696			(10 110)			(10 110)	409 586
5. Central Hospital Services	581 370	(69 014)		(17 846)			(86 860)	494 510
6. Other Facilities	392 505	(192)		35 381			35 189	427 694
<b>Total for programme</b>	<b>1 918 309</b>	<b>(69 206)</b>					<b>(69 206)</b>	<b>1 849 103</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>1 170 611</b>	<b>(192)</b>		<b>89 780</b>			<b>89 588</b>	<b>1 260 199</b>
Compensation of employees	55 558			(4 350)			(4 350)	51 208
Salaries & wages	50 455			(5 493)			(5 493)	44 962
Social contribution	5 103			1 143			1 143	6 246
Goods and services	1 115 053	(192)		94 130			93 938	1 208 991
<b>Transfers and subsidies</b>				<b>111</b>			<b>111</b>	<b>111</b>
<b>Payments for capital assets</b>	<b>747 698</b>	<b>(69 014)</b>		<b>(89 891)</b>			<b>(158 905)</b>	<b>588 793</b>
Buildings and other fixed structures	694 546	(69 014)		(64 686)			(133 700)	560 846
Machinery and equipment	53 152			(25 205)			(25 205)	27 947
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>1 918 309</b>	<b>(69 206)</b>					<b>(69 206)</b>	<b>1 849 103</b>

**TABLE 4.17: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 8: HEALTH FACILITIES MANAGEMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(45 567)</b>		<b>135 347</b>
Goods and services	Funds are shifted from slow spending maintenance projects to offset excess spending on other maintenance projects.	(39 774)	Funds are shifted to cover overspending on maintenance projects.	133 904
<b>Transfers and subsidies</b>				<b>111</b>
Households			Funds shifted to cover expenditure already incurred.	111
<b>Payments for capital assets</b>		<b>(269 452)</b>		<b>179 561</b>
Buildings and other fixed structures	Funds reprioritized due to delays in construction work and submission of invoices at the new Randfontein (Mohlakeng) CHC, the late start of the Charlotte Maxeke Fire Remedy-EORR, Kekanastad Clinic, Boitumelo Clinic, and Boikhutsong New CHC.	(242 677)	Funds shift to supplement budget for the construction of New Johannesburg Forensic Mortuary, the Mayibuye Clinic, the Tembisa Bulk Store, and some electro-mechanical projects.	177 991
Machinery and equipment	Funds shifted due to slow procurement processes.	(26 775)	Funds shift to cover health technology procurement of Greenspark Clinic and Carletonville hospital.	1 570
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(315 019)</b>		<b>315 019</b>

**Function Shifts, Surrenders and Suspensions: R69.2 million**

The Health Facility Revitalisation Grant and EPWP Integrated Grant is reduced by R69 million and R192 000 respectively because of the current fiscal challenges faced by government.

**Virements and shifts**

The realignment of infrastructure budget within the programme is based on the critical review of progress made and an

assessment of what can be delivered during the remainder of the financial year.

Furthermore, a reprioritisation of budget was due to delays in construction work and submission of invoices at the new Randfontein (Mohlakeng) Community Health Centre. Funds also reprioritized due to late start of the Charlotte Maxeke Fire Remedy-EORR, Kekanastad Clinic, Boitumelo Clinic, and the new Boikhutsong Community Health Centre. Funds shift to increase budget for the construction of New Johannesburg Forensic Mortuary, the Mayibuye clinic, the Tembisa Bulk Store, and some electro-mechanical projects.

## 5. Expenditure 2022/23 and Preliminary Expenditure 2023/24

TABLE 4.18: EXPENDITURE 2022/23 AND PRELIMINARY EXPENDITURE 2023/24

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of ad- justed appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
1. Administration	1 456 146	956 184	1 825 656	125%	1 615 933	1 505 693	57%
2. District Health Services	21 087 290	9 805 911	19 494 302	92%	21 071 150	10 473 279	7%
3. Emergency Medical Services	1 795 100	952 848	2 010 941	112%	1 917 435	1 048 667	10%
4. Provincial Hospital Services	11 286 458	5 726 777	11 082 431	98%	12 078 504	6 312 398	10%
5. Central Hospital Services	21 978 884	11 429 338	21 485 422	98%	22 411 481	11 336 079	(1)%
6. Health Sciences and Training	1 090 663	343 523	638 217	59%	1 100 981	375 625	9%
7. Health Care Support Services	432 966	230 343	437 302	101%	457 773	230 237	(0)%
8. Health Facilities Man- agement	2 224 049	884 226	1 665 469	75%	1 849 103	936 375	6%
<b>Total for programmes</b>	<b>61 351 556</b>	<b>30 329 150</b>	<b>58 639 740</b>	<b>96%</b>	<b>62 502 360</b>	<b>32 218 353</b>	<b>6%</b>
<b>Current payments</b>	<b>56 830 110</b>	<b>28 558 344</b>	<b>54 838 087</b>	<b>96%</b>	<b>58 326 669</b>	<b>30 330 963</b>	<b>6%</b>
Compensation of em- ployees	36 750 830	17 874 642	36 542 650	99%	38 159 905	18 798 201	5%
Goods and Services	20 079 280	10 683 702	18 291 596	91%	20 166 764	11 529 434	8%
Interest and rent on land			3 841			3 328	0%
<b>Transfers and subsidies</b>	<b>1 727 049</b>	<b>792 266</b>	<b>1 911 276</b>	<b>111%</b>	<b>1 789 329</b>	<b>1 127 942</b>	<b>42%</b>
Provinces and munic- ipalities	517 164	131 390	514 577	99%	512 480	140 206	7%
Departmental agencies and accounts	25 819	25 819	25 819	100%	26 955	26 955	4%
Higher education insti- tutions	4 039	1 176	1 176	29%	10 844	411	(65)%
Foreign governments & international organisations							0%
Public corporations & private enterprises							0%
<b>Payments for capital assets</b>	<b>2 794 397</b>	<b>976 891</b>	<b>1 877 868</b>	<b>67%</b>	<b>2 386 362</b>	<b>759 209</b>	<b>(22)%</b>
Buildings and other fixed structures	936 434	288 215	434 910	46%	560 846	189 666	(34)%
Machinery and equipment	1 857 963	688 631	1 442 958	78%	1 825 516	569 543	(17)%
Heritage assets							0%
Specialised military assets							0%
<b>Payments for financial assets</b>		<b>1 649</b>	<b>12 509</b>			<b>239</b>	<b>(86)%</b>
<b>Total economic classi- fication</b>	<b>61 351 556</b>	<b>30 329 150</b>	<b>58 639 740</b>	<b>96%</b>	<b>62 502 360</b>	<b>32 218 353</b>	<b>6%</b>

### Expenditure trends for 2022/23

The department's total expenditure for the 2022/23 financial year amounted to R58.6 billion which translates to 96 per cent of the total budget of R61.3 billion.

Increased expenditure on compensation of employees was as a result of increased personnel headcount because of the appointment of health professionals in line with the COVID-19 Health Response.

The overall overspending on goods and services was because of increased expenditure incurred on medical supplies, legal services and consultants.

The overspending on transfers to households is due to increased payment of leave gratuity to qualifying employees who exited the system and because of natural attrition as well as the payment of medico-legal claims.

An underspending in payments for capital assets was due to the revised procurement plans, non-delivery of procured equipment before the end of the financial year and delays in the procurement processes due to probity audit.

#### **Expenditure trends for the first half of 2023/2024**

The department spent R32.2 billion in the first half of 2023/2024 compared to R30.3 billion in the first half of 2022/2023. This is mainly due to the payment of previous financial year's accruals and increased medico-legal claims.

#### **Programme 1: Administration**

The programme has incurred expenditure amounting to R1.5 billion against the budget of R1.48 billion in the first half of 2023/24. The overspending relates to payment of legal services and the payment of medico-legal claims that has been centralised in the programme.

#### **Programme 2: District Health Services**

Spending under this programme is R10.4 billion at the end of the first half which is slightly higher than the R9.8 billion spent in the first half of the 2022/2023 financial year due to the payment of accruals and increased costs of non-negotiable items that are above inflation.

#### **Programme 3: Emergency Medical Services**

The total expenditure for the first six months of the current financial year amounts to R1.0 billion which is higher than the R952.8million spent in the same period of 2022/23 financial year due to payment of previous year's commitment within the medical supplies and the machinery and equipment items.

#### **Programme 4: Provincial Hospital Services**

During the period under review, the spending in this programme increased from R5.7 billion in 2022/2023 financial year to R6.3 billion in the first six-month of 2023/2024 financial year. The increased spending is due to the payment of accruals.

#### **Programme 5: Central Hospital Services**

The overall change in expenditure for the first six months of the financial year increased from R11.1 billion in 2022/23 to R11.3 billion. The increased spending is due to payment of previous year accruals mainly within consumable supplies, medical supplies and property payments.

#### **Programme 6: Health Sciences and Training**

The mid-term expenditure for this programme amounted to R375.6 million which is more when compared to the same period of the previous financial year which amounted to R343.5 million.

#### **Programme 7: Health Care Support**

The 2023/24 second half expenditure in this programme is at R230.2 million which is more than the R230.3 million spent in the 2022/23 financial year. This high expenditure is attributed to the high cost of consumable supplies.

#### **Programme 8: Health Facilities Management**

Expenditure in this programme is at 48.8 per cent of the budget due to projects that are progressing slower than anticipated.

## 6. Departmental Receipts

TABLE 4.19: DEPARTMENTAL RECEIPTS

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of adjusted approp- riation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
Tax receipts							
Sales of goods and services other than capital assets	501 570	177 606	408 559	(19)%	521 632	221 655	25%
Of which Health patient fees	401 937	130 744	300 334	(25)%	418 014	165 361	26%
Transfers received		3	809	0%		15	400%
Fines, penalties and forfeits	75	19	39	(48)%	78	34	79%
Interest, dividends and rent on land	1 710	426	711	(58)%	1 780	219	(49)%
Sales of capital assets		5 080	15 318	0%		14 523	186%
Financial transactions in assets and liabilities	37 445	34 164	82 673	121%	38 943	11 916	(65)%
<b>Total receipts</b>	<b>540 800</b>	<b>217 298</b>	<b>508 109</b>	<b>(4)%</b>	<b>562 433</b>	<b>248 362</b>	<b>14%</b>

### Revenue trends for the first half of the 2023/24 financial year.

The estimated actual revenue to be collected by the end of the 2023/24 financial year amounts to R562.4 million, this remains the same as the main appropriation for own revenue.

Revenue raised to date amounts to R248.3 million as compared to R217.2 million collected in the first half of 2022/23 and increased by R31.0 million (14%). The projected under collection within Health Patient Fees is attributable to Road Accident (RAF). It is anticipated that revenue will increase during the remainder of the financial year.

## 7. Changes to Transfers and Subsidies, Conditional Grants and Infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 4.20: CHANGES TO TRANSFERS AND SUBSIDIES

R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>1. Administration</b>	<b>3 651</b>			<b>88 285</b>		<b>88 285</b>	<b>91 936</b>
Households	3 651			88 285		88 285	91 936
<b>2. District Health Services</b>	<b>1 002 772</b>			<b>350</b>		<b>350</b>	<b>1 003 122</b>
Provincial and Local Government	512 480						512 480
Non-Profit Institutions	457 718						457 718
Households	32 574			350		350	32 924
<b>3. Emergency Medical Services</b>	<b>8 403</b>			<b>(6 500)</b>		<b>(6 500)</b>	<b>1 903</b>
Households	8 403			(6 500)		(6 500)	1 903
<b>4. Provincial Hospital Services</b>	<b>21 690</b>			<b>(1 298)</b>		<b>(1 298)</b>	<b>20 392</b>
Households	21 690			(1 298)		(1 298)	20 392
<b>5. Central Hospital Services</b>	<b>363 749</b>						<b>363 749</b>
Non-Profit Institutions	315 000						315 000
Households	48 749						48 749
<b>6. Health Sciences &amp; Training</b>	<b>405 775</b>			<b>(98 275)</b>		<b>(98 275)</b>	<b>307 500</b>
Departmental Agencies & Accounts	26 955						26 955
Higher Education & Training Instit	10 844						10 844
Households	367 976			(98 275)		(98 275)	269 701
<b>7. Health Care Support Services</b>	<b>531</b>			<b>95</b>		<b>95</b>	<b>626</b>
Households	531			95		95	626
<b>8. Health Facilities Management</b>				<b>111</b>		<b>111</b>	<b>111</b>
Households				111		111	111
<b>Total changes in transfer payments</b>	<b>1 806 571</b>			<b>(17 232)</b>		<b>(17 232)</b>	<b>1 789 339</b>

### Virements and shifts

Overall transfer payments decreased by a net amount of R17.2 million due to slow spending on the employee social benefits item. A total virement of R92.3 million from households in Programme 6: Health Sciences and Training, sub-programme: Bursaries is due to a smaller number of students participating in the programme. An amount of R1.9 million shifts from households within the Nurse Training Colleges sub-programme due to slow spending. A total of R88.2 million is reallocated to Programme 1, to reduce excess spending resulting from the payment of medico-legal claims.

## 7.2 Changes to conditional grants

TABLE 4.21: CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>2. District Health Services</b>	<b>6 021 777</b>	<b>(301 024)</b>	<b>32 803</b>			<b>(268 221)</b>	<b>5 753 556</b>
Human Resources & Training Grant: Statutory Human Resources Component	116 740						116 740
Social Sector EPWP Integrated Incentive Grant for Provinces	18 091	(1 297)				(1 297)	16 794
National Health Insurance Grant	92 947						92 947
District Health Programmes Grant: Comprehensive HIV& AIDS Component	5 259 071	(299 727)	32 803			(266 924)	4 992 147
District Health Programmes Grant: District Health Component	534 928						534 928
<b>4. Provincial Hospital Services</b>	<b>516 330</b>		<b>10 665</b>			<b>10 665</b>	<b>526 995</b>
National Tertiary Services Grant	32 426		2 756			2 756	35 182
Human Resources & Training Grant: Statutory Human Resources Component	224 971						224 971
Human Resources & Training Grant: Training Component	258 933		7 909			7 909	266 842
Health Facility Revit Grant							
Comprehensive HIV/AIDS Component							
<b>5. Central Hospital Services</b>	<b>6 234 580</b>		<b>235 587</b>			<b>235 587</b>	<b>6 470 167</b>
National Tertiary Services Grant	4 955 677		224 053			224 053	5 179 730
Human Resources & Training Grant: Statutory Human Resources Component	555 344						555 344
Human Resources & Training Grant: Training Component	723 559		11 534			11 534	735 093
<b>8. Health Facilities Management</b>	<b>1 118 721</b>	<b>(69 206)</b>				<b>(69 206)</b>	<b>1 049 515</b>
Health Facility Revitalisation Grant	1 116 750	(69 014)				(69 014)	1 047 736
EPWP Integrated Grant for Provinces	1 971	(192)				(192)	1 779
<b>Total changes in conditional grants</b>	<b>13 891 408</b>	<b>(370 230)</b>	<b>279 055</b>			<b>(91 175)</b>	<b>13 800 233</b>

### Function Shifts, Surrenders and Suspensions: R370.2 million

The Comprehensive HIV,/AIDS component of the District Health Programmes grant and the Social Sector Incentive EPWP grant is reduced by R299.7 million and R1.2 million respectively due to fiscal constraints. For the same reason the Health Facility Revitalisation Grant and EPWP Integrated Grant is reduced by R69 million and R192 000 respectively.

### Roll-overs: R279 million

An amount of R32.8 million is rolled over for the previous year's commitments under the Comprehensive HIV/AIDS component of the District Health Programmes Grant. Furthermore, a roll-over to fund the procurement of medical and allied equipment in the previous financial year is appropriated, of which R226.8 million is for the National Tertiary Services Grant and R19.4 million is for the Training component of the Human Resources and Training Grant.

## 7.3 Changes to infrastructure

Refer to 2023 Adjusted Estimates of Capital Expenditure (AECE).





**VOTE 5****EDUCATION**

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	63 421 638	63 359 564	(62 074)	
of which:				
Current payments	53 681 137	53 304 425	(376 712)	
Transfers and subsidies	7 892 279	8 864 849		972 570
Payments for capital assets	1 848 222	1 190 290	(657 932)	
Payment for financial assets				
Executive authority	MEC for Education and Youth Development			
Accounting officer	Head of Department			

**1. Vision and Mission**

Every learner feels valued and inspired in our innovative education system.

**Mission**

We are committed to provide functional and modern schools that enable quality teaching and learning to protect and promote the right of every learner to quality, equitable and relevant education.

**2. Changes to Programme Purpose, Objective and Measures**

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

Table 5.1 DEPARTMENT OF EDUCATION

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	5 111 650			(695 684)			(695 684)	4 415 966
2. Public Ordinary School Education	44 552 500	(10 076)	5 346	1 310 593			1 305 863	45 858 363
3. Independent School Subsidies	1 038 819			86 586			86 586	1 125 405
4. Public Special School Education	5 249 199			(784 273)			(784 273)	4 464 926
5. Early Childhood Development	2 329 305			(200 876)			(200 876)	2 128 429
6. Infrastructure Development	2 460 712	(228 759)					(228 759)	2 231 953
7. Examination and Education Related Services	2 679 453	143 732	27 683	283 654			455 069	3 134 522
<b>Total for Programmes</b>	<b>63 421 638</b>	<b>(95 103)</b>	<b>33 029</b>				<b>(62 074)</b>	<b>63 359 564</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>53 681 137</b>	<b>127 022</b>	<b>5 346</b>	<b>(509 080)</b>			<b>(376 712)</b>	<b>53 304 425</b>
Compensation of employees	46 020 219	(269)		(1 043 263)			(1 043 532)	44 976 687
Salaries & wages	39 526 426	(267)		(910 671)			(910 938)	38 615 488
Social contributions	6 493 793	(2)		(132 592)			(132 594)	6 361 199
Goods and services	7 660 918	127 291	5 346	534 183			666 820	8 327 738
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>7 892 279</b>	<b>(2 579)</b>	<b>27 683</b>	<b>947 466</b>			<b>972 570</b>	<b>8 864 849</b>
Departmental agencies and accounts	125 859			(75)			(75)	125 784
Non-profit institutions	7 262 881	(2 579)	27 683	947 541			972 645	8 235 526
Households	503 539							503 539
<b>Payments for capital assets</b>	<b>1 848 222</b>	<b>(219 546)</b>		<b>(438 386)</b>			<b>(657 932)</b>	<b>1 190 290</b>
Buildings and other fixed structures	1 669 960	(219 546)		(440 121)			(659 667)	1 010 293
Machinery and equipment	161 846			3 735			3 735	165 581
Land and sub-soil assets	12 000							12 000
Software and other intangible assets	4 416			(2 000)			(2 000)	2 416
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>63 421 638</b>	<b>(95 103)</b>	<b>33 029</b>				<b>(62 074)</b>	<b>63 359 564</b>

The department continues to strive for excellence and the optimal use of resources to provide quality education. In response to the elevated priorities, the department's adjustment budget makes provision for improving grade 12 results, investing in school infrastructure, youth development, Schools of Specialisation, etc. Furthermore, funds are reprioritised within items and virements of funds are made between programmes to absorb some of the key spending pressures within the current budget allocation.

The appropriation of the department decreased by a net amount of R62 million from R63.4 billion to an adjusted appropriation of R63.3 billion for the 2023/24 financial year due to the reduction of conditional grants by the national government.

The adjustments include a provincial rollover of R33 million to settle commitments from the previous financial year of which R27.6 million is for the Presidential Youth Employment Initiative (PYEI) programme to fund the payment of stipends for February 2023 and March 2023, and R5.3 million is for internal bursaries to fund the registration of the second year school-based educators that took place during the last quarter of the 2022/23 financial year.

Conditional grant allocations are reduced by a total of R239.7 million due to the prevailing fiscal challenge. The decision to reduce grants is informed by the analysis done by the national department which is based on spending patterns of grant funding and the impact of the reduction of the grants. The reduced conditional grants include the Education Infrastructure Grant with R219.5 million, Maths, Science and Technology Grant with R6.9 million, HIV and AIDS (Life Skills Education) Grant with R3 million, the maintenance portion of the Early Childhood Development Grant with R9.2 million, the Expanded Public Works

Programme (EPWP) Integrated Grant with R267 000 and the Social Sector EPWP Incentive grant with R683 000.

The amount of R144.7 million has been shifted from the Gauteng Office of the Premier for the Tshepo 1million initiative specifically, the Solar Technician Project as part of the youth development initiative programme to stimulate youth employment. This programme is aimed at ensuring that there is a pool of skills to support the growing renewable energy sector.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

##### Programme 1: Administration

TABLE 5.2: PROGRAMME ADMINISTRATION

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the MEC	5 868			2 238			2 238	8 106
2. Corporate Services	2 935 181			(449 747)			(449 747)	2 485 434
3. Education Management	2 053 816			(240 252)			(240 252)	1 813 564
4. Human Resource Development	89 808			(7 606)			(7 606)	82 202
5. Edu Management Information System (Emis)	26 977			(317)			(317)	26 660
<b>Total for Programmes</b>	<b>5 111 650</b>			<b>(695 684)</b>			<b>(695 684)</b>	<b>4 415 966</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>5 082 809</b>			<b>(700 351)</b>			<b>(700 351)</b>	<b>4 382 458</b>
Compensation of employees	4 151 988			(716 410)			(716 410)	3 435 578
Salaries & wages	3 566 449			(644 736)			(644 736)	2 921 713
Social contributions	585 539			(71 674)			(71 674)	513 865
Goods and services	930 821			16 059			16 059	946 880
<b>Transfers and subsidies</b>	<b>7 538</b>			<b>(75)</b>			<b>(75)</b>	<b>7 463</b>
Provinces and municipalities								
Departmental agencies and accounts	160			(75)			(75)	85
Higher education institutions								
Households	7 378							7 378
<b>Payments for capital assets</b>	<b>21 303</b>			<b>4 742</b>			<b>4 742</b>	<b>26 045</b>
Machinery and equipment	16 887			6 742			6 742	23 629
Software and other intangible assets	4 416			(2 000)			(2 000)	2 416
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>5 111 650</b>			<b>(695 684)</b>			<b>(695 684)</b>	<b>4 415 966</b>

TABLE 5.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(786 642)</b>		<b>86 291</b>
Compensation of employees	The budget allocated for filling vacant posts is not spent due to delays in the filling of posts. The post provision for the 2023 academic year allocated more posts to public ordinary schools in response to an increase in learner numbers.	(716 410)	0	
Goods and services	<p>Savings realised as some of the software systems will be developed internally in the department instead of outsourcing and other IT projects like Local Area Networks (LAN) and Wide Area Networks (WAN) will be done through Department of E-government. The budget for bursaries for employees is incorrectly allocated under the training and development item and funds are shifted to correct the allocation. Savings realised as the training on software use, and labour relations training will not take place as the software comes with a training manual and the labour relations training will be conducted in-house.</p> <p>Alignment of budget to the expenditure of rental on GG vehicles from the Human Resource Development sub-programme to the Corporate Services sub-programme. The provincial transversal contract of employee wellness expired, the department made use of short contracts and there were fewer cases of health cases of PILIR which resulted in savings.</p> <p>The department will not outsource the services for the Assets Register System license called BAUD, the department will implement the SAP Assets Register and there is a delay in executing the Data Quality Audit. Savings realised and shifted to fund priority items.</p>	(70 232)	<p>Provision made for the payment of staff bursaries for 2024 academic year. Funds were misaligned to training and development item. Provision made to procure office furniture for newly appointed employees and interns, and to replace old office furniture that are no longer conducive for use.</p> <p>Provision made to cover hygiene services for three head office buildings and four satellite buildings and funds allocated to supplement the budget for procurement of IT consumables such as laptop bags, extension cords, batteries, keyboards, mouses, USBs, and gardening supplies for districts, head office and teacher centres. Furthermore, funds allocated to procure media for advertisement in mainstream platforms such as newspapers, radios, and all social media to promote advocacy for school readiness campaigns, matric results announcements, adverts on late application and placements of Grades 1 and 8.</p> <p>Funds were also allocated for catering services at the quality learning teaching campaign and official launch of the School of Specialisation. Provision made to cover consumption costs on GG vehicles due to increase in running costs prices and for newly leased vehicles used by school liaison clerks appointed to support districts/institutions with HR-related matters.</p>	86 291
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(75)</b>		
Provinces and municipalities				
Departmental agencies and accounts	Budget for PABX system license is overestimated, and savings realised.	(75)		
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(2 264)</b>		<b>7 006</b>
Buildings and other fixed structures				
Machinery and equipment	Savings realised on finance lease of photocopy machines due to late delivery of these machines.	(264)	Provision for laptops that are out of warranty and monitors for senior managers. Procurement of office furniture for new employees and to replace old furniture. Boardroom tables will also be procured for one of head office buildings.	7 006
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets	The software system for Quality Assurance Evaluation has been suspended due to unconfirmed specifications, IT directorate will develop the system for data management	(2 000)		
Payments for financial assets				
<b>Total economic classification</b>		<b>(788 981)</b>		<b>93 297</b>

## Virements and shifts

The programme budget decreased by R695.6 million of which R688.9 million is shifted from compensation of employees due to delays in filling vacant posts and as a result of the post provisioning for 2023 which allocated more posts to public ordinary schools in response to an increase in learner numbers, the remaining amount of R6.7 million is from goods and services items and capital assets. Funds are shifted to Programme 2: Public Ordinary School Education to fund the shortfall in the school nutrition programme, scholar transport, Secondary School Improvement Programme (SSIP), school furniture, school sports and extracurricular activities programme.

Shifting within the programme amounts to R93.2 million mainly to reclassify the budget for payment of staff bursaries from the training and development item to bursaries item within goods and services, to provide for the cost of hygiene-related services and thus comply with Occupational Health and Safety (OHS) standards within the three head office buildings and four satellite buildings, to procure furniture for new staff and to replace old furniture that is not conducive for use. Furthermore, funds are allocated for events held by the MEC such as the launch of Schools of Specialisation and stakeholder engagements with NGOs and NPOs. Other key events funded include the 2023 GDE Service Excellence Awards ceremony, the Quality Learning and Teaching campaign, a women empowerment function, and seminars on green building conventions. Activities related to advocacy and the promotion of education services are also funded, including the printing of information flyers and the procurement of media for advertisement on the different platforms on the Twinning of Schools, the festival of Schools of Specialisation, school readiness campaigns, matric results announcement, announcement on late applications and placement of Grade 1 and 8 learners

## Programme 2: Public Ordinary School Education

TABLE 5.4: PROGRAMME 2: PUBLIC ORDINARY SCHOOL

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Public Primary Schools	24 129 882			984 778			984 778	25 114 660
2. Public Secondary School	18 989 696			327 577			327 577	19 317 273
3. Human Resource Development	201 102		5 346	(2 685)			2 661	203 763
4. School Sport, Culture and Media Services	40 433			923			923	41 356
5. Conditional Grants	1 191 387	(10 076)					(10 076)	1 181 311
<b>Total for Programmes</b>	<b>44 552 500</b>	<b>(10 076)</b>	<b>5 346</b>	<b>1 310 593</b>			<b>1 305 863</b>	<b>45 858 363</b>

Economic classification	R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>41 034 351</b>	<b>(8 178)</b>	<b>5 346</b>	<b>1 240 391</b>			<b>1 237 559</b>	<b>42 271 910</b>
Compensation of employees		35 902 063			639 093			639 093	36 541 156
Salaries & wages		30 686 699			638 103			638 103	31 324 802
Social contributions		5 215 364			990			990	5 216 354
Goods and services		5 132 288	(8 178)	5 346	601 298			598 466	5 730 754
Interest and rent on land									
Transfers and subsidies		3 508 313	(1 898)		66 692			64 794	3 573 107
Non-profit institutions		3 360 178	(1 898)		66 692			64 794	3 424 972
Households		148 135							148 135
<b>Payments for capital assets</b>		<b>9 836</b>			<b>3 510</b>			<b>3 510</b>	<b>13 346</b>
Buildings and other fixed structures		7 750			3 448			3 448	11 198
Machinery and equipment		2 086			62			62	2 148
Software and other intangible assets									
Payments for financial assets									
<b>Total economic classification</b>		<b>44 552 500</b>	<b>(10 076)</b>	<b>5 346</b>	<b>1 310 593</b>			<b>1 305 863</b>	<b>45 858 363</b>

TABLE 5.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: PUBLIC ORDINARY SCHOOL

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(323 428)</b>		<b>1 563 819</b>
Compensation of employees	Reprioritization is done within school nutrition grant to cover shortfall on non-pensionable employees benefits and UIF for food handlers and monitors	(990)	The post provision for the 2023 academic year allocated more posts to public ordinary schools in response to learner numbers. Provision made for UIF for food handlers and non-pensionable benefits for school nutrition programme monitors who are appointed on contract. Provision is also made within the MST grant for salaries of Cuban teachers.	640 083
Goods and services	Reclassification of budget for payment of stipend for bus conductors from goods and services to transfers to schools as payments will be administered by schools. The budget allocated for ICT data lines is overestimated, funds shifted to other ICT-related items, savings are realised on procurement of LTSM due to bulk discount received from the service provider and the budget allocated for LTSM management handling fees was overestimated as the budget estimation was based on the previous year's contract.  Fund shifts are done within the school nutrition conditional grant, HIV/AIDS grant and MST grant based on the revised spending plans. Cost containment measures implemented resulted in savings and funds shifted to fund key priorities within the programme.	(322 438)	Provision made for ICT-related items such as communication for connectivity for APN solutions at secondary schools and for on-site support and maintenance of ICT projects at schools.  Funds are made available for procurement of resources for practical assessment tasks (PAT) for Grades 10-12 and for printing of curriculum support booklets for primary schools.  Funds are further reprioritised for the procurement of kitchen equipment and kitchen utensils for the school nutrition program. Provision is made to supplement the budget for scholar transport, school furniture, and school nutrition for quintile 4 and 5 schools and for maintenance and repair of technical school workshops.	923 736
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(92 308)</b>		<b>159 000</b>
Provinces and municipalities				
Non-profit institutions	Savings are realised as the actual transfers are less than the projected payment in line with norms and standards. Funds reprioritised to address pressure in independent school subsidies.	(92 308)	Reclassification of budget for the payment stipends of bus conductors from goods and services to NPI. Provision made for payment of food handlers under the school nutrition grant and to cover the shortfall in the budget for the SSIP due to the increase in learner numbers in the programme.	159 000
Households				
<b>Payments for capital assets</b>		<b>(319)</b>		<b>3 829</b>
Buildings and other fixed structures			Funds budgeted for building school kitchens (brick and mortar) were insufficient, an additional budget is required to finalise the project.	3 448
Machinery and equipment	Reprioritization of budget within school nutrition grant to align with revised spending plans.	(319)	The budget allocated for the replacement of old and dilapidated office furniture. Funds allocated for the rental of a printing machine in line with the revised spending plans of the HIV/AIDS conditional grant.	381
Heritage assets				
Payments for financial assets				
<b>Total economic classification</b>		<b>(416 055)</b>		<b>1 726 648</b>

**Function Shifts, Surrenders and Suspensions: (R10 million)**

Conditional grants are reduced by the national sector department due to the fiscal challenges faced by the country. A total of R10 million is reduced, of which R3 million is from the HIV and AIDS (Life Skills Education) Grant and R6.9 million is from the Maths, Science and Technology Grant.

**Rollovers: R5.3 million**

A total amount of R5.3 million is rolled over to finalise the bursary payments of school-based educators whose registration took place during the last quarter of the previous financial year.

## Virements and shifts

The programme receives a net amount of R1.3 billion, a virement of R638.2 million is received mainly to address a shortfall in the compensation of educators, R29.8 million is for the shortfall in the SSIP, R251.2 million for the school nutrition programme in quintile 4 and 5 schools, R170 million for school furniture, R15 million for LTSM for new schools, high school admission and for the addition of new class grades, and R1.1 million for school sport and extracurricular activities and R291.7 million for the scholar transport programme. However, R86.5 million is shifted from the programme to fund the budget shortfall for subsidies provided to independent schools.

Shifts within the programme amount to R329.4 million of which the bulk is from goods and services due to savings realised on the procurement of learner and teacher support material (LTSM) because of a bulk buying discount received from the service provider. The Information Communication and Technology (ICT) budget is also reclassified between the different items to align with the revised spending plan. In addition, the budget for the payment of stipends to bus conductors is reclassified from operating payments to NPI as the payments will be administered by the schools and funds are also made available for curriculum projects within primary schools. Reprioritisation is done within the conditional grants to align with the revised spending plans and the implementation of cost containment measures realised savings which are used to defray excess expenditure and to cover a budget shortfall within items that fund frontline service delivery.

## Programme 3: Independent School Subsidies

TABLE 5.6: PROGRAMME 3: INDEPENDENT SCHOOL SUBSIDIES

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Primary Phase	623 214			35 963			35 963	659 177
2. Secondary Phase	415 605			50 623			50 623	466 228
<b>Total for Programmes</b>	<b>1 038 819</b>			<b>86 586</b>			<b>86 586</b>	<b>1 125 405</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>10 295</b>							<b>10 295</b>
Compensation of employees								
Goods and services	10 295							10 295
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>1 028 524</b>			<b>86 586</b>			<b>86 586</b>	<b>1 115 110</b>
Provinces and municipalities								
Non-profit institutions	1 028 524			86 586			86 586	1 115 110
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>1 038 819</b>			<b>86 586</b>			<b>86 586</b>	<b>1 125 405</b>



TABLE 5.7 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: INDEPENDENT SCHOOL SUBSIDIES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>				
Compensation of employees				
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>86 586</b>
Provinces and municipalities				
Non-profit institutions			Provision made for payment of subsidies to Independent schools whose applications for subsidy were approved.	86 586
Households				
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Software and other intangible assets				
Payments for financial assets				
<b>Total economic classification</b>				<b>86 586</b>

### Virements and shifts

The programme receives an amount of R86.5 million to address the current shortfall in subsidies to independent schools as additional applications for subsidies were approved by the department.

### Programme 4: Public Special Education

TABLE 5.8: PROGRAMME 4: PUBLIC SPECIAL SCHOOL EDUCATION

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Schools	5 207 828			(784 193)			(784 193)	4 423 635
2. Human Resource Development	2 666							2 666
3. School Sport, Culture and Media Services	2 705			(80)			(80)	2 625
4. Conditional Grants	36 000							36 000
<b>Total for Programmes</b>	<b>5 249 199</b>			<b>(784 273)</b>			<b>(784 273)</b>	<b>4 464 926</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>4 226 440</b>			<b>(785 172)</b>			<b>(785 172)</b>	<b>3 441 268</b>
Compensation of employees	4 191 665			(785 590)			(785 590)	3 406 075
Salaries & wages	3 568 472			(711 174)			(711 174)	2 857 298
Social contributions	623 193			(74 416)			(74 416)	548 777
Goods and services	34 775			418			418	35 193
<b>Transfers and subsidies</b>	<b>1 022 759</b>			<b>(866)</b>			<b>(866)</b>	<b>1 021 893</b>
Non-profit institutions	1 017 766			(866)			(866)	1 016 900
Households	4 993							4 993
<b>Payments for capital assets</b>				<b>1 765</b>			<b>1 765</b>	<b>1 765</b>
Buildings and other fixed structures								
Machinery and equipment				1 765			1 765	1 765
Payments for financial assets								
<b>Total economic classification</b>	<b>5 249 199</b>			<b>(784 273)</b>			<b>(784 273)</b>	<b>4 464 926</b>

TABLE 5.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME: PUBLIC SPECIAL EDUCATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(789 336)</b>		<b>4 164</b>
Compensation of employees	The budget allocated for filling vacant posts was not spent due to delays in the filling of posts. The post provision for the 2023 academic year allocated more posts to public ordinary schools in response to learner numbers. Department of Basic Education has granted approval to shift funds from compensation of employees to goods and services as per the revised plans of the Learners with Profound Intellectual Disabilities Grant.	(785 590)		
Goods and services	Funds shifted within the Learners with Profound Intellectual Disabilities Grant in line with revised spending plans and savings due to cost containment measures realised which are shifted to other items with spending pressure.	(3 746)	Provision made for operating expenses for special care centres under the conditional grant for learners with profound intellectual disability and funds allocated for school sports activities for Learners with Special Education Needs (LSEN).	4 164
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(866)</b>		
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions	Savings are realised as the actual transfers are less than the projected payment in line with norms and standards.	(866)		
Households				
<b>Payments for capital assets</b>				<b>1 765</b>
Buildings and other fixed structures				
Machinery and equipment			Provision made to procure laptops with special specifications for new Special care centres.	1 765
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
<b>Total economic classification</b>		<b>(790 202)</b>		<b>5 929</b>

### Virements and shifts

The programme budget decreased by R784.2 million of which R784.1 million is shifted from the compensation of employees due to delays in the filling of posts and post provisioning model for the 2023 academic year which allocated more posts to public ordinary schools in response to learner numbers. The remaining amount of R80 000 is reprioritised from school sports activities to cover the budget pressure in the SSIP and thereby enhance learner performance across the province.

Shifting of funds within the programme amount to R5.9 million to align the budget with the revised spending plans of the Learners with Profound Intellectual Disability conditional grant and to fund items related to school sports for LSEN which was affected by an increase in the number of learners participating in sports.

**Programme 5: Early Childhood Development****5.10: PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT**

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Grade R In Public Schools	1 600 440			(128 623)			(128 623)	1 471 817
2. Grade R In Early Childhood Development Centres	23 844			(2 297)			(2 297)	21 547
3. Pre-Grade R In Early Childhood Development Centres	447 273			(69 956)			(69 956)	377 317
4. Human Resource Development	20 877							20 877
5. Conditional Grants	236 871							236 871
<b>Total for Programmes</b>	<b>2 329 305</b>			<b>(200 876)</b>			<b>(200 876)</b>	<b>2 128 429</b>

Economic classification R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>1 529 301</b>			<b>(188 649)</b>			<b>(188 649)</b>	<b>1 340 652</b>
Compensation of employees	1 268 137			(179 229)			(179 229)	1 088 908
Salaries & wages	1 224 842			(179 229)			(179 229)	1 045 613
Social contributions	43 295							43 295
Goods and services	261 164			(9 420)			(9 420)	251 744
<b>Transfers and subsidies</b>	<b>799 041</b>			<b>(11 482)</b>			<b>(11 482)</b>	<b>787 559</b>
Non-profit institutions	799 041			(11 482)			(11 482)	787 559
Households								
<b>Payments for capital assets</b>	<b>963</b>			<b>(745)</b>			<b>(745)</b>	<b>218</b>
Buildings and other fixed structures								
Machinery and equipment	963			(745)			(745)	218
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>2 329 305</b>			<b>(200 876)</b>			<b>(200 876)</b>	<b>2 128 429</b>

**TABLE 5.11: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(270 999)</b>		<b>82 350</b>
Compensation of employees	Budget allocated for filling vacant posts was not spent due to delays in the filling of posts. The post provision for 2023 academic year allocated more posts to public ordinary schools in response to learner numbers.	(179 229)		
Goods and services	Funds shift to correct the misalignment of the Learner Teacher Support Material (LTSM) budget and LTSM management handling fees. Delays in the appointment of social workers resulted in savings on operational items such as travel and subsistence and office stationery.  Cost containment measures applied on items such as catering, venues and facilities and training and development resulted in savings which are used to fund key priorities within the programme.	(91 770)	Alignment of LTSM and LTSM management handling fees and funds shifted from NPI to procure LTSM on behalf of some schools. Provision is made for the MEC'S ECD stakeholder engagements and budget made available for the procurement of IT consumables for the the foundation phase and ECD offices at districts.	82 350
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(12 039)</b>		<b>557</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				

Economic classification	Motivation	From	Motivation	To
Public corporations and private enterprises Non-profit institutions Households	Funds allocated for transfers to ECD centres to purchase LTSM were reclassified from transfers to goods and services to procure textbooks on behalf of schools.	(12 039)	The budget for Matthew Goniwe was erroneously allocated to schools, budget shifted to correct the error.	557
<b>Payments for capital assets</b>		<b>(745)</b>		
Buildings and other fixed structures Machinery and equipment Heritage assets Specialised military assets Biological assets Land and sub-soil assets Software and other intangible assets Payments for financial assets	Process of procuring new photocopy machine put on hold due to delays in new appointments. Funds to procure computer peripherals shifted to goods and services as the procurement will be made by IT Directorate.	(745)		
<b>Total economic classification</b>		<b>(283 783)</b>		<b>82 907</b>

### Virements and shifts

An amount of R200.8 million is shifted from this programme of which R179.2 is due to delays in filling vacant posts and as a result of the post provisioning for 2023 which allocated more posts to public ordinary schools in response to an increase in learner numbers, R21 million is realised on ECD resources (LTSM) due to a bulk buying discount received from the service provider and R600 000 is from savings within goods and services for district offices. This amount is redirected to Programme 2: Public Ordinary Schools Education to cover a budgetary shortfall in the Secondary Schools Intervention Programme (SSIP).

Shifting within the programme amounts to R82.9 million and includes a shift from transfers and subsidies to goods and services to procure books for learners (LTSM) on behalf of some schools and funds meant to procure computer peripherals which are used at the MEC's stakeholder engagements are shifted from machinery to goods and services. Furthermore, funds are shifted to correctly classify the budget allocated to LTSM and the management handling fees of LTSM.

**Programme 6: Infrastructure Development****TABLE 5.12: PROGRAMME 6: INFRASTRUCTURE DEVELOPMENT**

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	145 950			(8 300)			(8 300)	137 650
2. Public Ordinary Schools	2 120 322	(219 546)		44 328			(175 218)	1 945 104
3. Special Schools	165 217			(46 028)			(46 028)	119 189
4. Early Childhood Development	29 223	(9 213)		10 000			787	30 010
<b>Total for Programmes</b>	<b>2 460 712</b>	<b>(228 759)</b>					<b>(228 759)</b>	<b>2 231 953</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>786 502</b>	<b>(9 213)</b>		<b>(10 621)</b>			<b>(19 834)</b>	<b>766 668</b>
Compensation of employees	51 750			(2 500)			(2 500)	49 250
Salaries & wages	45 150			(2 500)			(2 500)	42 650
Social contributions	6 600							6 600
Goods and services	734 752	(9 213)		(8 121)			(17 334)	717 418
<b>Transfers and subsidies</b>				<b>454 190</b>			<b>454 190</b>	<b>454 190</b>
<b>Payments for capital assets</b>	<b>1 674 210</b>	<b>(219 546)</b>		<b>(443 569)</b>			<b>(663 115)</b>	<b>1 011 095</b>
Buildings and other fixed structures	1 662 210	(219 546)		(443 569)			(663 115)	999 095
Land and sub-soil assets	12 000							12 000
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>2 460 712</b>	<b>(228 759)</b>					<b>(228 759)</b>	<b>2 231 953</b>

**TABLE 5.13: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: INFRASTRACURE DEVELOPMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(117 100)</b>		<b>106 479</b>
Compensation of employees	Movement is because of the realignment between ECE and EPRE in line with revised plans for the year.	(2 500)		
Goods and services	Movement is because of the realignment between ECE and EPRE in line with revised plans for the year. Realignment of basic services budget from water supply to fund the disposal services related to septic tanks at schools.	(114 600)	Provision to address higher-than-expected maintenance needs at schools, such as plumbing and electrical issues.  Funds are allocated for payments of contractors for the delivery of septic and chemical toilets for schools that have limited municipal services.	106 479
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>454 190</b>
Provinces and municipalities				
Public corporations and private enterprises				
Non-profit institutions			Provision made to fund the self-build classrooms programme for the SGB to arrange and build additional classrooms to address the overcrowding	454 190
Households				
<b>Payments for capital assets</b>		<b>(507 969)</b>		<b>64 400</b>
Buildings and other fixed structures	Due to underperformance by implementing agent GDID, the budget for this program has been reduced to fund the self-build classrooms program for the SGB to arrange and build additional classroom to address the overcrowding.	(507 969)	Movement is because of the realignment between ECE and EPRE in line with revised plans for the year.	64 400
Machinery and equipment				
Payments for financial assets				
<b>Total economic classification</b>		<b>(625 069)</b>		<b>625 069</b>

**Function shifts, Surrenders and Suspensions: (R228.7 million)**

The conditional grants in this programme are reduced by R228.7 million due to the fiscal challenges faced by the country. The Education Infrastructure Grant is reduced by R219.5 million whilst the maintenance portion of the Early Childhood Development Grant is reduced by R9.2 million.

**Virements and shifts**

Funds shift within the programme to make provision for the self-built classroom programme for the SGB to build additional brick-and-mortar classrooms to address overcrowding, for the delivery of septic and chemical toilets for schools that have limited access to municipal services, and to address higher than expected maintenance needs at schools, such as plumbing and electrical issues.

**Programme 7: Examination and Education Related Services**

TABLE 5.14: PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Payments to Seta	125 699							125 699
2. Professional Services	430 309			(32 705)			(32 705)	397 604
3. Special Projects	1 551 690	144 682	27 683	176 025			348 390	1 900 080
4. External Examinations	559 487			140 334			140 334	699 821
5. Conditional Grants	12 268	(950)					(950)	11 318
<b>Total for Programmes</b>	<b>2 679 453</b>	<b>143 732</b>	<b>27 683</b>	<b>283 654</b>			<b>455 069</b>	<b>3 134 522</b>

Economic classification R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>1 011 439</b>	<b>144 413</b>		<b>(64 678)</b>			<b>79 735</b>	<b>1 091 174</b>
Compensation of employees	454 616	(269)		1 373			1 104	455 720
Salaries & wages	434 814	(267)		(11 135)			(11 402)	423 412
Goods and services	556 823	144 682		(66 051)			78 631	635 454
<b>Transfers and subsidies</b>	<b>1 526 104</b>	<b>(681)</b>	<b>27 683</b>	<b>352 421</b>			<b>379 423</b>	<b>1 905 527</b>
Departmental agencies and accounts	125 699							125 699
Non-profit institutions	1 057 372	(681)	27 683	352 421			379 423	1 436 795
Households	343 033							343 033
<b>Payments for capital assets</b>	<b>141 910</b>			<b>(4 089)</b>			<b>(4 089)</b>	<b>137 821</b>
Buildings and other fixed structures								
Machinery and equipment	141 910			(4 089)			(4 089)	137 821
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>2 679 453</b>	<b>143 732</b>	<b>27 683</b>	<b>283 654</b>			<b>455 069</b>	<b>3 134 522</b>

TABLE 5.15: SUMMARY OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(300 695)</b>		<b>236 017</b>
Compensation of employees	Reclassification of funds allocated for payment of stipends of school safety patrollers from compensation of employees to NPI: transfers to schools as stipends will be paid by schools.	(163 679)	Provision made mainly for compensation of exam moderators and markers, invigilators, and quality assurers for the NSC final examination and funds made available for the Payment of UIF of school patrollers, EPWP workers and PYEI assistants based in schools.	165 052
Goods and services	<p>Reclassification of budget for SGB elections and advocacy campaign from goods and services to NPI as the activities will be done by Matthew Goniwe School of Governance. Funds budgeted for the procurement of cell phones and data for education specialists and teacher assistants are reclassified from goods and services to NPI as the cost of these is included in the stipend paid by schools.</p> <p>Savings realised as the number of employees on the bursary programme are less than budgeted for. Savings within examination services as the procurement of security boxes for question papers has been suspended, and the delay in automation of some examination functions. Further savings are realised as the department will use a departmental venue to store exam stocks and materials and school halls will be used for some events instead of using private venues.</p> <p>The department and the Department of Social Development (DSD) have an MOU in the provision of Dignity Packs for learners and therefore costs are shared by the two departments. The budget share of the department is less than what was budgeted for. Furthermore, cost containment measures applied released savings which are used to fund key priorities within the programme.</p>	(137 016)	<p>Provision made to supplement the budget for travel claims of examination officials during the period of examination, provision made for strategic provincial priorities on Youth Development Programmes to provide youth with the skills and funds allocated for printing the awareness posters for anonymous boxes for abused children in each school in the province.</p> <p>Provision made for hiring of buses to transport youth from and to the function of Youth Month that was hosted by the Premier's office. Funds are allocated for hiring venues for the MEC to provide support and encourage matriculants in preparation for their final NSC exams. Additional examination centres are required to accommodate part-time learners.</p>	70 965
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>352 421</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions			Budget for payment of stipends for school safety patrollers reclassified from compensation of employees to NPI: transfers to schools as payments will be made by schools. Reclassification of SGB elections and advocacy from goods and services to transfers to Matthew Goniwe as they will be responsible for the function. Provision is also made for the payment of teacher assistants within the Presidential Youth Employment Initiative program for the extended period.	352 421
Households				
<b>Payments for capital assets</b>		<b>(4 094)</b>		<b>5</b>
Buildings and other fixed structures				
Machinery and equipment	Procurement of wheelchairs for special schools has been deferred due to delays in the training of learners on how to use wheelchairs. Funds reprioritised to other key priorities.	(4 094)	Provision made for the procurement of office furniture for the officials who were based at Wits University and have moved back to the Examinations office at Head Office and for new appointees.	5
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
<b>Total economic classification</b>		<b>(304 789)</b>		<b>588 443</b>

**Roll-overs: R27.6 million**

A rollover of R27.6 million is for transfers to schools by the Gauteng City Region Academy (GCRA) to pay stipends to the education assistants and general school assistants placed in schools under the Presidential Youth Employment Initiative (PYEI) for an extended period.

**Functions shift, Surrenders and Suspension: R143.7 million.**

The amount of R144.6 million has been shifted from the Gauteng Office of the Premier for the Tshepo 1million initiative specifically, the Solar Technician Project as part of the youth development initiative programme to stimulate youth employment. This programme is aimed at ensuring that there is a pool of skills to support the growing renewable energy sector.

The Expanded Public Works Integrated Grant is decreased by R267 000, and the Social Sector Expanded Public Works Incentive Grant is reduced by R683 000 by the national sector department due to fiscal constraints.

**Virements and shifts**

The programme is increased by R283.6 million of which R142.8 million is to offset pressure in the payment of markers, invigilators and quality assures for the NSC examination and R140.8 million is for the payment of education assistants under the Presidential Youth Employment Initiative programme for an extended period.

Funds shift within the programme is R304.7 million mainly to reclassify the budget for payment of stipends to school safety patrollers from compensation of employees to transfers as payments will be made by schools and to reclassify the budget for School Governing Body (SGB) advocacy from goods and services to transfers to Matthew Goniwe School of Governance and Leadership. Funds are also reprioritised within examination services from items where activities will not materialise such as the automation of some examination functions and the procurement of security boxes for question papers in order to fund travel claims for examination officials during the marking period, to provide for fleet that are used to collect answer scripts from schools and deliver it to marking venues, and to provide for costs related to printing of question papers and answer books. Budget is set aside to transport youth who attend the various youth events and to train the youth which is a strategic provincial priority as well as the Pledge Ceremony hosted by the MEC to encourage the matriculants before their final exams.



## 5. Expenditure 2022/23 and Preliminary Expenditure 2023/24

TABLE 5.16: EXPENDITURE 2022/23 AND PRELIMINARY EXPENDITURE 2023/24: EDUCATION

Department	2022/23				2023/24		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023 - Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
1. Administration	4 753 641	1 968 946	4 112 616	87%	4 553 586	2 134 936	8%
2. Public Ordinary School Education	42 560 532	20 083 982	43 210 561	102%	45 329 752	21 924 682	9%
3. Independent School Subsidies	1 099 548	821 657	1 098 666	100%	1 125 405	819 254	(0)%
4. Public Special School Education	4 886 584	2 099 600	4 373 684	90%	4 676 688	2 301 461	10%
5. Early Childhood Development	1 996 790	680 836	2 000 622	100%	2 307 658	1 059 261	56%
6. Infrastructure Development	2 122 499	795 012	2 162 077	102%	2 231 953	880 707	11%
7. Examination and Education Related Services	2 866 548	1 621 413	2 861 417	100%	3 134 540	1 467 433	(9)%
<b>Total</b>	<b>60 286 142</b>	<b>28 071 446</b>	<b>59 819 643</b>	<b>99%</b>	<b>63 359 582</b>	<b>30 587 734</b>	<b>9%</b>
<b>Current payments</b>	<b>50 403 980</b>	<b>22 959 294</b>	<b>49 940 801</b>	<b>99%</b>	<b>53 304 443</b>	<b>25 269 296</b>	<b>10%</b>
Compensation of employees	42 162 620	20 157 372	41 809 768	99%	44 867 007	22 260 899	10%
Goods and Services	8 241 360	2 801 805	8 130 975	99%	8 437 436	3 008 396	7%
Interest and rent on land		117	58			1	(99)%
<b>Transfers and subsidies</b>	<b>8 633 794</b>	<b>4 719 364</b>	<b>8 701 696</b>	<b>101%</b>	<b>8 864 849</b>	<b>4 724 776</b>	<b>0%</b>
Provinces and municipalities							0%
Departmental agencies and accounts	118 936	112 280	118 855	100%	125 784	125 699	12%
Non-profit institutions	7 876 615	4 201 413	7 709 200	98%	8 235 526	4 411 468	5%
Households	638 243	405 671	873 641	137%	503 539	187 609	(54)%
<b>Payments for capital assets</b>	<b>1 248 368</b>	<b>387 046</b>	<b>1 138 394</b>	<b>91%</b>	<b>1 190 290</b>	<b>587 861</b>	<b>52%</b>
Buildings and other fixed structures	1 014 623	303 798	952 228	94%	1 010 293	512 351	69%
Machinery and equipment	196 329	58 990	148 146	75%	165 581	75 510	28%
Land and sub-soil assets	24 000	20 028	20 028	83%	12 000		(100)%
Software and other intangible assets	13 416	4 230	17 992	134%	2 416		(100)%
<b>Payments for financial assets</b>		<b>5 742</b>	<b>38 752</b>			<b>5 801</b>	<b>1%</b>
<b>Total</b>	<b>60 286 142</b>	<b>28 071 446</b>	<b>59 819 643</b>	<b>99%</b>	<b>63 359 582</b>	<b>30 587 734</b>	<b>9%</b>

### Expenditure trends for 2022/23

The department spent R59.8 billion against a budget of R60.2 billion which is 99 per cent of the adjusted appropriation. The underspending is mainly because of vacant posts which could not be filled by year-end, delays in the departmental financial planning processes of PYEI funding, Labour Saving Device (LSD) and procurement of office equipment. In addition, challenges with the delivery of infrastructure development projects and land acquisition transactions could not be finished within the year under review. Furthermore, the transfer of stimulus funds to most of the ECD centres that were transferred to the department could not be conducted as planned because of the inaccuracies in the ECD database and non-compliance with procurement policies and procedures by beneficiaries.

### Preliminary expenditure trends for the first half of 2023/24

#### Programme 1: Administration

Total expenditure for the first six months of the 2023/24 financial year amounts to R2.1 billion. This spending is 8 per cent more than the comparative figure from the 2022/23 financial year of R1.9 billion. The increase is attributable to personnel costs due to the cost-of-living adjustment implemented early in the current year as compared to the previous financial year and the above inflation increase in the rental of buildings and increase in rentals and consumption costs related to GG vehicles.

#### Programme 2: Public Ordinary Schools

The programme spent R21.9 billion at the end of September 2023 compared to R20 billion in the same period of 2022/23. The increase in spending is due to the implementation of the cost-of-living salary adjustment in the first quarter whereas in the 2022/23 financial year it was implemented in the third quarter. Increased spending on school nutrition and scholar transport

was also recorded due to an increase in the number of learners benefiting from such pro-poor programmes. An increase in transfers to schools is also observed in the current financial year due to the increase in the norms and standards for school funding.

### Programme 3: Independent Schools

Spending in the first half of 2023/24 amounts to R819 million compared to R822 million spent in the same period of the 2022/23 financial year. A decrease of 0.3 per cent is due to some independent schools not qualifying for subsidies according to the outcome of the audit during the 2022/23 financial year.

### Programme 4: Public Special Schools

Expenditure in this programme is R2.3 billion for 2023/24 compared to R2. billion in 2022/23. This is an increase of 10 per cent when compared to the same period in 2022/23. The increase is mainly attributable to an increase in compensation of employees due to more posts being filled in the current financial year compared to the previous financial year and due to the implementation of the cost-of-living salary adjustment in April 2023 whereas in the 2022/23 financial year it was implemented in November 2022. There is an increase in spending related to the Learners with Profound Intellectual Disabilities Grant in the 2023/24 financial year due to the introduction of Special Care Centres in the grant framework in the 2023/24 financial year.

### Programme 5: Early Childhood Development

The programme spent R680 million as at the end of September 2022 compared to R1. 059 billion in the same period in 2023/24 financial year. This is an increase of 56 per cent compared to the same period in 2022/23 financial year. The increase is mainly due to the conversion of remuneration for ECD practitioners who obtained a diploma in line with the agreement with labour parties and the early implementation of the cost-of-living salary adjustment in the 2023/24 financial year.

### Programme 6: Infrastructure Development

The department has spent R880.7 million as of September 2023/24 compared to R795 million spent in the same period of the 2022/23 financial year. Spending on the Budget Facility Infrastructure projects contributes to the higher spending in the current financial year and some project's spending is in line with the planned spending trend compared to the previous financial year.

### Programme 7: Examination and Education Related Services

The department spent R1.4 billion in this programme by the end of the second quarter of 2023/24 compared to R1.6 billion spent in the same period in 2022/23. The decrease is due to the delay in the payment for bursaries to institutions by the GCRA and there were no accruals from the previous financial year. The decrease is attributed to the delay in the appointment of education assistants due to the verification processes and the program has overlapped to the third quarter.

## 6. Departmental Receipt

TABLE 5.17: DEPARTMENTAL RECEIPTS

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of ad- justed appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
Tax receipts				0%			0%
Sales of goods and services other than capital assets	34 714	16 885	35 937	4%	36 380	17 853	6%
Of which Health patient fees				0%			0%
Transfers received				0%			0%
Fines, penalties, and forfeits	99	69	137	38%	104	42	(39)%
Interest, dividends and rent on land	260	471	2 446	841%	272	259	(45)%
Sales of capital assets				0%			0%
Financial transactions in assets and liabilities	4 003	24 415	45 786	1044%	4 195	9 207	(62)%
<b>Total Receipts</b>	<b>39 076</b>	<b>41 840</b>	<b>84 306</b>	<b>116%</b>	<b>40 951</b>	<b>27 361</b>	<b>(35)%</b>

### Revenue trends for the first half of 2023/24

The table above shows the contribution of each revenue source towards the total revenue generated at the end of the second quarter of the 2023/24 financial year. The revenue estimates are not adjusted, this remains the same as the main appropriation.

The total revenue collected for the first half of 2023/24 amounts to R27.3 million as compared to R41.8 million in the previous financial year, and this translates to a decrease of R14.4 million. The collection of financial transactions in assets and liabilities

item is less in the current financial year due to lower reversal of the previous year's salaries due to overpayments.

## 7. Changes to Transfers and Subsidies, Conditional Grants, and Infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 5.18: SUMMARY OF CHANGES TO TRANSFER AND SUBSIDIES

R Thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>1. Administration</b>	<b>7 538</b>			<b>(75)</b>		<b>(75)</b>	<b>7 463</b>
Households	7 378						7 378
Departmental agencies and accounts	160			(75)		(75)	85
<b>2. Public Ordinary School Education</b>	<b>3 508 313</b>	<b>(1 898)</b>		<b>66 692</b>		<b>64 794</b>	<b>3 573 107</b>
Households	148 135						148 135
Public Ordinary Schools	2 924 012			(20 286)		(20 286)	2 903 726
Sci Bono	251 383			87 900		87 900	339 283
Matthew Goniwe	184 783	(1 898)		(922)		(2 820)	181 963
Name of transfer payment 7							
<b>3. Independent School Subsidies</b>	<b>1 028 524</b>			<b>86 586</b>		<b>86 586</b>	<b>1 115 110</b>
Independent Schools	1 028 524			86 586		86 586	1 115 110
<b>4. Public Special School Education</b>	<b>1 022 759</b>			<b>(866)</b>		<b>(866)</b>	<b>1 021 893</b>
Households	4 993						4 993
Matthew Goniwe School of Leadership	2 666						2 666
Special Schools	1 015 100			(866)		(866)	1 014 234
<b>5. Early Childhood Development</b>	<b>799 041</b>			<b>(11 482)</b>		<b>(11 482)</b>	<b>787 559</b>
Households							
Matthew Goniwe School of Leadership	58 593			557		557	59 150
Grade R in Public Schools	203 362			(11 482)		(11 482)	191 880
Pre-Grade R In Early Childhood Development Centres	290 215			(557)		(557)	289 658
ECD Grant	236 871						236 871
Sci Bono	10 000						10 000
<b>6. Infrastructure Development</b>				<b>454 190</b>		<b>454 190</b>	<b>454 190</b>
Gauteng Education Development Trust							
Households							
Public Ordinary Schools				454 190		454 190	454 190
<b>7. Examination and Education Related Services</b>	<b>1 526 104</b>	<b>(681)</b>	<b>27 683</b>	<b>352 421</b>		<b>379 423</b>	<b>1 905 527</b>
Households	343 033						343 033
SETA	125 699						125 699
Dept Agencies and Accounts							
Matthew Goniwe School of Leadership	78 765			8 600		8 600	87 365
Public Ordinary Schools	978 607	(681)	27 683	343 821		370 823	1 349 430
<b>Total changes in transfers and subsidies payments</b>	<b>7 892 279</b>	<b>(2 579)</b>	<b>27 683</b>	<b>493 351</b>		<b>518 455</b>	<b>8 864 849</b>

#### Function Shifts, Surrenders and Suspensions: (R2.5 million)

The Social Sector Expanded Public Works Incentive Grant is reduced by R681 000, and HIV and AIDS (Life Skills Education) Grant decreased by R1.8 million by the national sector department due to the fiscal challenges faced by country.

#### Roll-overs: R27.6 million

A total amount of R27.6 million is rolled over from the previous financial year to cover outstanding stipend payments to Education Assistants and General Assistants placed in schools under the Presidential Youth Employment Initiative (PYEI).

#### Virements and shifts

Transfers and subsidies increase by a net amount of R518.4 million.

Departmental agencies and accounts reduced by R75 000 as the budget for the PABX system license is overestimated, and were savings realised.

Transfers to Public Ordinary Schools increased by a net amount of R804.7 million. An amount of R20.2 million is shifted from subsidies to public ordinary schools as the allocation was based on the indicative number of learners which was less than

the actual number of learners. An additional amount of R370.8 million is allocated in Programme 7 to cover the payments of stipends to teacher assistants in the PYEI programme, safety patrollers and bus conductors. Furthermore, an amount of R454.1 million is allocated to Programme 6 to make provision for self-built classrooms to address school admission pressure.

Transfers to independent schools increased by an amount of R86.5 million to address pressure in independent school subsidies.

Transfers to Public Special schools decrease by R866 000 as the actual transfers in line with norms and standards are less than the projected payment.

Transfers to Grade R in Schools decreased by R11.4 million due to the reclassification of the LTSM budget from transfers to goods and services to enable the department to procure textbooks on behalf of certain schools.

The decrease of R557 000 in the Pre-Grade R transfer is due to the shift of budget that was erroneously allocated to schools instead of Matthew Goniwe School of Governance and Leadership.

Matthew Goniwe School of Governance and Leadership increased by a net amount of R6.3 million, to correctly allocate budget from schools, to reclassify the SGB election and advocacy budget from goods and services and funds allocated for Teacher Development reprioritised to goods and services for the National Teaching Awards Ceremony.

Transfers to Sci-Bono Discovery Centre increased by R87.9 million to cover the shortfall in the SSIP programme due to an increase in the number of learners participating in the programme.

## 7.2 Changes to Conditional Grants

TABLE 5.19: SUMMARY OF CHANGES TO CONDITONAL GRANTS

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>2. Public Ordinary School Education</b>	<b>1 191 387</b>	<b>(10 076)</b>					<b>(10 076)</b>	<b>1 181 311</b>
HIV and AIDS (Life Skills Education) Grant	36 385	(3 088)					(3 088)	33 297
National School Nutrition Programme Grant	1 094 224							1 094 224
Maths, Science & Technology Grant	60 778	(6 988)					(6 988)	53 790
<b>4. Public Special School Education</b>	<b>36 000</b>							<b>36 000</b>
Learners with Profound Intellectual Disabilities Grant	36 000							36 000
<b>5. Early Childhood Development</b>	<b>236 871</b>							<b>236 871</b>
Early Childhood Development Grants	236 871							236 871
<b>6. Infrastructure Development</b>	<b>2 266 712</b>	<b>(228 759)</b>					<b>(228 759)</b>	<b>2 037 953</b>
Education Infrastructure Grant	2 256 620	(219 546)					(219 546)	2 037 074
Early Childhood Development Grants	10 092	(9 213)					(9 213)	879
<b>7. Examination and Education Related Services</b>	<b>12 268</b>	<b>(950)</b>					<b>(950)</b>	<b>11 318</b>
EPWP Integrated Grant for Provinces	2 735	(267)					(267)	2 468
EPWP Incentive Grant	9 533	(683)					(683)	8 850
<b>Total changes in conditional grants</b>	<b>3 743 238</b>	<b>(239 785)</b>					<b>(239 785)</b>	<b>3 503 453</b>

### 7.2 Function Shifts, Surrenders and Suspensions: (239.7 million)

The conditional grants are reduced by a total amount of R239.7 million due to in-year cuts implemented by the national sector department to respond to the fiscal constraints faced by the government. The HIV and AIDS (Life Skills Education) Grant decreased by R3 million, the Maths, Science and Technology Grant by R6.9 million, the Education Infrastructure Grant by R219.5 million, and the maintenance portion of the Early Childhood Development Grant decreased by R9.2 million. Furthermore, the Expanded Public Works Integrated Grant is decreased by R267 000 and the Social Sector Expanded Public Works Incentive Grant is reduced by R683 000.

### 7.3 Changes to Infrastructure

Refer to Adjusted Estimates of Capital Expenditure 2023 (AECE)



**VOTE 6****SOCIAL DEVELOPMENT**

R thousand	2023/24			
	Main Appropriation	Adjusted Appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>5 550 806</b>	<b>5 619 197</b>		<b>68 391</b>
<b>of which:</b>				
Current payments	3 152 021	3 303 649		151 628
Transfers and subsidies	2 312 214	2 142 034	(170 180)	
Payments for capital assets	86 571	173 376		86 805
Payment for financial assets		138		138
<b>Executive authority</b>	<b>MEC for Social Development; and Agriculture, Rural Development and Environment</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

**1. Vision and Mission****Vision**

A Caring and Self-reliant Society.

**Mission**

To transform our society by building conscious and capable citizens through the provision of integrated social development services.

**2. Changes to programme purpose, objective and measures**

No changes

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 6.1: DEPARTMENT OF SOCIAL DEVELOPMENT

Programmes	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
1. Administration	718 409			80 352		80 352	798 761
2. Social Welfare Services	692 604	(1 609)		212 396		210 787	903 391
3. Children and Families	1 965 543			114 594		184 594	2 150 137
4. Restorative Services	959 904			(67 284)		(67 284)	892 620
5. Development and Research	1 214 346			(340 058)		(340 058)	874 288
<b>Total for programmes</b>	<b>5 550 806</b>	<b>(1 609)</b>				<b>70 000</b>	<b>5 619 197</b>

Economic classification	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
<b>Current payments</b>	<b>3 152 021</b>			<b>151 628</b>		<b>151 628</b>	<b>3 303 649</b>
Compensation of employees	2 046 156			165 155		165 155	2 211 311
Salaries & wages	1 724 070			143 773		143 773	1 867 843
Social contribution	322 086			21 382		21 382	343 468
Goods and services	1 105 865			(13 527)		(13 527)	1 092 338
<b>Transfers and subsidies</b>	<b>2 312 214</b>	<b>(1 609)</b>		<b>(168 571)</b>		<b>(170 180)</b>	<b>2 142 034</b>
Departmental agencies and accounts	83			(28)		(28)	55
Non-profit institutions	2 304 649	(1 609)		(171 331)		(172 940)	2 131 709
Households	7 482			2 788		2 788	10 270
<b>Payments for capital assets</b>	<b>86 571</b>			<b>16 805</b>	<b>70 000</b>	<b>86 805</b>	<b>173 376</b>
Buildings and other fixed structures	74 250			8 708	70 000	78 708	152 958
Machinery and equipment	12 321			8 097		8 097	20 418
Software and other intangible assets							
<b>Payments for financial assets</b>				<b>138</b>		<b>138</b>	<b>138</b>
Thefts & Losses				138		138	138
<b>Total economic classification</b>	<b>5 550 806</b>	<b>(1 609)</b>			<b>70 000</b>	<b>68 391</b>	<b>5 619 197</b>

The overall budget of the department increases from a main appropriation of R5.5 billion to an adjusted appropriation of R5.6 billion. The department receives an additional amount of R70 million for the acquisition of a new building which will be repurposed into a shelter for the homeless. The EPWP incentive grant is also reduced by R1.6 million as a result of expenditure cuts implemented at the national sector department that administer the conditional grant.

The budget for compensation of employees' is increased by R165.1 million to fund a shortfall on the cost-of-living salary adjustment that was implemented from 01 April 2023, the appointment of contract workers and service delivery brigades to address the current workload and a number of projects that are currently active within the affected functional areas.

A net amount of R13.5 million is reprioritised from goods and services, which is mainly attributable to the reprioritisation of a discretionary allocation from Dignity Packs since these funds will not be spent by end of the financial year due to delays in procurement processes.

An amount of R171.3 million is reprioritised from non-profit organisations (NPOs) and is uncommitted due to non-compliance by the NPOs. In particular, NPOs are disqualified from signing service level agreements when, for instance the organisation inadvertently or intentionally makes changes to a verified bank account or trading name without prior notice to the department.

Transfers to households' increases by R2.8 million to fund the payment of leave gratuity to former officials and the payment of injury on duty claims.

The buildings and other fixed structures' allocation increases by R78.7 million, mainly to acquire a new building in Tshwane Region that will be repurposed as shelter for the homeless.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

### Programme 1: Administration

TABLE 6.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Office of the MEC	7 687			1 166			1 166	8 853
2. Corporate Management Services	351 769			20 894			20 894	372 663
3. District Management	358 953			58 292			58 292	417 245
<b>Total for programme</b>	<b>718 409</b>			<b>80 352</b>			<b>80 352</b>	<b>798 761</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>702 022</b>			<b>79 156</b>			<b>79 156</b>	<b>781 178</b>
Compensation of employees	355 176			15 555			15 555	370 731
Salaries & wages	300 710			13 145			13 145	313 855
Social contribution	54 466			2 410			2 410	56 876
Goods and services	346 846			63 601			63 601	410 447
<b>Transfers and subsidies</b>	<b>4 872</b>			<b>740</b>			<b>740</b>	<b>5 612</b>
Departmental agencies and accounts	83			(28)			(28)	55
Households	4 789			768			768	5 557
<b>Payments for capital assets</b>	<b>11 515</b>			<b>423</b>			<b>423</b>	<b>11 938</b>
Machinery and equipment	11 515			423			423	11 938
Software and other intangible assets								
<b>Payments for financial assets</b>				<b>33</b>			<b>33</b>	<b>33</b>
Thefts & Losses				33			33	33
<b>Total economic classification</b>	<b>718 409</b>			<b>80 352</b>			<b>80 352</b>	<b>798 761</b>

TABLE 6.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(24 713)</b>		<b>103 869</b>
Compensation of employees	Funds are shifted to align budget to expenditure and budget for Infrastructure Development Management System (IDMS) that will not be spent in full.	(7 923)	Funds are shifted to cover the shortfall on cost of living salary adjustment.	23 478
Goods and services	Maintenance budget within the Regional Offices is reprioritised and saving is also realised on bursary and training allocation.	(16 790)	Funds are shifted to cover shortfall on outsourced and municipal services, g-Fleet, leases of office buildings, legal service and to also cover emergency maintenance at Regions and Institutions.	80 391
<b>Transfers and subsidies</b>		<b>(28)</b>		<b>768</b>
Departmental agencies and accounts	Saving realised on annual licenses for departmental television sets at Institutions is reprioritised.	(28)		
Households			Funds are shifted to cover expenditure incurred for leave gratuity and injury on duty claims.	768
<b>Payments for capital assets</b>		<b>(6 736)</b>		<b>7 159</b>
Buildings and other fixed structures				
Machinery and equipment	Funds are shifted to other programmes to offset expenditure incurred on the procurement of assets. The budget for the procurement of assets is centralised to the Corporate Management sub-programme as a cost control measure.	(6 736)	Funds shift to cover expenditure incurred on assets procured for officials at the Regions. The budget for assets is centralised in Corporate Management sub-programme as a cost control measure.	7 159
Software and other intangible assets				
<b>Payments for financial assets</b>			Funds shift to cover expenditure for irrecoverable debt written-off.	<b>33</b>
<b>Total economic classification</b>		<b>(31 477)</b>		<b>111 829</b>



The budget for the programme is adjusted upwards from the main appropriation of R718.4 million to the adjusted appropriation of R798.7 million, which represent a net increase of R81 million.

### Virements and shifts

The compensation of employees' budget is increased by R15.5 million to cover the shortfall on cost of living salary adjustments implemented from April 2023.

The goods and services budget is adjusted upwards by R63.6 million to fund the inflationary increases on outsourced and municipal services, fleet services and leases of office buildings. The budget for goods and services is also increased to cover legal fees payments, appointment of forensic investigators and probity auditors.

Transfers to households increase by R768 000 to offset expenditure incurred on leave gratuity payments and injury on duty claims.

Machinery and equipment budget increases by R423 000 to cover payment of assets procured during the financial year. Reprioritisation of funds from machinery and equipment to defray expenditure incurred on assets procured in other programmes is also done. The budget for the procurement of assets is centralised in this programme as a cost control measure.

R33 000 is reprioritised to cover expenditure incurred on theft and losses item for debts written-off, which are uneconomical to recover.

## Programme 2: Social Welfare Services

TABLE 6.4: PROGRAMME 2: SOCIAL WELFARE SERVICES

Sub-programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Management and Support	7 669			(1 410)			(1 410)	6 259
2. Care and Services to Older Persons	326 313			48 551			48 551	374 864
3. Services to Persons with Disabilities	133 631			29 325			29 325	162 956
4. HIV And AIDS	224 991	(1 609)		135 930			134 321	359 312
<b>Total for programme</b>	<b>692 604</b>	<b>(1 609)</b>		<b>212 396</b>			<b>210 787</b>	<b>903 391</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>155 413</b>			<b>5 465</b>			<b>5 465</b>	<b>160 878</b>
Compensation of employees	85 269			10 417			10 417	95 686
Salaries & wages	69 445			12 654			12 654	82 099
Social contribution	15 824			(2 237)			(2 237)	13 587
Goods and services	70 144			(4 952)			(4 952)	65 192
<b>Transfers and subsidies</b>	<b>519 691</b>	<b>(1 609)</b>		<b>204 166</b>			<b>202 557</b>	<b>722 248</b>
Non-profit institutions	518 974	(1 609)		203 963			202 354	721 328
Households	717			203			203	920
<b>Payments for capital assets</b>	<b>17 500</b>			<b>2 765</b>			<b>2 765</b>	<b>20 265</b>

Economic classification	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
Buildings and other fixed structures	17 500			1 292		1 292	18 792
Machinery and equipment				1 473		1 473	1 473
<b>Payments for financial assets</b>							
Thefts & Losses							
<b>Total economic classification</b>	<b>692 604</b>	<b>(1 609)</b>		<b>212 396</b>		<b>210 787</b>	<b>903 391</b>

**TABLE 6.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: SOCIAL WELFARE SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(20 685)</b>		<b>26 150</b>
Compensation of employees	Funds are shifted to align budget to expenditure.	(4 205)	Funds are shifted to cover the shortfall on cost of living salary adjustments and to also make provision for the advertised vacant posts.	14 622
Goods and services	Reprioritisation of infrastructure projects and goods and services items which shows slow spending.	(16 480)	Funds are shifted to cover the shortfall on outsourced and municipal services, g-Fleet payments and other spending pressures within goods and services.	11 528
<b>Transfers and subsidies</b>		<b>(28 987)</b>		<b>233 153</b>
Non-profit institutions	Uncommitted budget for drop-in centres and residential facilities for people living with disabilities is reprioritised.	(28 833)	Funds are shifted to cover shortfall for social work posts at funded non-profit organisations rendering disability programmes and to also fund more organisations rendering services to older persons, persons living with disabilities and HIV and AIDS programmes.	232 796
Households	Saving realised on pocket money allocation for beneficiaries at Institutions is reprioritised.	(154)	Funds are shifted to cover expenditure incurred for leave gratuity and injury on duty claims.	357
<b>Payments for capital assets</b>		<b>(1 187)</b>		<b>3 952</b>
Buildings and other fixed structures	Budget for infrastructure projects with slow spending is reprioritised	(1 187)	Funds are shifted to cover anticipated shortfall on infrastructure projects that are ahead of schedule.	2 479
Machinery and equipment			Funds shift to cover expenditure incurred on assets procured. The budget for assets is centralised in Programme1: Administration as a cost control measure.	1 473
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(50 859)</b>		<b>263 255</b>

The main appropriation of the programme increases by a net amount of R210.7 million. The EPWP incentive conditional grant is reduced by R1.6 million whereas the total shifts and virements amount to R212.3 million.

### Virements and shifts

The budget for compensation of employees increases by R10.4 million to fund the shortfall on the cost of living salary adjustments and the contractual appointment of nurses at Zanele Mbeki Frail Care Centre.

The goods and services budget decreases by R4.9 million, mainly due to the reprioritisation of funds from the maintenance of buildings and food parcels in ART clinics since these funds will not be spent in full by end of the financial year.

R203.9 million is reprioritised to non-profit institutions, mainly to fund organisations rendering home-based services to older persons, social work posts under the Services to Persons with Disabilities sub-programme, HIV and AIDS programmes such as Drop-in Centres, Community Home-Based Centres and stipends paid to PWP caregivers.

The budget for households increases by R203 000 to cover payment of leave gratuity and injury on duty claims received by the department.

An additional amount of R1.3 million is allocated to buildings and other fixed structure to fund social infrastructure projects that are ahead of schedule.

The programme receives an allocation of R1.5 million on machinery and equipment to offset the expenditure incurred on the procurement of tools of trade for the officials. The budget for assets is centralised in Programme 1: Administration as a cost control measure and funds are shifted to this programme to align the budget with the expenditure

**Programme 3: Children and Families****TABLE 6.6: PROGRAMME 3: CHILDREN AND FAMILIES**

Sub-programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Management and Support	13 358			453			453	13 811
2. Care and Services to Families	208 391			67 095		70 000	137 095	345 486
3. Child Care and Protection	856 960			55 319			55 319	912 279
4. ECD And Partial Care	3 100			2 569			2 569	5 669
5. Child and Youth Care Centres	647 617			37 210			37 210	684 827
6. Community-Based Care Services for Children	236 117			(48 052)			(48 052)	188 065
<b>Total for programme</b>	<b>1 965 543</b>			<b>114 594</b>		<b>70 000</b>	<b>184 594</b>	<b>2 150 137</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>1 483 288</b>			<b>48 700</b>			<b>48 700</b>	<b>1 531 988</b>
Compensation of employees	1 121 101			68 274			68 274	1 189 375
Salaries & wages	953 764			39 979			39 979	993 743
Social contribution	167 337			28 295			28 295	195 632
Goods and services	362 187			(19 574)			(19 574)	342 613
<b>Transfers and subsidies</b>	<b>438 499</b>			<b>57 785</b>			<b>57 785</b>	<b>496 284</b>
Non-profit institutions	437 043			56 593			56 593	493 636
Households	1 456			1 192			1 192	2 648
<b>Payments for capital assets</b>	<b>43 756</b>			<b>8 072</b>		<b>70 000</b>	<b>78 072</b>	<b>121 828</b>
Buildings and other fixed structures	42 950			3 346		70 000	73 346	116 296
Machinery and equipment	806			4 726			4 726	5 532
<b>Payments for financial assets</b>				<b>37</b>			<b>37</b>	<b>37</b>
Thefts & Losses				37			37	37
<b>Total economic classification</b>	<b>1 965 543</b>			<b>114 594</b>		<b>70 000</b>	<b>184 594</b>	<b>2 150 137</b>

**TABLE 6.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: CHILDREN AND FAMILIES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(35 803)</b>		<b>84 503</b>
Compensation of employees			Funds are shifted to cover the shortfall on cost of living salary adjustments and to make provision for the advertised vacant posts.	68 274
Goods and services	Saving realised on school uniform contract and training is reprioritised and funds are also shifted from maintenance projects with slow spending.	(35 803)	Funds are shifted to cover the shortfall on outsourced and municipal services, g-Fleet payments and to also cover spending pressures on catering for beneficiaries at the Institutions.	16 229
<b>Transfers and subsidies</b>		<b>(38 873)</b>		<b>96 658</b>
Non-profit institutions	Funds that were not committed by end of first quarter are reprioritised.	(38 873)	Budget is reprioritised to augment funding for children's homes, homeless and family programmes.	95 466
Households			Funds are shifted to cover expenditure incurred for leave gratuity and injury on duty claims.	1 192
<b>Payments for capital assets</b>		<b>(15 809)</b>		<b>23 881</b>
Buildings and other fixed structures	Budget for infrastructure projects with slow spending is reprioritised	(15 809)	Funds are shifted to cover anticipated shortfall on infrastructure projects that are ahead of schedule.	19 155
Machinery and equipment			Funds shift to cover expenditure incurred on assets procured. The budget for assets is centralised in Programme1: Administration as a cost control measure.	4 726
<b>Payments for financial assets</b>			Funds shift to cover expenditure for irrecoverable debt written-off.	<b>37</b>
<b>Total economic classification</b>		<b>(90 485)</b>		<b>205 079</b>

The programme's budget is adjusted upwards from the main appropriation of R1.9 billion to an adjusted appropriation of R2.1 billion, representing an increase of R185 million.

## Virements and Shifts

An additional amount of R68.3 million is allocated to compensation of employees to cover the shortfall on the cost of living salary adjustments implemented from April 2023. The increase is also to cover the contractual appointment of nurses at various Institutions. The nursing contract posts will close a gap in care at the Institutions and also ensure that the Institutions are operating within the norms and standards for nursing care.

The budget for goods and services is reduced by R19.6 million, mainly due to a reprioritisation of funding allocated to the provision of school uniform, since these funds will not be spent in full by the end of the financial year.

Transfers to non-profit institutions is increased by R56.6 million to fund shortfall in non-profit organisations rendering families and children's programmes.

Transfers to households increase by R1.2 million to cover the payment of leave gratuity to officials who retired from the department and to also offset expenditure incurred on injury on duty claims.

Funds are shifted to buildings and other fixed structures to fund social infrastructure projects that are ahead of schedule. In addition, the budget for machinery and equipment is increased by R4.7 million to cover expenditure incurred on the procurement of assets. The budget for assets is centralised in Programme 1: Administration as a cost control measure.

## Additional Funding: Provincial: R70 million

The department also receives an additional amount of R70 million towards buildings and other fixed structures. The additional funds are allocated to fund the acquisition of an identified building in the Tshwane Region (Pretoria CBD) which is to be repurposed as a shelter for the homeless. This is part of the intervention strategies aimed at increasing access to social amenities in the province and to acquire property within Municipal CBD's and to rollout services to densely populated areas.

## Programme 4: Restorative Services

TABLE 6.8: PROGRAMME 4: RESTORATIVE SERVICES

Sub-programmes	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
1. Management and Support	1 644			93			1 737
2. Crime Prevention and Support	158 669			23 030			181 699
3. Victim Empowerment	184 551			(1 565)			182 986
4. Substance Abuse, Prevention and Rehabilitation	615 040			(88 842)			526 198
<b>Total for programme</b>	<b>959 904</b>			<b>(67 284)</b>			<b>892 620</b>

Economic classification	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
<b>Current payments</b>	<b>271 947</b>			<b>22 128</b>			<b>294 075</b>
Compensation of employees	169 659			18 367			188 026
Salaries & wages	140 181			14 811			154 992
Social contribution	29 478			3 556			33 034
Goods and services	102 288			3 761			106 049
<b>Transfers and subsidies</b>	<b>674 157</b>			<b>(93 986)</b>			<b>580 171</b>
Non-profit institutions	673 966			(94 110)			579 856
Households	191			124			315
<b>Payments for capital assets</b>	<b>13 800</b>			<b>4 556</b>			<b>18 356</b>
Buildings and other fixed structures	13 800			4 070			17 870
Machinery and equipment				486			486
<b>Payments for financial assets</b>				<b>18</b>			<b>18</b>
Thefts & Losses				18			18
<b>Total economic classification</b>	<b>959 904</b>			<b>(67 284)</b>			<b>892 620</b>

**TABLE 6.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: RESTORATIVE SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(9 758)</b>		<b>31 886</b>
Compensation of employees	Funds are shifted to align budget to expenditure.	(3 090)	Funds are shifted to cover the shortfall on cost-of-living salary adjustments and to also make provision for the advertised vacant posts.	21 457
Goods and services	Reprioritisation of maintenance budget from projects with slow spending and budget for outsourced services is reprioritised between Institutions.	(6 668)	Funds are shifted to cover the shortfall on outsourced and municipal services, g-Fleet payments and other spending pressures within goods and services.	10 429
<b>Transfers and subsidies</b>		<b>(140 718)</b>		<b>46 732</b>
Non-profit institutions	Funds not committed by end of first quarter are reprioritised.	(140 718)	Budget reprioritised to fund the expansion of bed capacity for substance abuse programmes.	46 608
Households			Funds shift to cover expenditure incurred for leave gratuity and injury on duty claims.	124
<b>Payments for capital assets</b>		<b>(6 160)</b>		<b>10 716</b>
Buildings and other fixed structures	Budget for infrastructure projects with slow spending is reprioritised	(6 160)	Funds are shifted to cover anticipated shortfall on infrastructure projects that are ahead of schedule and to also cover refurbishment of in-patient treatment centre.	10 230
Machinery and equipment			Funds shift to cover expenditure incurred on assets procured. The budget for assets is centralised in Programme1: Administration as a cost control measure.	486
<b>Payments for financial assets</b>			Funds shift to cover expenditure for irrecoverable debt written-off.	<b>18</b>
<b>Total economic classification</b>		<b>(156 636)</b>		<b>89 352</b>

## Virements and shifts

The programme budget decreases by R67.3 million from a main appropriation of R960 million to an adjusted appropriation of R893 million.

Compensation of employees in the programme increases by R18.4 million to cover the shortfall on cost-of-living salary adjustments and to appoint nurses on a contract basis at two institutions funded in the programme. Funds are also shifted to align the personnel budget with expenditure in accordance with warm bodies.

The goods and services budget increases by R3.8 million, mainly to cover the shortfall on municipal services and contractual obligations at Dr. Fabian and Florence Ribeiro Centre. The allocation for fleet services is also increased to fund spending pressure due to escalating fuel costs.

The budget for transfers to non-profit institutions decreases by R94.1 million. This reduction is mainly from uncommitted funds within the Substance Abuse sub-programme as a result of non-compliance by NPOs. Although the Substance Abuse sub-programme has a net decrease, funds earmarked for the Sedibeng Treatment Centre are reprioritised to fund the newly established in-patient treatment facilities at Clinix Foundation in the Johannesburg region. In addition, the earmarked allocation is also reprioritised to provide for the expansion of bed capacity at the Nkanyisa Recovery Centre NPC in line with the elevated substance abuse programme.

Households increases by R124 000 to cover the payment of leave gratuity to officials who retire or resign from the department.

Buildings and other fixed structures increase by R4 million to augment the allocation for the upgrading of Dr. Fabian and Florence Ribeiro Treatment Centre in order to expand the bed capacity at the Institution.

An amount of R486 000 is allocated to machinery and equipment to offset the expenditure incurred on the procurement of assets. The budget for the procurement of assets is centralised in Programme1: Administration as part of the cost control measures implemented in the department.

**Programme 5: Development and Research****TABLE 6.10: PROGRAMME 5: DEVELOPMENT AND RESEARCH**

Sub-programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Management and Support	7 845			25			25	7 870
2. Community Mobilisation	28 403			34 696			34 696	63 099
3. Institutional Capacity and Support for NPOs	205 024			(9 137)			(9 137)	195 887
4. Poverty Alleviation and Sustainable Livelihoods	894 646			(363 303)			(363 303)	531 343
5. Community Based Research and Planning	7 664			(432)			(432)	7 232
6. Youth Development	40 716			(6 035)			(6 035)	34 681
7. Woman Development	24 901			5 195			5 195	30 096
8. Population Policy Promotion	5 147			(1 067)			(1 067)	4 080
<b>Total for programme</b>	<b>1 214 346</b>			<b>(340 058)</b>			<b>(340 058)</b>	<b>874 288</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>539 351</b>			<b>(3 821)</b>			<b>(3 821)</b>	<b>535 530</b>
Compensation of employees	314 951			52 542			52 542	367 493
Salaries & wages	259 970			63 184			63 184	323 154
Social contribution	54 981			(10 642)			(10 642)	44 339
Goods and services	224 400			(56 363)			(56 363)	168 037
<b>Transfers and subsidies</b>	<b>674 995</b>			<b>(337 276)</b>			<b>(337 276)</b>	<b>337 719</b>
Non-profit institutions	674 666			(337 777)			(337 777)	336 889
Households	329			501			501	830
<b>Payments for capital assets</b>				<b>989</b>			<b>989</b>	<b>989</b>
Machinery and equipment				989			989	989
<b>Payments for financial assets</b>				<b>50</b>			<b>50</b>	<b>50</b>
Thefts & Losses				50			50	50
<b>Total economic classification</b>	<b>1 214 346</b>			<b>(340 058)</b>			<b>(340 058)</b>	<b>874 288</b>

**TABLE 6.11: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: DEVELOPMENT AND RESEARCH**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(103 696)</b>		<b>99 875</b>
Compensation of employees	Funds are shifted to align budget to expenditure.	(31 840)	Funds are shifted to cover the appointment of Youth Brigades and contract workers.	84 382
Goods and services	Budget for dignity packs is reprioritised due to delayed procurement processes.	(71 856)	Funds shift to cover the appointment of panel members to adjudicate applications for NPOs funding, procurement of tools of trade for the Youth Brigades and the cost incurred for venue hire for NPOs summit and other departmental events.	15 493
<b>Transfers and subsidies</b>		<b>(384 843)</b>		<b>47 567</b>
Non-profit institutions	Reprioritisation of funds within non-profit institutions and funds not committed by end of the first quarter are also reprioritised.	(384 843)	Funds allocation towards the shortfall on welfare to work programme, Community Nutrition Development Centres, Development Centres and Women Empowerment programmes.	47 066
Households			Funds shift to cover payments of leave gratuity for officials who retired or resigned from the public sector.	501
<b>Payments for capital assets</b>				<b>989</b>
Machinery and equipment			Funds shift to cover expenditure incurred on assets procured. The budget for assets is centralised in Programme 1: Administration as a cost control measure.	989
<b>Payments for financial assets</b>			Funds shift to cover expenditure for irrecoverable debt written-off.	<b>50</b>
<b>Total economic classification</b>		<b>(488 539)</b>		<b>148 481</b>

## Virements and Shifts

The programme budget decreases by a total amount of R340 million from a main appropriation of R1.2 billion to an adjusted appropriation of R874.3 million.

The budget allocated to compensation of employees increases by R52.5 million to fund 333 contract posts and the appointment of the 3000 Service Delivery Brigade. The appointment of contract workers is informed by the analysis of the current workload as well as the number of projects that are currently active within affected functional areas. Contract workers to be appointed in this programme includes Community Development Practitioners, Assistant Community Development Practitioners and Monitoring and Evaluation officials. Service Delivery Brigades will conduct household profiling and identify and capture data on service delivery needs in an electronic gadget and refer these cases to the affected Gauteng Government Departments.

The goods and services budget decreases by R56.4 million, mainly due to reprioritisation of funds from the provision of Dignity Packs, as it will not be spent in full due to the late finalisation of procurement processes. It is anticipated that the tender for Dignity Packs will be advertised in November 2023 and service providers would possibly be appointed in the fourth quarter.

Transfers to non-profit institutions decreases by R337.8 million as the funds allocated for skills development at the beginning of the financial year will not be spent in full.

The budget for households increases by R501 000 to cover the payment of leave gratuity to officials who retired or resigned from the department.

The programme also receives an amount of R989 000 to offset expenditure incurred on the procurement of assets as the budget is centralised in Programme 1: Administration as a cost control measure.

## 5. Expenditure 2022/23 and Preliminary Expenditure 2023/24

**TABLE 6.12: EXPENDITURE 2022/23 AND PRELIMINARY EXPENDITURE 2023/24: SOCIAL DEVELOPMENT**

Department	2022/23				2023/24		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
1. Administration	787 074	362 092	800 070	101.7%	798 761	392 834	8.5%
2. Social Welfare Services	1 007 726	483 767	1 048 013	104.0%	903 391	413 055	(14.6)%
3. Children and Families	1 933 114	921 905	1 935 055	100.1%	2 150 137	965 815	4.8%
4. Restorative Services	955 420	374 682	793 442	83.0%	892 620	342 811	(8.5)%
5. Development and Research	853 703	339 497	842 649	98.7%	874 288	351 265	3.5%
<b>Total for programmes</b>	<b>5 537 037</b>	<b>2 481 943</b>	<b>5 419 229</b>	<b>97.9%</b>	<b>5 619 197</b>	<b>2 465 780</b>	<b>(0.7)%</b>
<b>Current payments</b>	<b>3 056 287</b>	<b>1 377 915</b>	<b>3 012 437</b>	<b>98.6%</b>	<b>3 303 649</b>	<b>1 476 835</b>	<b>7.2%</b>
Compensation of employees	2 077 178	1 005 230	2 052 179	98.8%	2 211 311	1 072 880	6.7%
Goods and Services	979 109	372 685	960 258	98.1%	1 092 338	403 955	8.4%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>2 376 017</b>	<b>1 071 247</b>	<b>2 300 922</b>	<b>96.8%</b>	<b>2 142 034</b>	<b>946 227</b>	<b>(11.7)%</b>
Departmental agencies and accounts	55	56	55	100.0%	55	55	(1.8)%
Non-profit institutions	2 366 825	1 064 697	2 290 752	96.8%	2 131 709	939 253	(11.8)%
Households	9 137	6 494	10 115	110.7%	10 270	6 919	6.5%
<b>Payments for capital assets</b>	<b>104 590</b>	<b>32 638</b>	<b>105 500</b>	<b>100.9%</b>	<b>173 376</b>	<b>42 580</b>	<b>30.5%</b>
Buildings and other fixed structures	75 921	23 067	57 344	75.5%	152 958	31 602	37.0%
Machinery and equipment	28 227	9 129	46 565	165.0%	20 418	10 978	20.3%
Software and other intangible assets	442	442	1 591	360.0%			(100.0)%
<b>Payments for financial assets</b>	<b>143</b>	<b>143</b>	<b>370</b>	<b>258.7%</b>	<b>138</b>	<b>138</b>	<b>(3.5)%</b>
<b>Total economic classification</b>	<b>5 537 037</b>	<b>2 481 943</b>	<b>5 419 229</b>	<b>97.9%</b>	<b>5 619 197</b>	<b>2 465 780</b>	<b>(0.7)%</b>

### Expenditure trends for 2022/23

In the 2022/23 financial year the department spent 97.9 per cent of the allocated budget and the reasons for deviation for each programme are as follows:

#### Programme 1: Administration

The programme exceeded the adjusted budget by 1.7 per cent due to spending pressures on emergency maintenance and the escalating cost on outsourced and municipal services at the Regions.

#### Programme 2: Social Welfare Services

The over expenditure of 4 per cent against the adjusted budget was mainly on transfer payments to non-profit organisations rendering services to older persons. The budget for buildings and other fixed structures also exceeded adjusted budget as additional funds were spent at the Boipatong Social Integrated Facility.

#### Programme 4: Restorative Services

The programme's adjusted budget was under spent by 17 per cent due to delays in the filling of vacant posts and relatively low spending of allocations earmarked for the expansion of bed capacity for in-patient treatment centres, diversion programmes and victim empowerment.

#### Programme 5: Development and Research

The programme budget was under spent by 1.3 per cent as the budget for compensation of employees was not fully spent due to vacant posts not filled by end of the financial year and food parcels budget was also not spent in full.

### Preliminary expenditure trends for the first half of 2023/24

The department's spending in the 2023/24 financial year declines slightly by 0.7 per cent when compared with the second quarter spending in the 2022/23 financial year. Expenditure in the current financial year is negatively affected by, amongst others, uncommitted funds due to non-compliance by NPOs since the NPOs that were earmarked for signing service level



agreements could not sign due to a change on banking details, a name change, an outstanding programme certificate or other adverse monitoring findings.

### Programme 1: Administration

The programme's spending pattern improved in the current financial year in comparison with the previous financial year. The programme has spent R393 million in the second quarter of the financial year compared to R362 million in the same period of the previous financial year. The increase in expenditure is attributable to escalating cost on municipal services for Regional Offices and Service Points.

Compensation of employees' expenditure in the current financial year increased due to the implementation of cost-of-living salary adjustments from April 2023.

### Programme 2: Social Welfare Services

Second quarter expenditure in this programme decreased from R484 million in 2022/23 to R413 million in 2023/24 financial year, representing 3 per cent decline. The slow spending is mainly attributable to relatively lower spending on transfer payments to non-profit institutions in the current financial year due to non-compliance with funding requirements by some of the NPOs.

### Programme 3: Children and Families

The expenditure increases by 4.8 per cent in the second quarter of the current financial year when compared to the same period in the previous financial year. The increased spending in the current financial year is mainly on compensation of employees due to the filling of vacant posts and the implementation of cost-of-living salary adjustments.

### Programme 4: Restorative Services

The programme has spent R343 million in the second quarter of the financial year compared to R375 million spent during the same period in the previous financial year, which represents 8.5 per cent decline in expenditure. The decrease in expenditure is on transfer payments to non-profit organisations rendering substance abuse services, which are not funded due non-compliance.

### Programme 5: Development and Research

The expenditure in this programme increased by 3.5 per cent in the second quarter of the current financial year in comparison with the previous financial year. For instance, expenditure within non-profit organisations for Community Nutrition Development Centres has increased in the current financial year as compared to what was spent in the previous financial year. In addition, relatively high expenditure on compensation of employees also contributed to high percentage spent in the second quarter of the financial year.

## 6. Departmental Receipts

TABLE 6.13: DEPARTMENTAL RECEIPTS

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of ad- justed appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
Sales of goods and services other than capital assets	3 447	1 590	3 233	(6.2)%	3 419	1 660	4.4%
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	35	22	29	(17.1)%	25	25	13.6%
Sales of capital assets							
Financial transactions in assets and liabilities	719	3 119	6 453	797.5%	942	9 665	209.9%
<b>Total receipts</b>	<b>4 201</b>	<b>4 731</b>	<b>9 715</b>	<b>131.3%</b>	<b>4 386</b>	<b>11 350</b>	<b>139.9%</b>

### Revenue trends for the first half of the 2023/24 financial year

The revenue estimates have increased from R4.2 million in the previous financial year to R4.4 million in the current financial

year. The reason for the increase in revenue estimates is due to revenue sources that did not change and only increased in line with the Consumer Price Index.

The amount of revenue collected as at the end of September 2023 is R11.4 million, which represents an increase of 139.9 percent when compared with the amount collected in the same period in the 2022/23 financial year.

The amount collected for the sales of goods and services is R1.7 million, which includes receipts for garnishee orders, parking fees from employees and boarding fees from officials who occupy official residence at the departmental institutions. Financial transactions in assets and liabilities contributed an amount of R9.7 million to the revenue collected as at the end of September 2023, and this is due to recoveries of unspent funds from non-profit organisations.

## 7. Changes to transfers and subsidies, conditional grants and infrastructure

### 7.1 Changes in transfers and subsidies

TABLE 6.14: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Administration</b>	<b>4 872</b>			<b>740</b>		<b>740</b>	<b>5 612</b>
Departmental agencies and accounts	83			(28)		(28)	55
Households	4 789			768		768	5 557
<b>Social Welfare Services</b>	<b>519 691</b>	<b>(1 609)</b>		<b>204 166</b>		<b>202 557</b>	<b>722 248</b>
Non-profit institutions	518 974	(1 609)		203 963		202 354	721 328
Households	717			203		203	920
<b>Children And Families</b>	<b>438 499</b>			<b>57 785</b>		<b>57 785</b>	<b>496 284</b>
Non-profit institutions	437 043			56 593		56 593	493 636
Households	1 456			1 192		1 192	2 648
<b>Restorative Services</b>	<b>674 157</b>			<b>(93 986)</b>		<b>(93 986)</b>	<b>580 171</b>
Non-profit institutions	673 966			(94 110)		(94 110)	579 856
Households	191			124		124	315
<b>Development And Research</b>	<b>674 995</b>			<b>(337 276)</b>		<b>(337 276)</b>	<b>337 719</b>
Non-profit institutions	674 666			(337 777)		(337 777)	336 889
Households	329			501		501	830
<b>Total changes in transfers and subsidies payments</b>	<b>2 312 214</b>	<b>(1 609)</b>		<b>(168 571)</b>		<b>(170 180)</b>	<b>2 142 034</b>

### Virements and shifts

#### Programme 1: Administration

An additional amount of R768 000 is allocated to households to offset expenditure on leave gratuity payments to former officials.

Departmental agencies and accounts budget decreases from R83 000 to R55 000 as a saving of R28 000 on TV licenses for television sets at Institutions is reprioritised.

#### Programme 2: Social Welfare Service

Transfers to non-profit institutions receives an amount of R203.9 million, mainly to fund organisations rendering home based services to older persons, social work posts for the Services to Persons with Disabilities sub-programme, HIV and AIDS programmes and stipends paid to EPWP caregivers.

The households budget increases by R203 000 to cover the payments of leave gratuity and injury on duty claims.

### Programme 3: Children and Families

Transfers to non-profit institutions increase by R56.5 million to cover shortfall on non-profit organisations rendering families' and children's programmes.

Transfers to households increase by R1.2 million to cover the payment of leave gratuity to officials who retired from the department and to also offset expenditure on injury on duty claims in this programme.

### Programme 4: Restorative Services

The budget for transfers to non-profit institutions decreases by R94.1 million. The reduction is mainly within the Substance Abuse sub-programme as uncommitted funds are reprioritised.

Households budget increases by R124 000 to cover the payments of leave gratuity to officials who retired or resigned from the department.

### Programme 5: Development and Research

Transfers to non-profit institutions decrease by R337.8 million as the funds allocated for skills development at the beginning of the financial year will not be spent in full.

The allocation for households increases by R501 000 to cover the payment of leave gratuity to officials who retired or resigned from the department.

## 7.2 Changes in conditional grants

TABLE 6.15: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Social Welfare Services</b>	<b>22 444</b>	<b>(1 609)</b>				<b>(1 609)</b>	<b>20 835</b>
Social Sector Expanded Public Works Programme Incentive Grant for Provinces	22 444	(1 609)				(1 609)	20 835
<b>Total changes in conditional grants</b>	<b>22 444</b>	<b>(1 609)</b>				<b>(1 609)</b>	<b>20 835</b>

The EPWP incentive grant is reduced by R1.6 million as a result of expenditure cuts implemented at the national sector department that administer the conditional grant. Factors that were considered by the national government when reducing the conditional grants include the spending patterns of the grant allocations and the implication of the reductions on the overall operational activities pertaining to the grant funding

## 7.3 Changes in infrastructure

Refer to 2023 Adjusted Estimates of Capital Expenditure (AECE)

**VOTE 7****COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

R thousand	2023/24			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	639 686	1 080 495		440 809
of which:				
Current payments	619 934	1 062 356		442 422
Transfers and subsidies	14 560	14 947		387
Payments for capital assets	5 192	3 192	(2 000)	
Payment for financial assets				
Executive authority	MEC for Cooperative Governance and Traditional Affairs			
Accounting officer	Head of Department			

**1. Vision and Mission****Vision**

Sustainable, Smart, Inclusive Cities and Communities in the Gauteng City Region.

**Mission**

To drive an effective system of cooperative governance to build sustainable municipalities, inclusive communities, and the institution of Traditional Leadership in the Gauteng City Region.

**2. Changes to Programme Purpose, Objective and Measures**

No changes

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 7.1: DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	162 544			12 000			12 000	174 544
2. Local Governance	306 542			(18 600)			(18 600)	287 942
3. Development and Planning	150 972	(191)		2 000		441 000	442 809	593 781
4. Traditional Institutional Development	19 628			4 600			4 600	24 228
Total for Programmes	639 686	(191)				441 000	440 809	1 080 495
Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Current payments	619 934			1 422		441 000	442 422	1 062 356
Compensation of employees	394 868							394 868
Salaries & wages	340 168							340 168
Social contribution	54 700							54 700
Goods and services	225 066			1 422		441 000	442 422	667 488
Transfers and subsidies	14 560	(191)		578			387	14 947
Provinces and municipalities	13 560	(191)					(191)	13 369
Households	1 000			578			578	1 578
Payments for capital assets	5 192			(2 000)			(2 000)	3 192
Machinery and equipment	5 192			(2 000)			(2 000)	3 192
Payments for financial assets								
Total economic classification	639 686	(191)				441 000	440 809	1 080 495

The department's budget baseline increased from R639.6 million to R1.1 billion during the adjustment budget of 2023/24 financial year. The increase is due to additional funding of R441 million earmarked for energy projects within the province. The allocation for transfers to municipalities decreased by an amount of R191 000 due to compulsory budget cuts implementation on conditional grants. The department identified savings mainly from non-core items, operational items, and scaled down programmes / activities i.e. procuring of office furniture and equipment that was delayed by the effects of the department not being able to secure permanent office space. The department reprioritized funds from those affected slow spending items towards areas identified with cost pressures.

Adjustments are reflected in all economic classification items. Shifts in compensation of employees provide for the aligning of salary-related payments and non-salary related payments within programmes. The department's budget for machinery and equipment decreased by R2 million due to delays in the procurement of office furniture because of the unavailability of permanent office space. Goods and services budget is adjusted upwards by R1.4 million to cover the shortfall in payment of outstanding Microsoft license fees to e-Government and payment of municipal services. The additional funding for Energy projects is also allocated under goods and services, these funds are earmarked for Energy projects within the province.

Household's budget increases by R578 000 to cater for the expenses incurred for bursaries awarded to disabled non-employees within the Transformation unit.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

## Programme 1: Administration

TABLE 7.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the MEC	4 375			1 250			1 250	5 625
2. Corporate Services	158 169			10 750			10 750	168 919
Total for Programmes	162 544			12 000			12 000	174 544
Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Current payments	156 352			14 000			14 000	170 352
Compensation of employees	100 336							100 336
Salaries & wages	88 754							88 754
Social contribution	11 582							11 582
Goods and services	56 016			14 000			14 000	70 016
Transfers and subsidies	1 000							1 000
Provinces and municipalities								
Households	1 000							1 000
Payments for capital assets	5 192			(2 000)			(2 000)	3 192
Machinery and equipment	5 192			(2 000)			(2 000)	3 192
Payments for financial assets								
Thefts & Losses								
Total economic classification	162 544			12 000			12 000	174 544

TABLE 7.3: DETAILS OF SHIFTS AND VIREMENT PER CONOMIC CLASSIFICATION: PROGRAMME1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(9 869)		23 869
Compensation of employees	Funds are available due to vacant funded posts yet to be advertised.	(2 460)	To provide for new appointees in the MEC's office and to re-align the budget with the approved structure.	2 460
Goods and services	Minimal printing of branding materials; reduced usage of consultants; reduced usage of outsourced services; limited consumables due to remote working; limited conferences attended; minimal promotional materials; remote working; and cost containment implementation.	(7 409)	Funding is made available to provide for expenditure on Premier's bi-lateral travel; stakeholder engagements and strategic sessions; payment of Microsoft licenses; streaming and graphic design services; independent chairperson of the risk management committee and probity auditors; uniforms; municipal services; post SOPA engagements; and energy indaba.	21 409
Transfers and subsidies				
Households				
Payments for capital assets		(2 150)		150
Machinery and equipment	Delays in procurement of office furniture due to non-availability of office space.	(2 150)	Re-alignment of budget with where expenditure is incurred.	150
<b>Total economic classification</b>		<b>(12 019)</b>		<b>24 019</b>

**Virements and shifts**

The overall budget of the programme increases from R162.5 million to R174.5 million to cater for the shortfall in operational costs of the department. Shifting of funds within compensation of employees is to fund lower-level items spending pressure as well as to cater for the new appointments in the MEC’s office. Funds are shifted within goods and services from non-core items to make provision for payment of Microsoft license; post SOPA engagements; overspending on G-fleet; and property payments.

The programme reallocated an amount of R2 million from machinery and equipment to goods and services to supplement the outstanding payments in respect of municipal services in favour of the City of Johannesburg. The programme also received an amount of R12 million as a virement from programme 2 to cater for the shortfall in the payment of Microsoft license for the department and municipalities; and payment for accruals for City of Johannesburg related to municipal services.

**Programme 2: Local Governance**

**TABLE 7.4: PROGRAMME 2: LOCAL GOVERNANCE**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Municipal Administration	18 867							18 867
2. Municipal Finance	39 518			(14 500)			(14 500)	25 018
3. Public Participation	198 225			11 000			11 000	209 225
4. Capacity Development	32 468			(15 100)			(15 100)	17 368
5. Municipal Performance Monitoring, Reporting and Evaluation	17 464							17 464
<b>Total for Programmes</b>	<b>306 542</b>			<b>(18 600)</b>			<b>(18 600)</b>	<b>287 942</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R Thousand</b>								
Current payments	306 542			(19 178)			(19 178)	287 364
Compensation of employees	220 308							220 308
Salaries & wages	185 996							185 996
Social contribution	34 312							34 312
Goods and services	86 234			(19 178)			(19 178)	67 056
Transfers and subsidies				578			578	578
Provinces and municipalities								
Households				578			578	578
Payments for capital assets								
Machinery and equipment								
Payments for financial assets								
Thefts & Losses								
<b>Total economic classification</b>	<b>306 542</b>			<b>(18 600)</b>			<b>(18 600)</b>	<b>287 942</b>

TABLE 7.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: LOCAL GOVERNANCE

Economic classification	Motivation	From	Motivation	To
Current payments		(38 184)		19 006
Compensation of employees	Realignment of the budget with expenditure and the structure.	(454)	Realignment of the budget with expenditure and the structure.	454
Goods and services	Funds are available from aligning bursaries of non-employees with SCOA; training being held virtually; deferred projects due to prolonged SCM processes; voter education and civic awareness campaigns deferred to next financial year; scaling down on promotional materials; minimal use of consultants; merger of voter education training with the ambassador's programme; and minimal use of out-sourced services.	(37 730)	Increased funding will provide for the HOD-MMC IGR's; publishing of government gazettes; the local government youth symposium; bursaries for non-employees; the roll-out of civic education campaign and the social mobilisation programme; ward committees transportation; catering at the Asset Based Community Development (ABCD) orientation; the voter education campaign ambassadors programme; venues for voter education and stakeholder engagements; catering at the Batho Pele workshop and the municipal financial oversight training; and expenditure incurred on promotional items.	18 552
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				
Total economic classification		(38 184)		19 006

### Virements and shifts

The budget for the program decreases from R306.5 million to R287.9 million due to scaling down on projects that were delayed by procurement processes. R454 000 is shifted within compensation of employees to align expenditure with the structure of the programme. R19.1 million is shifted within goods and services from underspending items such as Agency and support; communication; and advertising to cater for the expenditure related to appointment of service provider to assist the department with voter education ambassadors' programme and the financial oversight training offered to councillors across the province. A further amount of R578 000 shifted from goods and services to household to cater for expenses incurred on bursaries awarded to disabled non-employees within the Transformation unit. An amount of R18.6 million is moved from goods and services as a virement to other programmes due to scaling down on projects that were affected by delays in procurement processes.

### Programme 3: Development Planning

TABLE 7.6: PROGRAMME 3: DEVELOPMENT PLANNING

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. IDP Coordination	32 503			(1 000)			(1 000)	31 503
2. Disaster Management	60 229			12 000			12 000	72 229
3. Municipal Infrastructure	48 723	(191)		(10 000)		441 000	430 809	479 532
4. Land Use Management	9 517			1 000			1 000	10 517
Total for Programmes	150 972	(191)		2 000		441 000	442 809	593 781

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Current payments	137 412			2 000		441 000	443 000	580 412
Compensation of employees	60 362							60 362
Salaries & wages	52 963							52 963
Social contribution	7 399							7 399
Goods and services	77 050			2 000		441 000	443 000	520 050
Transfers and subsidies	13 560	(191)					(191)	13 369
Provinces and municipalities	13 560	(191)					(191)	13 369
Payments for capital assets								



Machinery and equipment							
Payments for financial assets							
Total economic classification	150 972	(191)	2 000	441 000	442 809	593 781	

**TABLE 7.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: DEVELOPMENT PLANNING**

PROGRAMME				
Economic classification	Motivation	From	Motivation	To
Current payments		(13 986)		15 986
Compensation of employees	Re-aligning budget with the approved structure.	(1 217)	Re-aligning budget with the approved structure.	1 217
Goods and services	Minimal use of outsourced services and savings from deferred projects due to delays in SCM processes.	(12 769)	The increased budget will provide for travel claims of SMS staff; catering services at the joint planning session with provincial sector departments and municipalities and energy crisis response plan technical team workshop; travelling costs of members attending the BRICS urbanisation forum; venues to host the 2023/24 IDP analysis; procure materials in response to recent disasters in the province; renewal of SANS subscriptions; hydro net early warning weather monitoring application; coordination of a full scale USAR simulation exercise; smoke alarm detectors; benchmarking exercise on disaster centres; printing of educational awareness materials for disaster management and fire & rescue services; travel cost to attend energy training; training of the energy office personnel on energy related matters; and procurement of venues for hosting the energy indaba.	14 769
Payments for capital assets				
Total economic classification		(13 986)		15 986

**1. Function shifts, surrenders and suspensions: R191 000**

Due to function shifts, surrenders and suspensions, transfers to municipalities budget decreases with a total amount of R191 000 due to compulsory budget cuts on conditional grants.

**2. Virements and shifts**

An amount of R2 million is received from programme 2 as a virement to cater for shortfall in procurement of disaster relief materials. R1.2 million is shifted between the sub-programmes in compensation of employees to fund the lower-level items and to alleviate pressures in other sub-programmes while R13.9 million is reprioritised within goods and services from low spending items to make provision for expenditure related to hosting of energy Indaba; travelling costs for members attending the BRICS urbanisation forum; shortfall in procurement of smoke alarm detectors within the Fire & Rescue services unit; and procurement of homeless packs to provide humanitarian support to homeless people within the City Of Johannesburg (COJ) and disaster relief materials.

**3. Additional funding: Provincial: R441 million**

An additional funding amount of R441 million earmarked for energy projects within the province is processed into this programme under the Municipal Infrastructure programme under goods and services.

**Programme 4: Traditional Institutional Management****TABLE 7.8: PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjud Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Traditional Institutional Administration	10 348			4 600			4 600	14 948
2. Traditional Resource Administration	7 217							7 217
3. Rural Development Facilitation	575							575
4. Traditional Land Administration	1 488							1 488
<b>Total for Programmes</b>	<b>19 628</b>			<b>4 600</b>			<b>4 600</b>	<b>24 228</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R Thousand</b>								
Current payments	19 628			4 600			4 600	24 228
Compensation of employees	13 862							13 862
Salaries & wages	12 455							12 455
Social contribution	1 407							1 407
Goods and services	5 766			4 600			4 600	10 366
Transfers and subsidies								
Payments for capital assets								
Payments for financial assets								
<b>Total economic classification</b>	<b>19 628</b>			<b>4 600</b>			<b>4 600</b>	<b>24 228</b>

**TABLE 7.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT**

Economic classification	Motivation	From	Motivation	To
Current payments				4 600
Compensation of employees				
Goods and services			Funding made available will provide for the following: registration cost to attend the ethics institute 10th annual conference; catering services at the MEC-Mayors IGR forums; the Gauteng commission on traditional leadership disputes and claims and travelling cost to attend commemoration events; and the Limpopo anti-corruption forum.	4 600
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				
<b>Total economic classification</b>				<b>4 600</b>

**Virements and shifts**

The programme received a virement of R4.6 million which increase the total budget from R19.6 million to R24.2 million to cater for additional expenses related to the extension of the Gauteng commission on traditional leadership dispute and claims; registration cost for officials attending the Ethics Institute's 10<sup>th</sup> annual conference; catering services during the MEC-Mayors IGR forum as well as travelling costs to attend the Limpopo anti-corruption forum launch.

**5. EXPENDITURE 2021/22 AND PRELIMINARY EXPENDITURE 2023/24****TABLE 7.10: EXPENDITURE 2021/22 AND PRELIMINARY EXPENDITURE 2022/23: COOPERATE GOVERNANCE AND TRADITIONAL AFFAIRS**

Department	2022/23 Expenditure Outcome				2023/24 Preliminary expenditure		
	Adjusted appropriation	Apr 2022 - Sept 2022	Apr 2022 - Mar 2023	Apr 2022-Mar 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023 - Sept 2023	% change 22/23 - 23/24 Apr-Sept
R thousand							
1. Administration	163 198	81 809	159 591	98%	174 544	97 579	16%
2. Local Governance	289 310	130 183	265 178	92%	287 942	121 707	(6)%
3. Development and Planning	137 933	69 912	148 762	108%	593 781	55 865	(25)%
4. Traditional Institutional Development	20 348	5 752	16 163	79%	24 228	9 332	62%
<b>Total</b>	<b>610 789</b>	<b>287 656</b>	<b>589 694</b>	<b>96%</b>	<b>1 080 495</b>	<b>284 483</b>	<b>(1)%</b>
Current payments	581 243	266 439	545 419	94%	1 062 356	276 995	4%
Compensation of employees	380 488	166 562	345 265	91%	394 868	180 252	8%
Goods and Services	200 755	99 877	200 154	100%	667 488	96 743	(3)%
Interest and rent on land							
Transfers and subsidies	18 715	18 715	41 342	221%	14 947	6 659	(281)%
Provinces and municipalities	17 303	17 303	38 978	225%	13 369	5 689	(300)%
Households	1 412	1 412	2 364	167%	1 578	970	(145)%
Payments for capital assets	2 282	2 282	2 695	118%	3 192	829	(275)%
Machinery and equipment	2 282	2 282	2 695	118%	3 192	829	(275)%
Software and other intangible assets							
Payments for financial assets	220	220	238	108%			
<b>Total</b>	<b>610 789</b>	<b>287 656</b>	<b>589 694</b>	<b>96%</b>	<b>1 080 495</b>	<b>284 483</b>	<b>(1)%</b>

**Expenditure trends 2022/23**

The department spent R287.6 million (or 47 per cent) of the R610.7 million adjusted appropriation as of 30 September 2022. The annual spending amounted to R589.6 million (or 96 per cent) as of 31 March 2023. The underspending of R21 million (or 4 per cent) across all programmes relates to delays in the filling of vacant positions.

**Expenditure trends in the first half of 2023/24**

The department spent R284.4 million (or 44 per cent) of the main allocation amounting to R639 million during the first six months of the 2023/24 financial year versus R287.6 million spent in the corresponding period during 2022/23 financial year. An amount of R5.6 million was transferred to municipalities to provide support for improvement of functional Fire & Rescue Services response capabilities and support for municipalities for the integrated Expanded Public Works Programme (EPWP) in relation to creation of job creation opportunities.

The following projects and items also contributed to the expenditure for the first half of 2023/24: The payment of operational costs of the department (Municipal services; G-fleet; Microsoft licenses and communication costs); hosting of energy Indaba; civic awareness and voter education campaigns; as well as hosting of Asset Based Community Development (ABCD) orientations across the province.

**Programme 1: Administration**

The programme expenditure for the first six months amounts to R97.5 million, an increase of R16 million when compared to 2022/23. The increase is due to payments for Microsoft licenses procured in support of local municipalities and the department; payment of outstanding water and electricity for 30 Simmonds building to the City of Johannesburg; data and airtime communication services as most employees are still working remotely; G-fleet services; and household expenditure due to officials who left public sector.

**Programme 2: Local Governance**

The programme expenditure amounting to R121.7 million as at the end of the first six months of 2023/24 financial is lower than the R130 million spent in 2022/23 financial year during the same period. The main contributing factors to the lower expenditure are projects that were originally intended for execution during second and third quarter of the financial year but were delayed due to prolonged SCM processes.

**Programme 3: Development and Planning**

The programme expenditure in the second quarter of 2023/24 amounts to R55.8 million which is lower than the R69.9 million spent in 2022/23 financial year during the same period. The low spending is mainly attributed to delays in appointment of service provider to undertake projects that were intended to be executed in the second quarter of the

financial year i.e. spatialization project; development of Geographical Information System (GIS) dashboard; automation of Spatial transformation assessment Mechanism; and the development of a strategy to revitalize old Central Business Districts (CBDs).

#### Programme 4: Traditional Institutional Development

The programme expenditure for 2023/24 second quarter amounts to R9.3 million which is higher compared to the R5.7 million spent in 2022/23 during the same period. The high spending is mainly attributed to the expenditure for hosting the Gauteng commission of enquiry into Traditional Leadership claims and disputes.

## 6. DEPARTMENTAL RECEIPTS

TABLE 7.11: DEPARTMENTAL RECEIPTS

Department	2022/23 Audited Outcome				2023/24 Preliminary Receipts		
	Adjusted appropriation	Apr 2022 - Sept 2022	Apr 2022 - Mar 2023	Apr 2022-Mar 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023 - Sept 2024	% change 22/23 - 23/24 Apr-Sept
R thousand							
Tax receipts							
Sales of goods and services other than capital assets	213	101	202	(5)%	229	97	(4)%
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	38	11	14	(63)%	45	2	(82)%
Sales of capital assets							
Financial transactions in assets and liabilities	119	17	40	(66)%	124	57	235%
Total	370	129	256	(31)%	398	156	21%

#### Revenue trends for the first half of 2023/24

The table above shows the contribution of each revenue source towards the total revenue generated at the end of the second quarter of the 2023/24 financial year. The revenue estimates from the previous year have increased from R370 000 to R397 000 in the current financial year. The Department derive most of its revenue from payroll related activities such as commission earned on garnishee orders and insurance premiums and financial transaction in assets and liabilities which relates to debts from employees and former employees. It is worth noting that the department does not have a building and as such is no longer collecting from parking fees.

The departmental receipts totalling R156 000 as of 30 September 2023 is higher than the R129 000 collected as of 30 September 2022. The main contributing factor to the over collection is as a result of debtors who honoured their debt agreements.

## 7. CHANGES TO TRANSFERS AND SUBSIDIES, CONDITIONAL GRANTS, AND INFRASTRUCTURE

### 7.1 Changes to transfers and subsidies

TABLE 7.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Programme 1	1 000							1 000
Household	1 000							1 000
Programme 2				578			578	578
Household				578			578	578
Programme 3	13 560							13 560
Functional Fire & Rescue Services	11 600							11 600
EPWP	1 960	(191)					(191)	1 769
Total changes in conditional Name of transfer payments	14 560	(191)		578			387	14 947

### Virements and shifts

The department reprioritised an amount of R578 000 from goods and services in programme 2 to fund the shortfall on households due to payment for bursaries awarded to disabled non-employees within the Transformation unit and implemented the compulsory National Treasury budget cuts on conditional grants of R191 000.

### 7.2 Changes to conditional grants

TABLE 7.13: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R Thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
Programme 3	1 960	(191)				(191)	1 769
EPWP	1 960	(191)				(191)	1 769
<b>Total changes in conditional Name of transfer payments</b>	<b>1 960</b>	<b>(191)</b>				<b>(191)</b>	<b>1 769</b>

### Additional funding

The allocation under conditional grants decreases with a total amount of R191 000 due to the application of National Treasury compulsory budget cuts on conditional grants.

### 7.3 Changes to infrastructure

Not applicable.

**VOTE 8****HUMAN SETTLEMENTS**

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	6 421 222	5 921 824	(499 398)	
of which:				
Current payments	1 093 948	957 915	(136 033)	
Transfers and subsidies	5 070 481	4 707 083	(363 398)	
Payments for capital assets	256 793	256 826		33
Payment for financial assets				
Executive authority	MEC for Human Settlements and Infrastructure Development			
Accounting officer	Head of Department			

**1. Vision and Mission****Vision**

Integrated Sustainable Human Settlements within a Smart Gauteng City Region.

**Mission**

To lead and direct the delivery of Human Settlements across Gauteng, and the restoration of human dignity through:

- Functional and integrated management and governance of the Department
- The development and implementation of responsive research-based policies, legislation and strategic frameworks that enable the speedy, effective and efficient delivery of human settlements
- Facilitating the development of spatially just, efficient, equitable, sustainable and transformed human settlements
- Implementing an efficient and effective Beneficiary Administration and Title Deeds Programme that provides social justice through security of tenure and assets value for homeowners, and
- Effective, efficient and compliant management of the Department's housing stock / property assets.

**2. Changes to Programme Purpose, Objective and Measures**

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

**TABLE 8.1 DEPARTMENT OF HUMAN SETTLEMENTS**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	696 086			53 605			53 605	749 691
2. Housing, Needs, Research & Planning	24 694			(1 976)			(1 976)	22 718
3. Housing Development	5 465 762	(623 398)		(51 777)		160 000	(515 175)	4 950 587
4. Housing Assets Property Management	234 680	(36 000)		148			(35 852)	198 828
<b>Total for Programmes</b>	<b>6 421 222</b>	<b>(659 398)</b>				<b>160 000</b>	<b>(499 398)</b>	<b>5 921 824</b>

Economic classification	R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>1 093 948</b>	<b>(36 000)</b>		<b>(100 033)</b>			<b>( 136 033)</b>	<b>957 915</b>
Compensation of employees		528 126					(20 417)	507 709	
Salaries & wages		462 479			(20 417)		1 770	442 062	
Social contributions		65 647						65 647	
Goods and services		565 822	(36 000)		(81 372)		( 117 372)	448 450	
Interest and rent on land					1 756		1 756	1 756	
<b>Transfers and subsidies</b>		<b>5 070 481</b>	<b>(623 398)</b>		<b>100 000</b>		<b>160 000</b>	<b>(363 398)</b>	<b>4 707 083</b>
Provinces and municipalities									
Households		5 070 481	(623 398)		100 000		160 000	(363 398)	4 707 083
<b>Payments for capital assets</b>		<b>256 793</b>			<b>33</b>			<b>33</b>	<b>256 826</b>
Buildings and other fixed structures									
Machinery and equipment		7 273			222		222	7 495	
Land and sub-soil assets		249 031						249 031	
Software and other intangible assets		489			(189)				
<b>Payments for financial assets</b>							<b>(189)</b>	<b>300</b>	
<b>Total economic classification</b>		<b>6 421 222</b>	<b>(659 398)</b>				<b>160 000</b>	<b>(499 398)</b>	<b>5 921 824</b>

The departments main appropriation for 2023/24 financial year decreases from R6.4 billion to an adjusted appropriation of R5.9 billion due to compulsory budget reductions implementation related to conditional grants amounting to R659 million, made up of Human Settlements Development Grant (HSDG) R519.7 million; Informal Settlements Upgrading Partnership Grant (ISUPG) R138.7 million; an Expanded Public Works Programme Grant (EPWP) amount of R1 million and additional funding from the provincial equitable share of R160 million for interim sanitation services. During the adjustment budget process, the department reviewed and revised the budget for operations by identifying cost savings; implementing cost containment measures; and redirecting resources towards essential services. Funds are reprioritised from low-performing activities to core service delivery and areas experiencing budgetary pressures. Funds are redirected under goods and services to cover the spending pressures on some items and to fund the departmental priorities and essential operational requirements.

The department reprioritised funds amongst and within the programmes. Through virements, an amount of R54.7 million is reprioritised across the programmes: An amount of R 52.5 million is redirected from programme 3: Housing Development's compensation of employees; goods and services and households to programme 1 for provision of sanitation services for 64 district based informal settlements; to defray excess expenditure under fleet services; to provide for tariff increases in respect of municipal services and to provide for the MEC outreach programmes related to the issuance of title deeds.

In addition, through virements an amount of R1.976 million is reprioritised from programme 2 due to reduced use of planning consultants and planning workshop being held remotely. Funds are redirected to programme 1 and programme 3 for the defrayment of excess expenditure; to make provision for advertising costs; to defray excess expenditure under interest and rent on land; while an amount of R148 000 is redirected from programme 1 to programme 4 for the defrayment of excess expenditure under advertising and venues and facilities.

Due to virements, shifts and budget cuts implementation, the overall budget for goods and services decreases by R117.4 million from R565.8 million to the adjusted budget of R448.5 million following reprioritisation of funds from goods and services earmarked for office accommodation to Households for provision of interim sanitation services and a budget cut of R36 million related to the HSDG.

Furthermore, the budget for transfers and subsidies decreases by R363.4 million due to compulsory budget cuts implementation related to the conditional grants amounting to R623.4 million; the reprioritisation of R100 million from goods and services to households for provision of sanitation services for 64 district based informal settlements and provincial additional funding amount of R160 million in respect of interim sanitation services.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

##### Programme 1: Administration

TABLE 8.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Corporate Services	696 086			53 605			53 605	749 691
<b>Total for Programmes</b>	<b>696 086</b>			<b>53 605</b>			<b>53 605</b>	<b>749 691</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>686 245</b>			<b>(96 428)</b>			<b>(96 428)</b>	<b>589 817</b>
Compensation of employees	279 793			(19 417)			(19 417)	260 376
Salaries & wages	244 281			(19 417)			(19 417)	224 864
Social contributions	35 512							35 512
Goods and services	406 452			(77 018)			(77 018)	329 434
Interest and rent on land				7			7	7
<b>Transfers and subsidies</b>	<b>2 079</b>			<b>150 000</b>			<b>150 000</b>	<b>152 079</b>
Provinces and municipalities								
Households	2 079			150 000			150 000	152 079
<b>Payments for capital assets</b>	<b>7 762</b>			<b>33</b>			<b>33</b>	<b>7 795</b>
Machinery and equipment	7 273			222			222	7 495
Software and other intangible assets	489			(189)			(189)	300
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>696 086</b>			<b>53 605</b>			<b>53 605</b>	<b>749 691</b>



**TABLE 8.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(134 361)</b>		<b>37 933</b>
Compensation of employees	Low expenditure due to unfilled funded vacant positions.	(19 417)		
Goods and services	Funds are available due to low costs on the vehicle maintenance contract; reduced forensic audit costs; remote working; non-availability of office space; cost containment; centralisation of software licences to e-Government; and meetings held virtually.	(114 944)	Provision for accruals due to historical billing; outreach programmes; maintenance of IT infrastructure; attorney fees; lease commitments; upskilling of staff; tools of trade for the anti-fraud and corruption directorate; rental housing tribunal; cleaning services; tariff increases; and interest on overdue accounts.	37 926
Interest and rent on land			To cover expenditure incurred for interest charged on overdue accounts.	7
<b>Transfers and subsidies</b>				<b>150 000</b>
Households			To provide for interim sanitation services in informal settlements.	150 000
<b>Payments for capital assets</b>		<b>(789)</b>		<b>822</b>
Machinery and equipment	Due to remote working and non-availability of office space.	(600)	To procure laptops for new appointees.	822
Software and other intangible assets	Low spending due to centralisation of software procurement to the department of e-Government.	(189)		
<b>Total economic classification</b>		<b>(135 150)</b>		<b>188 755</b>

### Virements and shifts

Through virements, a total amount of R53.6 million is received by the programme as follows: R52.5 million is received from programme 3: Housing developments and R1.1 million is received from programme 2: Housing needs, research and planning. Funding received by the programme will provide for: sanitation services for 64 district based informal settlements; accruals due to historical billing; MEC outreach programmes; tariff increases in respect of municipal services; and escalation of cleaning services costs.

Through shifts and virements, the budget for goods and services decreases by R77 million from R406.5 million to an adjusted budget of R329.4 million. An amount of R100 million is shifted from operating leases due to non-availability of office space to transfers and subsidies for provision of sanitation services for 64 district based informal settlements; an amount of R19.4 million is shifted from compensation of employees to goods and services to make provision for advertising of untraceable beneficiaries of title deeds and housing allocations; provision for the MEC outreach programmes and to defray excess expenditure under fleet services due to historical billing. Lastly, an amount of R148 000 is reprioritised to Programme 4 to provide for MEC outreach programmes and the tracing of beneficiaries.

The budget for transfers and subsidies under this programme increases by R150 million from R 2 million to an adjusted budget of R152 million, due to the following: R100 million from goods and services as a shift and a virement of R50 million from programme 3 for the provision of interim sanitation services.

**Programme 2: Housing Needs, Research and Planning**

TABLE 8.4: PROGRAMME 2: HOUSING NEEDS, RESEARCH AND PLANNING

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	12 208			(1 169)			(1 169)	11 039
2. Policy	6 946							6 946
3. Planning	5 540			(807)			(807)	4 733
<b>Total for Programmes</b>	<b>24 694</b>			<b>(1 976)</b>			<b>(1 976)</b>	<b>22 718</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>24 694</b>			<b>(1 976)</b>			<b>(1 976)</b>	<b>22 718</b>
Compensation of employees	16 928							16 928
Salaries & wages	14 846							14 486
Social contributions	2 082							2 082
Goods and services	7 766			(1 976)			(1 976)	5 790
<b>Transfers and subsidies</b>								
Households								
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>24 694</b>			<b>(1 976)</b>			<b>(1 976)</b>	<b>22 718</b>

TABLE 8.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: HOUSING NEEDS, RESEARCH AND PLANNING

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(1 976)</b>		
Compensation of employees				
Goods and services	Reduced usage of planning consultants due to improved internal planning capacity; remote working; and meetings held virtually.	(1 976)		
Interest and rent on land				
<b>Transfers and subsidies</b>				
<b>Payments for capital assets</b>				
<b>Total economic classification</b>		<b>(1 976)</b>		

**Virements and shifts**

Through a virement of R2 million, the budget for this programme decreases from R24.7 million to R22.7 million due to minimal use of planning consultants.

**Programme 3: Housing Development****TABLE 8.6: PROGRAMME 3: HOUSING DEVELOPMENT**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	198 329			(1 777)		160 000	158 223	356 552
2. Financial Intervention	491 689	(359 597)					(359 597)	132 092
3. Incremental Interventions	4 775 744	(263 801)		(50 000)			(313 801)	4 461 943
<b>Total for Programmes</b>	<b>5 465 762</b>	<b>(623 398)</b>		<b>(51 777)</b>		<b>160 000</b>	<b>(515 175)</b>	<b>4 950 587</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>198 329</b>			<b>(1 777)</b>			<b>(1 777)</b>	<b>196 552</b>
Compensation of employees	193 931			(1 000)			(1 000)	192 931
Salaries & wages	170 630			(1 000)			(1 000)	169 630
Social contributions	23 301							23 301
Goods and services	4 398			(2 526)			(2 526)	1 872
Interest and rent on land				1 749			1 749	1 749
<b>Transfers and subsidies</b>	<b>5 018 402</b>	<b>(623 398)</b>		<b>(50 000)</b>		<b>160 000</b>	<b>(513 398)</b>	<b>4 505 004</b>
Provinces and municipalities								
Households	5 018 402	(623 398)		(50 000)		160 000	(513 398)	4 505 004
<b>Payments for capital assets</b>	<b>249 031</b>							<b>249 031</b>
Buildings and other fixed structures								
Land and sub-soil assets	249 031							249 031
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>5 465 762</b>	<b>(623 398)</b>		<b>(51 777)</b>		<b>160 000</b>	<b>(515 175)</b>	<b>4 950 587</b>

**TABLE 8.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: HOUSING DEVELOPMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(3 546)</b>		<b>1 769</b>
Compensation of employees	Low expenditure due to unfilled vacant positions.	(1 000)		
Goods and services	Data capturers replaced by interns and excess employees following restructuring; remote working; meetings and workshops held virtually; savings on scheme A vehicles insurance costs and reduced spending on outsourced services due to non-availability of office space.	(2 546)	Provision for outreach programmes; protective clothing and travelling expenses.	20
Interest and rent on land			Interest incurred on overdue accounts.	1 749
<b>Transfers and subsidies</b>		<b>(50 000)</b>		
Households	Savings from the provincial earmarked funding (urban renewal and rapid land release) following the reprioritisation of the business plan related to HSDG.	(50 000)		
<b>Payments for capital assets</b>				
Land and sub-soil assets				
<b>Total economic classification</b>		<b>(53 546)</b>		<b>1 769</b>

**Function shifts, Surrenders and Suspensions: R623 million**

Despite additional funding, the budget for the programme is reduced by R515.2 million for the period 2023/24. This is inclusive of compulsory budget cuts implementation made up of HSDG R483.7 million; ISUPG R138.7 million; an EPWP amount of R1 million. To ensure continuous implementation of deliverables and that elevated priorities are not negatively impacted, the

department reprioritised funds from low performing projects towards high performing projects.

### Virements and shifts

Through virements the budget for this programme is reduced by R52.5 million due to a virement of R50 million from the provincial earmarked allocation for Urban renewal and rapid Land Release programmes to programme 1: Administration under transfers and subsidies for the provision of interim sanitation services to 64 district based informal settlements whereas a virement of R2.5 million is from savings realised from unfilled vacant positions; reduced spending on outsourced services and savings on insurance cost due to non-availability of office space also to programmes 1 is processed to provide for accruals due to historical billing; MEC outreach programmes; tariff increases and adjustments on the cleaning services costs. The programme receives a virement amount of R769 000 from programme 2 under interest and rent on land to provide for interest incurred on overdue accounts.

Through shifts, an amount of R1.2 million is shifted within goods and services for the provision of MEC community outreach programmes and the procurement of protective clothing for quality assurance inspectors; while an amount R980 000 is redirected to interest and rent on land to cover excess expenditure for court orders against the department and interest charged on overdue accounts.

### Additional funding: R160 million

A provincial addition funding amount of R160 million is made available to the department for the period under review for interim sanitation services.

## Programme 4: Housing Assets and Property Management

TABLE 8.8: PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	38 290			148			148	38 438
2. Sales and Transfer of Housing Properties	50 000							50 000
3. Housing Properties Maintenance	146 390	(36 000)					(36 000)	110 390
<b>Total for Programmes</b>	<b>234 680</b>	<b>(36 000)</b>		<b>148</b>			<b>( 35 852)</b>	<b>198 828</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>184 680</b>	<b>(36 000)</b>		<b>148</b>			<b>(35 852)</b>	<b>148 828</b>
Compensation of employees	37 474							37 474
Salaries & wages	32 722							32 722
Social contributions	4 752							4 752
Goods and services	147 206	(36 000)		148			(35 852)	111 354
<b>Transfers and subsidies</b>	<b>50 000</b>							<b>50 000</b>
Households	50 000							50 000
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>234 680</b>	<b>(36 000)</b>		<b>148</b>			<b>(35 852)</b>	<b>198 828</b>

**TABLE 8.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(10 595)</b>		<b>10 743</b>
Compensation of employees				
Goods and services	Workshops held virtually; improved internal capacity; centralisation of budgets; remote working arrangements; and savings from the provincial earmarked allocations following the reprioritisation of the business plan related to the HSDG.	(10 595)	Provision for MEC outreach programmes; payment of electricity; water and rates and taxes for hostels and flats; feasibility studies related to the maintenance of hostels and tracing of beneficiaries of title deeds and housing opportunities.	10 743
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(49 999)</b>		<b>49 999</b>
Households	Funds are available from the provincial earmarked funding (title deeds) following the reprioritisation of the business plan related to HSDG.	(49 999)	To provide for interim sanitation services in informal settlements.	49 999
<b>Payments for capital assets</b>				
<b>Total economic classification</b>		<b>(60 594)</b>		<b>60 742</b>

**Function shifts, Surrenders and Suspensions: R36 million**

The budget for this programme decreases by R36 million from R234.7 million to R198.8 million due to compulsory implementation of budget cuts related to the HSDG. Following these budget cuts, the departments business plan related to the HSDG is reprioritised to ensure continuous implementation of projects.

**Virements and shifts**

Through a virement an amount of R148 000 is received from programme 1 and the funds are reprioritised towards advertising under goods and services for the publication of untraceable beneficiary names for allocation of title deeds and for MEC's community outreach programmes.

In addition, through shifts an amount of R10.6 million is reprioritised within goods and services due to savings realised from workshops being held virtually; improved internal capacity; centralisation of budgets; and remote working arrangements. Funds are made available to provide for MEC outreach programmes; payment of electricity, water and rates and taxes for hostels and flats; feasibility studies related to the maintenance of hostels; and tracing of beneficiaries of title deeds and housing opportunities. An amount of R50 million is reprioritised within transfers and subsidies from the earmarked provincial allocation for title deeds for the provision of interim sanitation services.

## 5. Expenditure 2022/23 and Preliminary Expenditure 2023/24

TABLE 8.10 EXPENDITURE 2021/22 AND PRELIMINARY EXPENDITURE 2022/23: DEPARTMENT OF HUMAN SETTLEMENTS

Department	2022/23				2023/24		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	Apr 2022 - Sept 2022	Apr 2022 - Mar 2023	Apr 2022 -Mar 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023 - Sept 2023	% change 22/23 - 23/24 Apr-Sept
1. Administration	691 922	251 912	723 897	104%	749 611	476 713	53%
2. Housing Needs, Research and Planning	22 816	7 191	16 007	70%	22 718	8 699	83%
3. Housing Development	5 610 214	2 535 505	5 291 532	94%	4 950 587	1 634 579	(55%)
4. Housing Assets Management Property Management	282 787	80 080	316 311	112%	198 828	96 408	83%
<b>Total</b>	<b>6 607 739</b>	<b>2 874 688</b>	<b>6 347 747</b>	<b>96%</b>	<b>5 921 824</b>	<b>2 216 399</b>	<b>(30%)</b>
<b>Current payments</b>	<b>1 049 933</b>	<b>422 146</b>	<b>931 957</b>	<b>89%</b>	<b>957 915</b>	<b>475 021</b>	<b>89%</b>
Compensation of employees	492 693	223 119	458 689	93%	507 709	236 034	1%
Goods and Services	554 746	196 533	439 913	79%	448 450	237 231	(6%)
Interest and rent on land	2 494	2 494	33 355	1337%	1 756	1 756	(42)%
<b>Transfers and subsidies</b>	<b>5 046 894</b>	<b>2 253 127</b>	<b>4 534 897</b>	<b>90%</b>	<b>4 707 083</b>	<b>1 732 089</b>	<b>(30%)</b>
Provinces and municipalities							
Households	5 046 894	2 253 127	4 534 897	90%	4 707 083	1 732 089	(30%)
<b>Payments for capital assets</b>	<b>510 912</b>	<b>199 415</b>	<b>878 491</b>	<b>172%</b>	<b>256 826</b>	<b>9 289</b>	<b>2147%</b>
Buildings and other fixed structures			6 900	#DIV/0			
Machinery and equipment	7 096	355	6 836	96%	7 495	197	(80%)
Land and sub-soil assets			864 729	#DIV/0	249 031	9 092	
Software and other intangible assets	30		26	87%	300		
<b>Payments for financial assets</b>			<b>253</b>	<b>#DIV/0!</b>			
<b>Total</b>	<b>6 607 739</b>	<b>2 874 688</b>	<b>6 347 747</b>	<b>96%</b>	<b>5 921 824</b>	<b>2 216 399</b>	<b>(30%)</b>

### Expenditure trend for 2022/23

The total appropriation for the financial year 2022/23 amounted to R6.6 billion. As at the end of the financial year, total expenditure amounted to R6.3 billion. The main driver of expenditure was Programme 3: Housing Development which spent R5.3 billion. In terms of economic classification, goods and services spent R439.9 million of the total goods and services adjusted budget of R554.7 million. Compensation of employee's expenditure amounted to R458.7 million whereas transfers and subsidies spent a total of R4.5 billion of the adjusted budget of R6.6 billion, whilst payment for capital assets spent R878.5 million.

### Expenditure trends for the first half of 2023/24

As at the end of September 2023, the department's expenditure amounted to R2.2 billion of the R5.9 billion adjusted appropriation. The slow spending is attributed to the delay in the approval of the business plan, delays by municipalities signing the MOU's and delays in the procurement of office building for the department. Expenditure is anticipated to improve in the next quarters because various projects have been approved and the department has finalised the appointment of Professional Resource Teams (PRT's) and contractors.

#### Programme 1: Administration

The expenditure amount of R252 million for the 2022/23 financial year increased by R225 million when compared to the expenditure amounting to R477 million for second quarter of the year under review. The improvement on expenditure is mainly attributed to the transfer of R200 million made under this programme for provision of interim sanitation services to 64 district based informal settlements.

#### Programme 2: Housing Needs, Research and Planning

For the year under review, the expenditure trends for the second quarter shows a slight increase when compared to the second quarter actuals for the 2022/23 financial year. Though there is an improvement on expenditure trends as compared to the previous financial year Q2, the program demonstrates slow spending trend in the second quarter when measured against the adjusted budget of R22.7 million. The slow spending on the programme is due to reduced usage of planning consultants due to

improved internal planning capacity; remote working and meetings being held virtually.

### Programme 3: Housing Development

As at the end of second quarter of 2023/24 the programme's expenditure amounts to R1.6 billion which is a decrease when compared to the previous financial year's second quarter actuals of R2.5 billion. The slow spending in the 2023/24 financial year is attributed to the delay in the approval of the business plan and delays by municipalities signing the MOU's. Reprioritisation of the provincial earmarked funding (urban renewal and rapid land release) to programme 1 following the reprioritisation of the business plan related to HSDG also contributed to low expenditure for the first half of the 2023/24 financial period.

### Programme 4: Housing Assets and Property Management

The expenditure for the second quarter of the 2022/23 financial year has increased by R16.3 million when compared to the previous year's second quarter expenditure of R80 million. The programme demonstrates very slow spending trend when measured against the adjusted appropriation. The programme's expenditure for the second quarter of the year under review amounts to 48 per cent of the total adjusted appropriation of R198.8 million. The low expenditure is due to workshops being held virtually; improved internal capacity; centralisation of budgets and remote working arrangements.

## 6. Departmental Receipts

Table 8.11 DEPARTMENTAL RECEIPTS

Department	2022/23				2023/24		
	Audited Outcome				Preliminary Receipts		
R thousand	Adjusted appropriation	Apr 2022 - Sept 2022	Apr 2022 - Mar 2023	Apr 2022 -Mar 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023 - Sept 2023	% change 22/23 - 23/24 Apr-Sept
Tax receipts							
Sales of goods and services other than capital assets	321	386	591	84%	321	(111)	(129%)
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	378		43	100%	378		
Sales of capital assets							
Financial transactions in assets and liabilities	220	2 327	2 629	1095%	250	1 043	(55%)
<b>Total</b>	<b>919</b>	<b>2 713</b>	<b>3 263</b>	<b>255%</b>	<b>949</b>	<b>932</b>	<b>(66%)</b>

### Revenue trends for the first half of 2023/24

The table above shows the contribution of each revenue source towards total revenue generated at the end of the second quarter of the 2023/24 financial year. Revenue estimates have decreased from R919 000 in the previous financial year to R949 000 in the current financial year. Revenue collection in the current financial year as of September 2023 is R932 000. The revenue collection is for parking fees; commissions; and collection from department's debtors.

## 7. Changes to Transfers and Subsidies, Conditional Grants, and Infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 8.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Programme 1	2 079			150 000			150 000	152 079
HOUSEHOLD	2 079			150 000			150 000	152 079
Programme 3	5 018 402	(623 398)		(50 000)		160 000	(513 398)	4 505 004
HOUSEHOLD	5 018 402	(623 398)		(50 000)		160 000	(513 398)	4 505 004
Programme 4	50 000							50 000
HOUSEHOLD	50 000							50 000
<b>Total changes in conditional Name of transfer payments</b>	<b>5 070 481</b>	<b>(623 398)</b>		<b>100 000</b>		<b>160 000</b>	<b>(363 398)</b>	<b>4 707 083</b>

The budget under transfers and subsidies is reduced by an amount of R363.4 million for the year under review. The decrease is attributed to the compulsory implementation of budget cuts related to conditional grants due to fiscal constraints.

The budget for transfers and subsidies under programme 1 increases from 2 million to an adjusted budget R152 million due an amount of 100 million reprioritised from goods and services: operation leases to households and a virement of R50 million from programme 3 for the provision of interim sanitation services. The budget for transfers and subsidies under programme 3 decreases by R513.4 million following compulsory budget cuts implementation amounting to R623.4 million; a virement of R50 million to programme 1 and provincial additional funding amount of R160 million for provision of interim sanitation services.

#### 7.1.1 Changes to transfers to public entities

TABLE 8.13: SUMMARY OF CHANGES TO TRANSFERS TO PUBLIC ENTITIES

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
Programme 3	467 285							467 285
GAUTENG PARTNERSHIP FUND	467 285							467 285
<b>Total changes in conditional Name of transfer payments</b>	<b>467 285</b>							<b>467 285</b>

The transfer in favour of the Gauteng partnership fund (GPF) remains unchanged at R467.3 million. The funds will be utilised to provide technical support and augment the province's capacity in implementation of various Mega projects.

#### 7.1.2 Changes to transfers to local government

TABLE 8.14: SUMMARY OF CHANGES TO TRANSFERS TO LOCAL GOVERNMENT

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
CITY OF TSHWANE	12 045			71 935			71 935	83 980
MERAFONG CITY	52 000							52 000
RAND WEST CITY	30 000							30 000
MOGALE CITY	129 701							129 701
<b>Total changes in conditional Name of transfer payments</b>	<b>223 746</b>			<b>71 935</b>			<b>71 935</b>	<b>295 681</b>

During the main budget of the financial year 2023/24, the department allocated a budget of R223.7 million to the City of Tshwane Metropolitan Municipality (R12M); Mogale City Local Municipality (R129.7M); Merafong City Local Municipality (R52M) and Rand West City Local Municipality (R30M) for the construction of top structures and infrastructure upgrading.



Following the reprioritisation of the departmental business plan related to the ISUPG, an additional amount of R71.9 million is allocated in favour of the City of Tshwane Metropolitan Municipality to be utilized for the provision of rudimentary water; sanitation and waste management services for the 7 427 Mamelodi flood victims and K54 informal residents. There are no changes on transfers allocated in favour of Merafong City LM; Rand West City LM and Mogale City LM.

## 7.2 Changes to conditional grants

TABLE 8.15: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 3</b>	<b>5 217 432</b>	<b>(623 398)</b>					<b>(659 398)</b>	<b>4 594 034</b>
Hunan Settlements Development Grant	3 979 445	(483 649)					(519 649)	3 495 796
Informal Settlements Upgrading Partnership Grant	1 226 949	(138 673)					(138 673)	1 088 276
EPWP Integrated Grant	11 038	(1 076)					(1 076)	9 962
<b>Programme 4</b>	<b>146 390</b>							<b>110 390</b>
Human Settlements Development Grant	146 390	(36 000)					(36 000)	110 390
<b>Total changes in conditional grants</b>	<b>5 363 822</b>	<b>(659 398)</b>					<b>(659 398)</b>	<b>4 704 424</b>

For the financial year 2023/24, the department receives an allocation of R5.4 billion under conditional grants. The budget is made up as follows: R4.1 billion for the HSDG; R1.2 billion for the ISUPG for creation of sustainable human settlements that enables an improved quality of household life; and R11 million for the EPWP for job creation initiatives.

For the period under review, the budgets for conditional grants are revised downwards by R659.4 million due to national fiscal constraints as follows: HSDG (R555.6) million; ISUPG (R138.7) million; and EPWP (R1) million.

## 7.3 Changes to infrastructure

Refer to the 2022 Adjusted Estimates of Capital Expenditure (AECE).

**VOTE 9****ROADS AND TRANSPORT**

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>8 478 597</b>	<b>9 985 741</b>		<b>1 507 144</b>
of which:				
Current payments	1 908 510	2 584 947		676 437
Transfers and subsidies	5 564 510	5 572 240		7 730
Payments for capital assets	1 005 577	1 828 354		822 777
Payment for financial assets		200		200
<b>Executive authority</b>	<b>MEC for Roads and Transport and Logistics</b>			
<b>Accounting officer</b>	<b>Head of the Department</b>			

**1. Vision and Mission****Vision**

To develop an integrated, sustainable transport infrastructure that promotes accessible, safe and affordable movement of people, goods and services.

**Mission**

To provide an environmentally sustainable road infrastructure and integrated transport system and services that are reliable, accessible, safe, and affordable and which promote socio-economic development in Gauteng.

**2. Changes to Programme Purpose, Objective and Measures**

Not applicable.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 9.1: ROADS AND TRANSPORT

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	345 624			138 284		25 000	163 284	508 908
2. Transport Infrastructure	2 173 967	(40 179)		(44 334)		1 288 381	1 203 868	3 377 835
3. Transport Operations	3 112 600	40 000	138 242	(145 914)			32 328	3 144 928
4. Transport Regulation	339 448			51 964		55 700	107 664	447 112
5. Gautrain Rapid Rail Link	2 506 958							2 506 958
<b>Total for Programmes</b>	<b>8 478 597</b>	<b>(179)</b>	<b>138 242</b>			<b>1 369 081</b>	<b>1 507 144</b>	<b>9 985 741</b>

Economic classification	R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>1 908 510</b>	<b>(179)</b>		<b>220 592</b>		<b>496 024</b>	<b>716 437</b>	<b>2 624 947</b>
Compensation of employees	852 486				(51 000)		(51 000)	801 486	
Salaries & wages	722 979				(42 360)		(42 360)	680 619	
Social contribution	129 507				(8 640)		(8 640)	120 867	
Goods and services	1 056 024	(179)		267 792		496 024	763 637	1 819 661	
Interest and rent on land				3 800			3 800	3 800	
<b>Transfers and subsidies</b>	<b>5 564 510</b>		<b>138 242</b>	<b>(170 512)</b>			<b>(32 270)</b>	<b>5 532 240</b>	
Provinces and municipalities	2 300			(400)			(400)	1 900	
Departmental agencies and accounts	2 506 958							2 506 958	
Public corporations and private enterprises	3 033 320		118 242	(165 000)			(46 758)	2 986 562	
Non-profit institutions	18 112		20 000	(18 112)			1 888	20 000	
Households	3 820			13 000			13 000	16 820	
<b>Payments for capital assets</b>	<b>1 005 577</b>			<b>(50 280)</b>		<b>873 057</b>	<b>822 777</b>	<b>1 828 354</b>	
Buildings and other fixed structures	987 993			(51 371)		873 057	821 686	1 809 679	
Machinery and equipment	14 836			2 291			2 291	17 127	
Software and other intangible assets	2 748			(1 200)			(1 200)	1 548	
<b>Payments for financial assets</b>				<b>200</b>			<b>200</b>	<b>200</b>	
Thefts & Losses				200			200	200	
<b>Total economic classification</b>	<b>8 478 597</b>	<b>(179)</b>	<b>138 242</b>			<b>1 369 081</b>	<b>1 507 144</b>	<b>9 985 741</b>	

The mid-year adjustments budget of the department is informed by the outcome of the performance assessment with the actual and projected spending within the infrastructure portfolio; assessment on the spending trends in relation to the bus subsidies; budget performance assessment of all the other items as indicated in the allocations; and emerging priorities due to the change in the provincial administration.

The 2023/24 financial year marks the end of the 5-year electoral cycle, and it is necessary to close off on the implementation of the 5-year plans and consolidating efforts to ensure that the department is well set-up for the next term. To give effect to this, the department has finalised the negotiations for the new bus contracts that resulted in high irregular expenditure for several financial years and implemented the infrastructure acceleration programme to ensure that the infrastructure projects that had been in the strategic plan can be duly completed by the end of the financial year.

The Department has therefore requested additional budget to ensure that the performance within the infrastructure portfolio can continue till the end of the financial year.

The information is contained in the tables above shows that the budget increased from R8.479 billion by R1.507 million to R10 billion. The increase is due to approval of rollovers of the Public Transport Operation Grant (PTOG) and the Gauteng Taxi Industry Trust (GTIT); overall additional budget for infrastructure projects; as well as budget shifts and virements internally so that elevated priorities and operational requirements can have the required resources.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

##### Programme 1: Administration

TABLE 9.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the MEC	16 441			7 390			7 390	23 831
2. Management of the department	21 416			2 900			2 900	24 316
3. Corporate Support	304 536			127 994		25 000	152 994	457 530
4. Departmental Strategy	3 231							3 231
<b>Total for Programmes</b>	<b>345 624</b>			<b>138 284</b>		<b>25 000</b>	<b>163 284</b>	<b>508 908</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R Thousand</b>								
<b>Current payments</b>	<b>324 388</b>			<b>143 232</b>		<b>25 000</b>	<b>168 232</b>	<b>492 620</b>
Compensation of employees	215 630			(5 000)			(5 000)	210 630
Salaries & wages	186 831			(4 360)			(4 360)	182 471
Social contribution	28 799			(640)			(640)	28 159
Goods and services	108 758			148 232		25 000	173 232	281 990
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>200</b>			<b>800</b>			<b>800</b>	<b>1 000</b>
Provinces and municipalities								
Households	200			800			800	1 000
<b>Payments for capital assets</b>	<b>21 036</b>			<b>(5 768)</b>			<b>(5 768)</b>	<b>15 268</b>
Buildings and other fixed structures	6 700			332			332	7 032
Machinery and equipment	12 336			(4 900)			(4 900)	7 436
Software and other intangible assets	2 000			(1 200)			(1 200)	800
<b>Payments for financial assets</b>				<b>20</b>			<b>20</b>	<b>20</b>
Thefts & Losses				20			20	20
<b>Total economic classification</b>	<b>345 624</b>			<b>138 284</b>		<b>25 000</b>	<b>163 284</b>	<b>508 908</b>

**TABLE 9.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(25 443)</b>		<b>168 675</b>
Compensation of employees	Funds are available due to vacant posts.	(12 450)	Funds are redirected to cover the budget shortfall in elevated priorities	7 450
Goods and services	Re alignment of the budget to items that are recording expenditure and in line with the cost containment measures.	(12 993)	High proportion of fund shift through the reallocation of budget from other items and programmes within the Department.	161 225
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>800</b>
Departmental agencies and accounts				
Households			Budget redirected from other programmes to cover for the anticipated over expenditure for leave gratuities and injury on duty claims	800
<b>Payments for capital assets</b>		<b>(8 100)</b>		<b>2 332</b>
Buildings and other fixed structures			ECE shifts and virements for the Benoni Regional Office project.	332
Machinery and equipment	Delay in the purchase of tools of trade.	(6 900)	Reprioritisation of budget, funds shifted to cover anticipated over-expenditure on stationery and printing; consumables; IT Consumables; Contractors for maintenance; and repairs of machinery and equipment.	2 000
Software and other intangible assets	Funds are available due to slow spending.	(1 200)		
Payments for financial assets				20
<b>Total economic classification</b>		<b>(33 543)</b>		<b>171 827</b>

### Virements and Shifts

An amount of R12.450 million is shifted from compensation of employees to cover the budget shortfall in elevated priorities.

An amount of R11.493 million is shifted from goods and services because of the re-alignment of the budget to items that are recording expenditure and in line with the cost containment measures.

Goods and services increased by R161 million due to reallocation of the budget from other items and programmes within the Department.

An amount of R6.9 million is shifted from machinery due to low expenditure as result of reprioritisation of budget to cover anticipated over-expenditure on stationery and printing consumables; IT Consumables; Contractors for maintenance; and repairs of machinery and equipment. A further amount of R1.2 million is shifted from software and other intangible assets due to under-utilisation of the budget in this item. Funds are shifted to the computer services item in goods and services as this is the correct item for the payment of software licenses.

### Additional Funding: R25 million

An amount of R25 million additional budget is allocated for the payment of municipal services.

**Programme 2: Transport Infrastructure****TABLE 9.4: PROGRAMME 2: TRANSPORT INFRASTRUCTURE**

R Thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
1. Infrastructure Planning	101 115			(8 963)		(8 963)	92 152
2. Infrastructure Design	186 106			(29 850)		22 379	178 635
3. Construction	929 853			(34 473)		850 678	1 746 058
4. Maintenance	928 727	(40 179)		(1 962)		415 324	1 301 910
5. Programme Support Infrastructure	28 166			30 914		30 914	59 080
<b>Total for Programmes</b>	<b>2 173 967</b>	<b>(40 179)</b>		<b>(44 334)</b>		<b>1 288 381</b>	<b>3 377 835</b>

Economic classification	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>Current payments</b>	<b>1 184 714</b>	<b>(40 179)</b>		<b>(10 271)</b>		<b>415 324</b>	<b>364 874</b>
Compensation of employees	347 956			(42 000)			305 956
Salaries & wages	286 293			(34 000)			252 293
Social contribution	61 663			(8 000)			53 663
Goods and services	836 758	(40 179)		27 929		415 324	1 239 832
Interest and rent on land				3 800			3 800
<b>Transfers and subsidies</b>	<b>5 560</b>			<b>11 300</b>			<b>11 300</b>
Provinces and municipalities	2 300			(400)			1 900
Households	3 260			11 700			14 960
<b>Payments for capital assets</b>	<b>983 693</b>			<b>(45 533)</b>		<b>873 057</b>	<b>1 811 217</b>
Buildings and other fixed structures	981 193			(51 703)		873 057	1 802 547
Machinery and equipment	2 500			6 170			8 670
<b>Payments for financial assets</b>				<b>170</b>			<b>170</b>
Thefts & Losses				170			170
<b>Total economic classification</b>	<b>2 173 967</b>	<b>(40 179)</b>		<b>(44 334)</b>		<b>1 288 381</b>	<b>3 377 835</b>

**TABLE 9.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: TRANSPORT INFRASTRUCTURE**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(247 505)</b>		<b>237 234</b>
Compensation of employees	Funds are available due to vacant posts.	(42 000)		
Goods and services	Re alignment of the budget within infrastructure projects from projects which are not ready for implementation.	(205 505)	Re alignment of the budget within infrastructure projects to other projects that are ready for implementation.	233 434
Interest and rent on land			Budget redirected from other programmes to cover the legal claims that were paid since the start of the financial year.	3 800
<b>Transfers and subsidies</b>		<b>(400)</b>		<b>11 700</b>
Provinces and municipalities		(400)		
Non-profit institutions				
Households			Budget redirected from other programmes to cover the anticipated over expenditure for leave gratuities; injury on duty claims; and legal claims that were paid since the start of the financial year.	11 700
<b>Payments for capital assets</b>		<b>(441 466)</b>		<b>395 933</b>
Buildings and other fixed structures	Re alignment of the budget within infrastructure projects from projects which are not ready for implementation.	(439 466)	Re alignment of the budget within infrastructure projects to other projects that are ready for implementation.	387 763
Machinery and equipment	Funds are shifted to where expenditure is incurred.	(2 000)	Funds shifted to cover the high spending within the machinery and equipment related to the plant.	8 170
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets			Budget shifted to cover theft and losses	170
<b>Total economic classification</b>		<b>(689 371)</b>		<b>645 037</b>

### Virements and Shifts

An amount of R205 million is shifted within goods and services because of re-alignment of the budget within infrastructure projects from projects which are not ready for implementation to projects that are ready for implementation. A further R233 million is shifted to goods and services within infrastructure projects to cater for budget pressures and projects which are ready for implementation.

An amount of R439 million is shifted from buildings and other fixed structures within infrastructure projects as a result of re-prioritisation of budget within the infrastructure portfolio. A further R387.7 million is shifted to buildings and other fixed structure to realignment the budget within infrastructure projects to other projects that are ready for implementation. Budget shifted to cover theft and losses.

### Budget Cut: R40.2 million

An amount of R40.2 million was cut from the Provincial Roads Maintenance Grant (PRMG) due to budget cuts that were implemented by the National Treasury. The Department absorbed this budget cut within the RISFSA class 1&2 project in the Maintenance unit

**Programme 3: Transport Operations****TABLE 9.6: PROGRAMME 3: TRANSPORT OPERATIONS**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Public Transport Services	3 084 266	40 000	138 242	(146 547)			31 695	3 115 961
2. Programme Support Operations	28 334			633			633	28 967
<b>Total for Programmes</b>	<b>3 112 600</b>	<b>40 000</b>	<b>138 242</b>	<b>(145 914)</b>			<b>32 328</b>	<b>3 144 928</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R Thousand</b>								
<b>Current payments</b>	<b>79 160</b>	<b>40 000</b>		<b>19 076</b>			<b>59 076</b>	<b>138 236</b>
Compensation of employees	66 955							66 955
Salaries & wages	62 145							62 145
Social contribution	4 810							4 810
Goods and services	12 205	40 000		19 076			59 076	71 281
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>3 033 440</b>		<b>138 242</b>	<b>(165 000)</b>			<b>(26 758)</b>	<b>3 006 682</b>
Provinces and municipalities								
Public corporations and private enterprises	3 033 320		118 242	(165 000)			(46 758)	2 986 562
Households	120							120
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
<b>Payments for financial assets</b>				<b>10</b>			<b>10</b>	<b>10</b>
Thefts & Losses				10			10	10
<b>Total economic classification</b>	<b>3 112 600</b>	<b>40 000</b>	<b>138 242</b>	<b>(145 914)</b>			<b>32 328</b>	<b>3 144 928</b>

**TABLE 9.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: TRANSPORT OPERATIONS**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(1 502)</b>		<b>20 578</b>
Compensation of employees				
Goods and services	Funds shift to where expenditure is incurred and to defray overspending.	(1 502)	Budget shifted for TMC and bus monitoring services in line with the public transport operations.	20 578
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(165 000)</b>		
Provinces and municipalities				
Public corporations and private enterprises	The reprioritisation of funds from the North-West Star as the contracts linked to this fund are now incorporated within the PTOG.	(165 000)		
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Payments for financial assets			Budget shifted to cover the theft and losses that have accrued over the year.	10
<b>Total economic classification</b>		<b>(166 502)</b>		<b>20 588</b>

**Suspensions**

An amount of R40 million is received from Community Safety to deal with the Provincial Integrated Command Centre.

**Rollovers**

The department received a rollover of R118.242 million for the PTOG. This rollover request was made due to the invoices that could not be settled in time before the payment cut-off date in March 2023. The Department has since finalized the negotiations for the new bus contracts that became operational on 1 July 2023, and this will assist in reducing the irregular expenditure that was realised for many years due to the contracts being old.



An amount of R20 million is received by the department as a rollover for the transfer to the GTIT because the transfer was not made before the last payment run in March 2023. The transfer will be made before the end of the year.

### Virements and Shifts

An amount R165 million is shifted from private enterprises due to reprioritisation of funds from the North-West Star as the contracts linked to this fund are now incorporated within the PTOG.

An amount of R1 million is shifted within goods and services because of the re-alignment of budget within items. Funds are shifted to where expenditure is incurred.

Lastly an amount of R20.5 million is shifted to goods and services for TMC and bus monitoring services in line with the conditions of the public transport operations grant.

## Programme 4: Transport Regulation

TABLE 9.8: PROGRAMME 4: TRANSPORT REGULATION

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Transport Administration and Licensing	181 206			39 423		55 700	95 123	276 329
Operator License and Permits	158 242			12 541			12 541	170 783
<b>Total for Programmes</b>	<b>339 448</b>			<b>51 964</b>		<b>55 700</b>	<b>107 664</b>	<b>447 112</b>

Economic classification	R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>320 248</b>			<b>68 555</b>		<b>55 700</b>	<b>124 255</b>	<b>444 503</b>
Compensation of employees		221 945			(4 000)			(4 000)	217 945
Salaries & wages		187 710			(4 000)			(4 000)	183 710
Social contribution		34 235							34 235
Goods and services		98 303			72 555		55 700	128 255	226 558
Interest and rent on land									
<b>Transfers and subsidies</b>		<b>18 352</b>			<b>(17 612)</b>			<b>(17 612)</b>	<b>740</b>
Provinces and municipalities									
Non-profit institutions		18 112			(18 112)			(18 112)	
Households		240			500			500	740
<b>Payments for capital assets</b>		<b>848</b>			<b>1 021</b>			<b>1 021</b>	<b>1 869</b>
Buildings and other fixed structures		100							100
Machinery and equipment					1 021			1 021	1 021
Software and other intangible assets		748							748
<b>Payments for financial assets</b>									
Thefts & Losses									
<b>Total economic classification</b>		<b>339 448</b>			<b>51 964</b>		<b>55 700</b>	<b>107 664</b>	<b>447 112</b>

TABLE 9.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: TRANSPORT REGULATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(10 476)</b>		<b>79 031</b>
Compensation of employees	Funds are available due to vacant posts.	(4 000)		
Goods and services	Funds shift to where expenditure is incurred and to defray overspending	(6 476)	Budget was reprioritised from other items to ensure that there were adequate resources for the consumables in municipal DLTCs and MVRAs, and well as to augment the budget for gazetting of operating licenses.	79 031
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(18 112)</b>		<b>500</b>
Provinces and municipalities				
Departmental agencies and accounts				
Higher education institutions				
Foreign governments and international organisations				
Public corporations and private enterprises				
Non-profit institutions	Funds are available due to slow spending.	(18 112)		
Households			Budget redirected from other programmes to cover for the anticipated over expenditure for leave gratuities and injury on duty claims.	500
<b>Payments for capital assets</b>				<b>1 021</b>
Buildings and other fixed structures				
Machinery and equipment			Budget redirected to capacitate the Xavier DLTC that was opened at the start of the financial year.	1 021
Heritage assets				
Specialised military assets				
Biological assets				
Land and sub-soil assets				
Software and other intangible assets				
Payments for financial assets				
<b>Total economic classification</b>		<b>(28 588)</b>		<b>80 552</b>

### Virements and Shifts

An amount of R4 million is shifted from compensation of employees, to cover the budget shortfall in elevated priorities.

R79 million is shifted to goods and services from other items to ensure that there are adequate resources for consumables in municipal DLTCs and MVRAs, and well as to augment the budget for gazetting of operating licenses.

An amount of R18 million is shifted from non-profit institutions due to slow spending in the Taxi Association to cover the budget shortfall in elevated priorities.

### Additional Funding: Provincial R55.7 million

An amount of R55.7 million additional funding was allocated to the programme for several items including gazetting of operating licensing; new number plate project; expansion of frontline services to TISH; and the OHS requirement for the TOLAB facilities in Randfontein and Tshwane.

**Programme 5: Gautrain****TABLE 9.10: PROGRAMME 5: GAUTRAIN**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Gautrain Rapid Link	2 506 958							2 506 958
<b>Total for Programmes</b>	<b>2 506 958</b>							<b>2 506 958</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R Thousand</b>								
<b>Current payments</b>								
Compensation of employees								
Salaries & wages								
Social contribution								
Goods and services								
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>2 506 958</b>							<b>2 506 958</b>
Departmental agencies and accounts	2 506 958							2 506 958
Public corporations and private enterprises								
Households								
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>2 506 958</b>							<b>2 506 958</b>

No Changes to programme 5.

## 5. Expenditure 2022/23 and Preliminary Expenditure 2023/24

TABLE 9.12: EXPENDITURE 2022/23 AND PRELIMINARY EXPENDITURE 2023/24

Department	2022/23				2023/24		
	Audited Outcome				Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023 - Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
1. Administration	428 057	182 086	396 020	93%	508 908	185 542	2%
2. Transport Infrastructure	2 186 022	753 948	2 060 410	94%	3 377 835	1 256 485	67%
3. Transport Operations	2 862 860	1 071 409	2 289 882	80%	3 144 928	1 082 540	1%
1. Transport Regulation	350 156	128 026	289 629	83%	447 112	168 019	31%
Gautrain Rapid Rail Link	2 657 566	1 240 194	2 657 566	100%	2 506 958	1 531 515	23%
<b>Total</b>	<b>8 484 661</b>	<b>3 375 663</b>	<b>7 693 507</b>	<b>91%</b>	<b>9 985 741</b>	<b>4 224 101</b>	<b>25%</b>
<b>Current payments</b>	<b>1 995 683</b>	<b>683 768</b>	<b>1 760 129</b>	<b>88%</b>	<b>2 624 947</b>	<b>969 180</b>	<b>42%</b>
Compensation of employees	805 263	346 002	721 271	90%	801 486	383 543	11%
Goods and Services	1 190 300	337 694	1 038 289	87%	1 819 661	585 407	73%
Interest and rent on land	120	72	569	474%	3 800	230	219%
<b>Transfers and subsidies</b>	<b>5 447 931</b>	<b>2 280 005</b>	<b>4 856 676</b>	<b>89%</b>	<b>5 532 240</b>	<b>2 586 583</b>	<b>13%</b>
Provinces and municipalities	2 310	799	2 062	89%	1 900	837	5%
Departmental agencies and accounts	2 657 566	1 240 194	2 657 566	100%	2 506 958	1 531 515	23%
Public corporations & private enterprises	2 755 340	1 034 505	2 187 805	79%	2 986 562	1 044 204	1%
Non-profit institutions	21 915			0%	20 000		0%
Households	10 800	4 507	9 243	86%	16 820	10 027	122%
<b>Payments for capital assets</b>	<b>1 041 047</b>	<b>411 890</b>	<b>1 076 264</b>	<b>103%</b>	<b>1 828 354</b>	<b>668 217</b>	<b>62%</b>
Buildings and other fixed structures	1 015 447	406 427	1 060 484	104%	1 809 679	664 642	64%
Machinery and equipment	24 600	5 456	15 773	64%	17 127	3 575	(34)%
Software and other intangible assets	1 000	7	7	1%	1 548		(100)%
<b>Payments for financial assets</b>			<b>438</b>		<b>200</b>	<b>121</b>	<b>0%</b>
<b>Total</b>	<b>8 484 661</b>	<b>3 375 663</b>	<b>7 693 507</b>	<b>91%</b>	<b>9 985 741</b>	<b>4 224 101</b>	<b>25%</b>

### Expenditure trends for 2022/23

In 2022/23, the department spent a total amount of R7.7 billion (91 per cent) of the adjusted budget. Of the total reported expenditure, an amount of R721 million was spent on compensation of employees comprising of salaries for all department of Roads and Transport. Compensation of employees' expenditure amounted to 90 per cent of the total adjustment budget for the 2022/23 financial year.

Spending on goods and services amounted to R1.038 billion or 87 per cent of the of the adjusted budget for 2022/23. The is mainly driven by operational costs, contractual obligations as well as maintenance related to infrastructure projects. The underspending was mainly for some of the maintenance infrastructure projects that are funded within goods and services, as well as the payments to TAG that did not take place.

The transfers items are made up of the transfer to the Gautrain Management Agency (GMA), the bus subsidies (both the PTOG and the NW Star allocations), and payments to staff for items such as injury on duty claims and payment of leave gratuity to former employees. This item was the main driver of the total underspending of the Department due to the underspending on bus subsidies as result of delays in appointment of new bus operators and penalties levied against the operators in line with the contractual obligations.

The underspending within the payments for capital assets item is due to delays in procurement for infrastructure projects finalised towards the end of the financial year and slow progress on active projects as result of external factors.

### Preliminary expenditure trends for the first half of 2023/24

The department spent R4.2 billion (50 per cent) of the original allocated budget during the first half of the 2023/24 financial

year in comparison to the R3.4 billion that was spent in the same period in 2022/23 financial year, reflecting an increase of 25 per cent. Of the total original allocated budget for six months, compensation of employees accounted for R383.5 million (45 per cent) of the expenditure, whilst goods and services accounted for R585 million (55 per cent) of the expenditure as at the end of quarter two. The slow spending within goods and services expenditure is because of delay in procurement of outsourced routine roads maintenance, delays in creation of purchase orders, poor performance by the contractor, projects interdicted, and projects terminated.

The transfers and subsidies item spent a total of R2.6 billion (47 percent) of the allocated budget in the first half of the year. This was higher than the spending for the same period in 2022/23. The bus subsidies (funded within the public corporations & private enterprises item) have pulled the spending down within this item due to late signing of contracts and leading to operational capacity not being reached in the second quarter.

The expenditure on capital assets amounted to R668 million in comparison to R412 million spent in the same period in 2022/23.

The details of the spending per programme were as follows:

**Programme 1: Administration**

This programme is responsible for the administrative functions of the Department. The programme has spent R186 million during the first six months of the financial year, which represents 54% of the allocated resources. The increase in expenditure is largely on goods and services due costs related to facilities and security services.

**Programme 2: Transport Infrastructure**

The programme promotes accessibility and the safe, affordable movement of people, goods and services through the delivery and maintenance of transport infrastructure that is sustainable, integrated and environmentally sensitive, and which supports and facilitates social empowerment and economic growth. The programme spent R1.3 billion during the first half of the financial year. This is due to the infrastructure acceleration programme that saw the Department spending just over 50 per cent of the allocated resources by the end of the second quarter.

**Programme 3: Transport Operations**

The programme plans, regulates and facilitates the provision of integrated land transport services. The programme spent R1 billion in the first half of the financial year which translates to a 1 per cent increase when compared to the spending in the same period of 2022/23. This is due to the Department finalising bus contracts late and the ramp up process to get the new contracts operating at full capacity has been slower than anticipated and therefore the expenditure has also not picked up accordingly. An amount of R40 million is received from Community Safety to deal with the Provincial Integrated Command Centre.

**Programme 4: Transport Regulations**

The programme makes provision for a safe environment through the regulation of traffic on public infrastructure and registration and licensing of vehicles and drivers. The programme spent R168 million in comparison to the R128 million that spent in the same period of the 2022/23 financial year. The main contributor to the spending within this programme was the gazetting of operating licensing, the department has seen an influx of applications that have to be gazetted as per legislation since the moratorium was lifted in December 2022.

**Programme 5: Gautrain**

The programme provides plan, design and construction of the Rapid Rail Link and ensures efficient management and implementation of the Gautrain. The total transfers to Gautrain as at the end of the second quarter amounts to R1.5 billion in comparison to the R1.2 billion spent in the same period of the 2022/23 financial year.

## 6. Departmental Receipts

TABLE 9.13: DEPARTMENTAL RECEIPTS

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of ad- justed appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
Tax receipts	4 695 173	1 904 990	4 548 191	(3)%	4 901 761	1 964 614	3%
Motor vehicle licences	4 695 173	1 904 990	4 548 191	(3)%	4 901 761	1 964 614	3%
Sales of goods and services other than capital assets	97 972	30 706	63 596	(35)%	102 283	39 123	27%
Interest, dividends and rent on land	79	7	7	(91)%	10	2	(71)%
Sales of capital assets							
Financial transactions in assets and liabilities	1 955	1 299	1 405	(28)%	1 789	3 097	138%
<b>Total</b>	<b>4 795 179</b>	<b>1 937 002</b>	<b>4 613 705</b>	<b>(157)%</b>	<b>5 005 843</b>	<b>2 006 836</b>	<b>98%</b>

### Revenue trends for the first half of the 2023/24 financial year

In the current financial year, the revenue budget remains unchanged at R5 billion. The table above indicates the contribution of each revenue source towards the total revenue generated at the end of second quarter of the 2023/24 financial year. The Department improved the revenue collection for the first half of the year when comparing with the previous financial year. The revenue increased from R1.93 billion to R2 billion.

The tax receipts item which comprises of motor vehicle license continues to be the biggest revenue collector for the Department and the Province.

Sales of goods and services other than capital assets item collected R39 million and it consists of items such as parking fees from employees, sales of security maps and tender documents. This item is steadily increasing in comparison with the previous financial year and the department is expected to collect the amount in full.

Interest, dividends and rent on land contributed an amount of R2 000 earned during the first six months of the financial year in comparison with R7 000 in the same period of the previous financial year due to interest received on debts.

Financial transactions in assets and liabilities, which reflects the debt repayments from previous financial years, contributed an amount of R3 million in the current financial year in comparison with R1.2 million in the previous financial year.

## 7. Changes to Transfers and Subsidies, Conditional Grants and Infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 9.14: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National Additional Funding: Provincial		
<b>Transport Operations</b>	3 033 320		138 242	(165 000)		(26 758)	3 006 562
Bus subsidies	3 033 320		118 242	(165 000)		(46 758)	2 986 562
Gauteng Taxi Industry Trust			20 000			20 000	20 000
<b>Transport Regulation</b>	18 112			(18 112)		(18 112)	
Gauteng Taxi Industry Trust	18 112			(18 112)		(18 112)	
<b>Gautrain Rapid Rail Link</b>	2 506 958						2 506 958
GMA	2 506 958						2 506 958
<b>Total changes in conditional Name of transfer payments</b>	5 558 390		138 242	(183 112)		(44 870)	5 513 520

#### Rollover: R138.242 million

A rollover of R20 million is received by the department for the transfer to the GTIT because the transfer was not made before the last payment run in March 2023. The transfer will be made before the end of the year.

A rollover of R118.242 million is received to settle invoices that could not be settled before the payment cut-off date in March 2023. The Department has since finalised the negotiations for the new bus contracts that became operational on 1 July 2023, and this will assist in reducing the irregular expenditure that was realised for many years due to the old contracts.

#### Virements and shifts

An amount R165 million is shifted from Bus subsidies due to reprioritisation of funds from the North-West Star as the contracts linked to this fund are now incorporated within the PTOG.

An amount of R18 million is shifted from Gauteng Taxi Industry Trust due to low spending to cover the budget shortfall in elevated priorities.

### 7.2 Changes to Conditional grant

TABLE 9.15: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R Thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National Additional Funding: Provincial		
<b>Transport Infrastructure</b>	1 092 661	(40 179)				(40 179)	1 052 482
Provincial Roads Maintenance Grant	1 092 661	(40 179)				(40 179)	1 052 482
<b>Transport Operations</b>	2 855 019					118 242	2 973 261
Public Transport Operations	2 850 898		118 242			118 242	2 969 140
EPWP Integrated Grant	4 121						4 121
<b>Total changes in conditional grants</b>	3 947 680	(40 179)	118 242			78 063	4 025 743

#### Budget Cuts: R40.2 million

The Provincial Road Maintenance Grant is cut by an amount of R40.179, from a budget of R1.093 billion to R1.052 billion. The project that received the budget cut was the RISFSA class 1&2, however, to ensure that the deliverables are not in jeopardy, additional PES was allocated to the project.

#### Rollover: R118.2 million

The rollover request that the Department made for the PTOG was duly approved up to R118.242 million. This rollover request was made due to the invoices that could not be settled in time before the payment cut-off date in March 2023. The Department has since finalized the negotiations for the new bus contracts that became operational on 1 July 2023, and this will assist in reducing the irregular expenditure that was realised for many years due to the contracts being old.

### 7.3 Changes to Infrastructure

Please refer to the 2023/24 Adjusted Estimates of Capital Expenditure (AECE).

**VOTE 10****COMMUNITY SAFETY**

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>2 706 192</b>	<b>2 764 157</b>		<b>57 965</b>
of which:				
Current payments	2 436 881	2 304 503	(132 378)	
Transfers and subsidies	4 488	6 137		1 649
Payments for capital assets	264 823	453 517		188 694
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Community Safety</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

**1. Vision and Mission****Vision**

To realise Gauteng as a province where people feel and are safe.

**Mission**

To ensure safety of Gauteng communities through innovative, pro-active and effective oversight over the province's law enforcement agencies, enforcement of road traffic legislation while empowering communities on crime prevention and safety promotion.

**2. Changes to Programme Purpose, Objective and Measures.**

No changes.



### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 10.1: DEPARTMENT OF COMMUNITY SAFETY

R Thousand	Main Appropriation	2023/24					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	178 344		4 291				4 291	182 635
2. Provincial Secretariat for Police Service	268 689	(362)	14 991				14 629	283 318
3. Traffic Management	2 259 159	(40 000)	68 998			10 047	39 045	2 298 204
<b>Total for Programmes</b>	<b>2 706 192</b>	<b>(40 362)</b>	<b>88 280</b>			<b>10 047</b>	<b>57 965</b>	<b>2 764 157</b>

Economic classification	R Thousand	Main Appropriation	2023/24					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>2 436 881</b>	<b>(40 362)</b>	<b>12 157</b>	<b>(104 173)</b>			<b>(132 378)</b>	<b>2 304 503</b>
Compensation of employees		1 842 797	(40 000)		(381 011)			(421 011)	1 421 786
Salaries & wages		1 323 043	(40 000)		(16 110)			(56 110)	1 266 933
Social contribution		519 754			(364 901)			(364 901)	154 853
Goods and services		594 084	(362)	12 157	276 838			288 633	882 717
<b>Transfers and subsidies</b>		<b>4 488</b>			<b>1 649</b>			<b>1 649</b>	<b>6 137</b>
Provinces and municipalities		196							196
Departmental agencies and accounts									
Non-profit institutions									
Households		4 292			1 649			1 649	5 941
<b>Payments for capital assets</b>		<b>264 823</b>		<b>76 123</b>	<b>102 524</b>		<b>10 047</b>	<b>188 694</b>	<b>453 517</b>
Buildings and other fixed structures		11 800							11 800
Machinery and equipment		253 023		76 123	102 524		10 047	188 694	441 717
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>2 706 192</b>	<b>(40 362)</b>	<b>88 280</b>			<b>10 047</b>	<b>57 965</b>	<b>2 764 157</b>

The department's budget increases by a net amount of R57.9 million from R2.706 billion to an adjusted appropriation of R2.764 billion due to roll-overs, reallocations, and a suspension of funds to the Provincial Revenue Fund

A roll-over of R88.2 million is appropriated to fund the elevated priority of defeating or overcoming lawlessness and crime in the province, by capacitating the crime prevention wardens and investing in e-police and e-security. Of the total amount of R88.2 million rolled over, R11.2 million is for the payment of stipends to Gender Based Violence Brigades and Victim Empowerment Centre patrollers, R989 000 is for training of a drone operator pilot, R720 000 is for the procurement and installation of e-Panic buttons, R1.7 million is for the procurement of drones, R2.1 million is for the supply and installation of tetra radios and R65.6 million is for the purchasing of motor vehicles, while R4.3 million is for the procurement of 205 laptops and R1.8 million is for the supply and delivery of gazebo's.

An amount of R10 million is reallocated to the department from receivables to reimburse the department for receipts from SANRAL that were surrendered to the PRF at the end of the 2022/23 financial year.

The Social Sector EPWP Incentive Grant is reduced by the national sector department by an amount of R362 000 due to the prevailing fiscal challenges faced by the country. This budget reduction is taken from the item, contractors, which is used for the payment of stipends to patrollers. An amount of R40 million is suspended to the Gauteng Department of Roads and Transport as the implementing agent for the operationalisation of the Provincial Integrated Command and Control Centre.

An amount of R381m is reprioritised from compensation of employees to cater for the procurement of 10 armoured vehicles, for the leasing of 162 additional motor vehicles for crime prevention wardens and one additional helicopter and for the provision of uniform to the crime prevention wardens. Provision is also made for Push to Talk radios, fleet services, the conversion of mobile control centres for drones, the conversion of a building into an operational command and control centre with the associated ICT Information, Communication, Technology (ICT) equipment and for the payment of stipends to the Siyabangena project. The scope of the Siyabangena project was amended to focus more on police visibility through the deployment of patrollers in high

crime areas instead of purchasing additional vehicles for the SAPS. The budget is also reprioritised within goods and services to cater for venues and facilities, catering and transportation costs related to the training of crime prevention wardens.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

##### Programme 1: Administration

TABLE 10.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2023/24					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the MEC	12 657							12 657
2. Office of the HOD	30 231							30 231
3. Financial Management	37 678							37 678
4. Corporate Services	75 236		4 291				4 291	79 527
5. Legal	5 434							5 434
6. Security	17 108							17 108
<b>Total for Programmes</b>	<b>178 344</b>		<b>4 291</b>				<b>4 291</b>	<b>182 635</b>

Economic classification	Main Appropriation	2023/24					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>174 481</b>			(577)			(577)	<b>173 904</b>
Compensation of employees	148 555			(6 047)			(6 047)	142 508
Salaries & wages	132 543			(9 110)			(9 110)	123 433
Social contribution	16 012			3 063			3 063	19 075
Goods and services	25 926			5 470			5 470	31 396
<b>Transfers and subsidies</b>				<b>399</b>			<b>399</b>	<b>399</b>
Provinces and municipalities								
Households				399			399	399
<b>Payments for capital assets</b>	<b>3 863</b>		<b>4 291</b>	<b>178</b>			<b>4 469</b>	<b>8 332</b>
Machinery and equipment	3 863		4 291	178			4 469	8 332
Software and other intangible assets								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>178 344</b>		<b>4 291</b>				<b>4 291</b>	<b>182 635</b>

TABLE 10.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(17 676)</b>		<b>17 099</b>
Compensation of employees	Reprioritisation of funds due to the delay in filling of vacant posts.	(15 338)	To defray excessive expenditure under COE which was under budgeted for.	9 291
Goods and services	Reprioritisation of funds due to slow spending.	(2 338)	Funds made available to defray excess expenditure on the payment of fuel claims, motor vehicles out of contract and Nasi Spani project related costs.	7 808
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>399</b>
Provinces and municipalities				
Households			Funds made available to defray excessive expenditure.	399
<b>Payments for capital assets</b>		<b>(260)</b>		<b>438</b>
Buildings and other fixed structures				
Machinery and equipment	Reprioritisation of funds due to motor vehicles out of contract.	(260)	Funds made available to defray excessive expenditure on g-fleet.	438
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(17 936)</b>		<b>17 936</b>

**Roll-overs: R4.3 million.**

A rollover of unspent funds amounting to R4.3 million is allocated to this programme, to address the impact of accruals, payables, and commitments from the previous financial year.

**Virements and shifts**

An amount of R6 million is reprioritised from compensation of employees due to a delay in the filling of all vacant posts, R2.3 million from goods and services and R260 000 from machinery and equipment. This has resulted in R5.5 million being reprioritised to goods and services within the programme to fund operational costs such as payments for utilities, software license, maintenance and repairs of office buildings and fleet services and to defray the expenditure on travel claims. Furthermore, R399 000 is shifted to households to fund the payment of injury on duty claims and R438 000 is shifted to machinery and equipment to procure assets for additional personnel and sound systems to be utilised during public meetings.

**Programme 2: Provincial Secretariat for Police Service****TABLE 10.4: PROGRAMME 2: PROVINCIAL SECRETARIAT FOR POLICE SERVICE**

R Thousand	Main Appropriation	2023/24					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support	5 313			(280)			(280)	5 033
2. Policy and Research	8 066							8 066
3. Monitoring and Evaluation	62 761		2 064	(20 000)			(17 936)	44 825
4. Safety Promotion	141 600			280			280	141 880
5. Community Police Relations	50 949	(362)	12 927	20 000			32 565	83 514
<b>Total for Programmes</b>	<b>268 689</b>	<b>(362)</b>	<b>14 991</b>				<b>14 629</b>	<b>283 318</b>

Economic classification	Main Appropriation	2023/24					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>234 366</b>	<b>(362)</b>	<b>11 168</b>	<b>21 600</b>			<b>32 406</b>	<b>266 772</b>
Compensation of employees	118 062			(8 000)			(8 000)	110 062
Salaries & wages	102 642			(7 000)			(7 000)	95 642
Social contribution	15 420			(1 000)			(1 000)	14 420
Goods and services	116 304	(362)	11 168	29 600			40 406	156 710
<b>Transfers and subsidies</b>	<b>856</b>			<b>(750)</b>			<b>(750)</b>	<b>106</b>
Provinces and municipalities								
Departmental agencies and accounts								
Households	856			(750)			(750)	106
<b>Payments for capital assets</b>	<b>33 467</b>		<b>3 823</b>	<b>(20 850)</b>			<b>(17 027)</b>	<b>16 440</b>
Buildings and other fixed structures								
Machinery and equipment	33 467		3 823	(20 850)			(17 027)	16 440
Software and other intangible assets								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>268 689</b>	<b>(362)</b>	<b>14 991</b>				<b>14 629</b>	<b>283 318</b>

**TABLE 10.5 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: PROVINCIAL SECRETARIAT FOR POLICE SERVICE**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(29 607)</b>		<b>51 207</b>
Compensation of employees	Funds shifted due to the delay in the filling of vacant posts.	(12 000)	Reprioritisation of funds to align with the departmental organisational structure.	4 000
Goods and services	Reprioritisation of funds within the programme due to slow spending.	(17 607)	The budget allocated towards payments of buses and other mode of transport for communities mobilisation to support GBVF campaign, payment for patrollers stipend to fight crime.	47 207
<b>Transfers and subsidies</b>		<b>(750)</b>		
Provinces and municipalities				
Departmental agencies and accounts				
Households	Reprioritisation of funds due to slow spending.	(750)		
<b>Payments for capital assets</b>		<b>(22 000)</b>		<b>1 150</b>
Buildings and other fixed structures				
Machinery and equipment	Department is no longer procuring motor vehicles for SAPS; budget is re-directed towards Siyabangena project which is linked to visible policing and fighting crime.	(22 000)	Budget allocated to defray excessive expenditure for payment of g-fleet.	1 150
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(52 357)</b>		<b>52 357</b>

**Function shifts, Surrenders and Suspensions: R362 000**

An amount of R362 000 is reduced from the Social Sector Social Sector EPWP Incentive Grant due to the current fiscal challenges and a decline in government tax collection reducing the budget allocated for the payment of stipends to patrollers.

**Roll-overs: R14.9 million**

A rollover amounting to R14.9 million is allocated from unspent funds in the prior financial year, of which R11.2 million is for the payment of stipends to GBV Brigades and patrollers deployed at VECs, R2 million is for the procurement and installation of tetra radios and R1.7 million is for the supply and delivery of gazebos.

**Virements and shifts**

The amount of R8 million is shifted from compensation of employees due to a delay in the filling of vacant posts. The total amount of R29.6 million is reprioritised within goods and services to procure buses and other modes of transport to facilitate community mobilisation in support of the GBVF campaign, to convert trucks into mobile police stations, to pay stipends to patrollers in the fight against crime and ensure the continuous training and deployment of patrollers in high crime areas.

An amount of R750 000 is shifted from transfers and subsidies due to slow spending. A total amount of R20.8 million is reclassified from capital payments to goods and services due to changes in the scope of Siyabangena project which now focus more on police visibility through the deployment of patrollers in high crime areas instead of purchasing additional vehicles for the SAPS. An amount of R1.1 million is allocated to machinery and equipment to defray excess expenditure on g-fleet finance lease.

**Programme 3: Traffic Management****TABLE 10.6: PROGRAMME 2: TRAFFIC MANAGEMENT**

R Thousand	Main Appropriation	2023/24					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Traffic Law Enforcement	299 367		65 553				65 553	364 920
2. Special Services	1 511 456	(40 000)	3 445			10 047	(26 508)	1 484 948
3. Public Transport Inspectorate	425 506							425 506
4. Road Safety Promotion	22 830							22 830
<b>Total for Programmes</b>	<b>2 259 159</b>	<b>(40 000)</b>	<b>68 998</b>			<b>10 047</b>	<b>39 045</b>	<b>2 298 204</b>

Economic classification	Main Appropriation	2023/24					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R Thousand</b>								
<b>Current payments</b>	<b>2 028 034</b>	<b>(40 000)</b>	<b>989</b>	<b>(125 196)</b>			<b>(164 207)</b>	<b>1 863 827</b>
Compensation of employees	1 576 180	(40 000)		(366 964)			(406 964)	1 169 216
Salaries & wages	1 087 858	(40 000)					(40 000)	1 047 858
Social contribution	488 322			(366 964)			(366 964)	121 358
Goods and services	451 854		989	241 768			242 757	694 611
<b>Transfers and subsidies</b>	<b>3 632</b>			<b>2 000</b>			<b>2 000</b>	<b>5 632</b>
Provinces and municipalities	196							196
Households	3 436			2 000			2 000	5 436
<b>Payments for capital assets</b>	<b>227 493</b>		<b>68 009</b>	<b>123 196</b>		<b>10 047</b>	<b>201 252</b>	<b>428 745</b>
Buildings and other fixed structures	11 800							11 800
Machinery and equipment	215 693		68 009	123 196		10 047	201 252	416 945
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>2 259 159</b>	<b>(40 000)</b>	<b>68 998</b>			<b>10 047</b>	<b>39 045</b>	<b>2 298 204</b>

**TABLE 10.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: TRAFFIC MANAGEMENT**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(858 997)</b>		<b>733 801</b>
Compensation of employees	Due to the delay in finalisation of the organisational structure.	(526 697)	Budget allocated for elevated priorities which was wrongly captured on the database as special service instead of safety and security.	159 733
Goods and services	Reprioritised funds due to wrong allocation of sub-unit within the special service.	(332 300)	Re-alignment of budget to cater for the cost related to tools of trade for Crime Prevention Wardens.	574 068
<b>Transfers and subsidies</b>				<b>2 000</b>
Provinces and municipalities				
Households			Re-alignment of budget to cater the cost related to injury on duty for Crime Prevention Wardens.	2 000
<b>Payments for capital assets</b>		<b>(132 800)</b>		<b>255 996</b>
Buildings and other fixed structures				
Machinery and equipment	Funds shifted to align with the elevated priorities as it was wrongly captured on the database.	(132 800)	Provision for the procurement of 10 armored vehicles (level Double Cab 10) and for leasing of 162 additional motor vehicles for crime prevention wardens.	255 996
Land and sub-soil assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(991 797)</b>		<b>991 797</b>

**Function shifts, Surrenders and Suspensions: R40 million**

An amount of R40 million is suspended to the Gauteng Department of Roads and Transport as the implementing agent for the operationalisation of the Provincial Integrated Command and Control Centre.

**Roll-overs: R68.9 million**

An amount of R68.9 million is rolled over of which R720 000 is the procurement and installation of e-Panic buttons, R989 000 is for the training of a drone operator pilot, R1.7 million is for the procurement of drones and R65.5 million is for purchasing motor vehicles.

**Virements and shifts**

A total amount of R366.9 million is shifted from compensation of employees because of a delay in the finalisation of the organisational structure. R241.7 million is reprioritised to goods and services to cater for tools of trade for crime prevention wardens and for venues and facilities, catering and transport services in order to train the crime prevention wardens. Transfer and subsidies receive an additional amount of R2 million to cater for injury on duty claims. The increase in the budget for payment of capital assets of R123.1 million is, to purchase motor vehicles, guns, drones and to convert an identified and secured building into an operational command and control centre which is equipped with the necessary ICT infrastructure in order to fight crime and make Gauteng a safer place.

**Additional Funding: Provincial R10 million**

An amount of R10 million is reallocated to the department from receivables to reimburse the department for receipts from SANRAL that were surrendered to the PRF at the end of the 2022/23 financial year.

**5. Expenditure 2022/23 and Preliminary Expenditure 2023/24****TABLE 10.8: EXPENDITURE 2022/23 AND PRELIMINARY EXPENDITURE 2023/24: COMMUNITY SAFETY**

Department	2022/23				2023/24		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
1. Administration	185 012	95 051	189 377	102%	182 635	108 055	14%
2. Provincial Secretariat for Police Services	287 675	94 683	238 858	83%	283 318	137 227	45%
3. Traffic Management	901 378	323 097	760 166	84%	2 298 204	773 386	139%
<b>Total</b>	<b>1 374 065</b>	<b>512 831</b>	<b>1 188 401</b>	<b>86%</b>	<b>2 764 157</b>	<b>1 018 668</b>	<b>99%</b>
<b>Current payments</b>	<b>1 155 972</b>	<b>457 812</b>	<b>987 626</b>	<b>85%</b>	<b>2 304 503</b>	<b>870 645</b>	<b>90%</b>
Compensation of employees	777 977	324 388	636 011	82%	1 421 786	573 887	77%
Goods and Services	377 995	133 424	351 615	93%	882 717	296 758	122%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>12 370</b>	<b>8 429</b>	<b>13 164</b>	<b>106%</b>	<b>6 137</b>	<b>7 353</b>	<b>(13)%</b>
Provinces and municipalities	188	222	769	409%	196	116	(48)%
Households	12 182	8 207	12 395	102%	5 941	7 237	(12)%
<b>Payments for capital assets</b>	<b>205 723</b>	<b>46 590</b>	<b>187 219</b>	<b>91%</b>	<b>453 517</b>	<b>140 669</b>	<b>202%</b>
Buildings and other fixed structures	11 800			0%	11 800	91	0%
Machinery and equipment	166 423	46 590	186 117	112%	441 717	140 578	202%
Software and other intangible assets	27 500		1 102	4%			0%
<b>Payments for financial assets</b>			<b>392</b>			<b>1</b>	<b>0%</b>
<b>Total</b>	<b>1 374 065</b>	<b>512 831</b>	<b>1 188 401</b>	<b>86%</b>	<b>2 764 157</b>	<b>1 018 668</b>	<b>99%</b>

**Expenditure trends for 2022/23**

The department has spent 86 per cent of its adjusted budget for the 2022/23 financial year.

**Programme 1: Administration**

Administration overspent by R4.3 million which represents 2 per cent of the programmes' adjusted budget. The overspending is related to procurement of laptops and expenditure on utilities and software licences.

**Programme 2: Provincial Secretariat for Police Service**

Provincial Secretariat for Police Services spent 83 per cent of its allocated budget, and the R48.8 million underspending is due to a contractual obligation entered into by the department where goods and services were delivered in the 2023/24 financial year. The following forms part of commitments and accruals, payments of patroller stipends of R11.2 million, procurement

of jumpsuits at R5.1 million, gazebos to support Community Police Forums (CPFs) at R1.7 million, outstanding payment of motor vehicles of R2.4 million, maintenance of building housing victims of domestic violence commitment of R5.7 million and installation of tetra radios project which overlap into the new financial year with an amount of R2.1 million.

### Programme 3: Traffic Management

Traffic management has spent 84 per cent of its allocated budget, underspending by R141.2 million. The underspending is due to the following:

- R19.8 million on compensation of employees seconded to other organs of state.
- R11.8 million specifically allocated for establishment of the Command centre.
- R10 million lease contract for two helicopters.
- R4 million allocated for the procurement of drones.
- R4.3 million for training of drones operator pilots
- R73.9 million of motor vehicles for crime prevention wardens.

### Preliminary expenditure trends for the first half of 2023/24

The actual expenditure has increased by 99 per cent compared to the same period in the previous financial year because of accruals, payables, and commitments from the previous financial year.

### Programme 1: Administration

The actual spending increased from R95.1 million to R108 million due to accruals and payables emanating from the previous financial year and the main cost drivers are utilities, software licence, communication services etc.

### Programme 2: Provincial Secretariat for Police Service

The programme spent 45 per cent more when compared to the same period in the previous financial year. However, in relation to compensation of employees the department recorded an estimated underspending of 5 per cent. This is due to a high number of vacant positions which were not yet filled at the end of the second quarter of the financial year. However, due to the converted mobile police trucks, 16 Days of Activism Against Women and Child Abuse, the deployment of patrollers during festive season and the Safe Month campaign all of which is expected to take place in third and the fourth quarter of the financial year, expenditure will increase. In addition, several tenders will be awarded during this financial year.

### Programme 3: Traffic Management

The programme's actual expenditure at end of second quarter is 34 per cent compared to the allocated budget of R2.2 billion in 2023/24 financial period and the main contributing factors of underspending is a delay in the finalisation of organisational structure and the implementation of 24/7 traffic policing, purchasing of drones, training of drone operator pilots, delays in finalising the contract for leasing of helicopters, purchasing motor vehicles, guns, delays in the command centre, and mobile command centre and supporting drones.

## 6. Departmental Receipts

TABLE 10.9: DEPARTMENTAL RECEIPTS

Department	2022/23				2023/24		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
Tax receipts							
Liquor licences							
Sales of goods and services other than capital assets	1 477	620	1 245	84%	1 542	606	(2)%
Transfers received							0%
Fines, penalties and forfeits	30 811	12 391	27 188	88%	32 167	13 008	5%
Interest, dividends and rent on land			10				0%
Sales of capital assets						1 006	0%
Financial transactions in assets and liabilities	11 597	88	115	1%	1 107	65	(26)%
<b>Total</b>	<b>43 885</b>	<b>13 099</b>	<b>28 558</b>	<b>65.1%</b>	<b>34 816</b>	<b>14 685</b>	<b>12.11%</b>

### Revenue trends for the first half of the 2023/24 financial year

The table above shows the contribution of each revenue source to the total revenue generated as at the end of September 2023. In the 2022/23 financial year, the department estimated to collect R44 million. The revenue target is adjusted downwards

to R35. million, due to the changes in the accounting treatment for salaries received from other state organs to be classified as receivables rather than revenue. However, the overall revenue collected as at the end of September 2023 has increased when compared to the same period in the last financial year. Revenue collection is expected to improve due to the outstanding debt that still needs to be paid by entities who are still owing the department.

## 7. Changes to Transfers and Subsidies, Conditional Grants and Infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 10.10: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2023/24					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>1. Administration</b>				399			399	399
Households				399			399	399
<b>2. Provincial Secretariat for Police Services</b>	856			(750)			(750)	106
Households	856							856
<b>3. Traffic Management</b>	3 624			2 000			2 000	5 624
Provinces and municipalities	188							188
Households	3 436			2 000			2 000	5 436
<b>Total changes in conditional Name of transfer payments</b>	<b>4 480</b>			<b>1 649</b>			<b>1 649</b>	<b>6 129</b>

### Virements and shifts

During the 2023/24 adjustment period, transfers and subsidies budget allocation increased from R4.5 million to R6 million to cater for injury on duty claims and claims against the state.

### 7.2 Changes to Conditional grant

TABLE 10.11: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R Thousand	Main Appropriation	2023/24					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2: Provincial Secretariat for Police Service</b>	5 057	(362)					(362)	4 695
Social Sector Expanded Public Works Programme (EPWP) Incentive Grant	5 057	(362)					(362)	4 695
<b>Total changes in conditional grantS</b>	<b>5 057</b>	<b>(362)</b>					<b>(362)</b>	<b>4 695</b>

### 7.2 Function shifts, Surrenders and Suspensions: R362 000

The budget cut of R362 000 by national is due to the reduction of conditional grants amidst the current fiscal challenges faced by the country.

### 7.3 Changes to Infrastructure

Not applicable.





# VOTE 11

## AGRICULTURE, RURAL DEVELOPMENT AND ENVIRONMENT

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>1 066 204</b>	<b>1 259 117</b>		<b>192 913</b>
<b>of which:</b>				
Current payments	1 040 743	1 149 704		108 961
Transfers and subsidies	9 831	77 642		67 811
Payments for capital assets	15 630	31 518		15 888
Payment for financial assets		253		253
<b>Executive authority</b>	<b>MEC for Social Development; and Agriculture, Rural Development and Environment</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

An economically transformed agricultural sector for the promotion of sustainable, environmental management; food security and developed rural and urban communities in Gauteng.

#### Mission

To radically modernize and transform agriculture, environment, and rural development by:

- Promoting environmental protection and management;
- Expanding access to agricultural opportunities;
- Maximising food security;
- Up-scaling rural development;
- Promoting the One Health System; and
- Supporting sustainable livelihoods and communities.

### 2. Changes to Programme Purpose, Objective and Measures

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 11.1: DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT AND ENVIRONMENT

Programmes	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
1. Administration	275 960	(1 753)		3 081		1 328	277 288
2. Agriculture and Rural Development	494 360	(7 050)	38 156	(8 401)		22 705	517 065
3. Environmental Affairs	295 884	168	4 236	5 320		159 156	464 764
<b>Total for programmes</b>	<b>1 066 204</b>	<b>(8 635)</b>	<b>42 392</b>			<b>159 156</b>	<b>1 259 117</b>
	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
<b>Current payments</b>	<b>1 040 743</b>	<b>(9 868)</b>	<b>24 696</b>	<b>(65 023)</b>		<b>159 156</b>	<b>1 149 704</b>
Compensation of employees	572 573	(1 564)		9 610		1 600	582 219
Salaries & wages	487 779	(1 410)		394		(1 016)	486 763
Social contribution	84 794	(154)		9 216		1 600	95 456
Goods and services	468 170	(8 304)	24 696	(74 633)		157 556	567 485
<b>Transfers and subsidies</b>	<b>9 831</b>			<b>67 811</b>		<b>67 811</b>	<b>77 642</b>
Provinces and municipalities	300			190		190	490
Departmental agencies and accounts	1 405			55		55	1 460
Higher education institutions	6 227			(2 567)		(2 567)	3 660
Households	1 899			70 133		70 133	72 032
<b>Payments for capital assets</b>	<b>15 630</b>	<b>1 233</b>	<b>17 696</b>	<b>(3 041)</b>		<b>15 888</b>	<b>31 518</b>
Buildings and other fixed structures	1 034	1 233				1 233	2 267
Machinery and equipment	14 596		17 696	(3 041)		14 655	29 251
<b>Payments for financial assets</b>				<b>253</b>		<b>253</b>	<b>253</b>
<b>Total economic classification</b>	<b>1 066 204</b>	<b>(8 635)</b>	<b>42 392</b>			<b>159 156</b>	<b>1 259 117</b>

The adjustments made to the department's budget are mainly to affect the approved roll-over request both equitable share and conditional grants; the allocation of additional budget to make provision for the 6000 EPWP green army; implement virement and shifts of funds within and between programmes as well as to surrender funds for projects that are not ready for implementation.

The total budget has been adjusted upwards from R1.066 billion to R1.259 billion, increasing by an amount of R192.9 million. The amount includes an amount of R42.3 million approved as a rollover for equitable share (R13.8 million) and conditional grant (R28.5 million) which will fund the following projects: the procurement of pool vehicles for agricultural extension officers, procure tractors, and supply and delivery of piggery and poultry inputs and equipment, project management administration, and payment of stipends to establish conservation agriculture (Soybean) Farms for temporary workers, cannabis laboratory equipment, and analytical instruments. Energy Audit research project, Pre-feasibility study for the proposed establishment of a regional Waste Facility "Ecopark" in Gauteng, development of a standardised waste tariff model for municipalities landfill sites, drilling of borehole and appointment of transactional Advisor; and an amount of R159.1 million is availed for wages, unemployment insurance fund (UIF) & compensation for occupational injuries and diseases act (COIDA) for Green Army EPWP Programme. The department has recruited 6000 EPWP Green Army to participate in the Bontle ke Botho Gauteng's Clean and Green programme. The EPWP participants will reduce poverty and unemployment including skills development for the poor citizens of Gauteng particularly in TISH areas.

Lastly, an amount of R8.6 million will be surrendered to the revenue fund, this includes the conditional grants budget cuts of R7.4 million and an amount of R1.2 million for infrastructure capacity building. The budget was reduced on compensation of employees, due to uncertainty of filling vacant positions and Goods and services budget cuts were on, operating payments, uniform and protective clothing and travel and subsistence.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

### Programme 1: Administration

TABLE 11.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
1. Office of the MEC	6 808						6 808
2. Senior Management	32 911			(4 500)		(4 500)	28 411
3. Corporate Services	88 975			3 081		3 081	92 056
4. Financial Management	147 266	(1 753)		4 500		2 747	150 013
<b>Total for programmes</b>	<b>275 960</b>	<b>(1 753)</b>		<b>3 081</b>		<b>1 328</b>	<b>277 288</b>
Economic classification	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
R thousand		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial	
<b>Current payments</b>	<b>267 212</b>	<b>(1 753)</b>		<b>5 429</b>			<b>3 676</b>
Compensation of employees	160 952	(1 564)					(1 564)
Salaries & wages	134 058	(1 410)					(1 410)
Social contribution	26 894	(154)					(154)
Goods and services	106 260	(189)		5 429			5 240
<b>Transfers and subsidies</b>	<b>2 227</b>			<b>143</b>			<b>143</b>
Provinces and municipalities				10			10
Departmental agencies and accounts	1 405			55			55
Households	822			78			78
<b>Payments for capital assets</b>	<b>6 521</b>			<b>(2 744)</b>			<b>(2 744)</b>
Buildings and other fixed structures							
Machinery and equipment	6 521			(2 744)			(2 744)
<b>Payments for financial assets</b>				<b>253</b>			<b>253</b>
<b>Total economic classification</b>	<b>275 960</b>	<b>(1 753)</b>		<b>3 081</b>			<b>1 328</b>

TABLE 11.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(10 812)</b>		<b>16 241</b>
Compensation of employees	Realignment of budget to where expenditure is incurred.	(4 500)	Funds are allocated for compensation of employees in line with new wage salary agreement.	4 500
Goods and services	Funds are shifted from catering, fleet services, venues and facilities due to cancellation of stakeholder engagements. Allocation of contractors is decreased due to fewer requests for employee wellness services processed.	(6 312)	Funds are allocated for payment of Microsoft software licences; compensation of employees and to procure fuel for departmental back-up generator.	11 741
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>143</b>
Provinces and municipalities			Funds are allocated for payment of municipal rates and taxes.	10
Departmental agencies and accounts			Funds are shifted to cover the shortfall on transfers to SETA's for skills development levy.	55
Households			Funds are allocated for leave gratuity benefits.	78
<b>Payments for capital assets</b>		<b>(2 794)</b>		<b>50</b>
Machinery and equipment	Funds are shifted due to delays in procurement of laptops.	(2 794)	Funds are allocated for procurement of cameras and equipment.	50
<b>Payments for financial assets</b>			Funds are allocated to cover excess expenditure on bad debts written off.	<b>253</b>
<b>Total economic classification</b>		<b>(13 606)</b>		<b>16 687</b>

### Function shifts, Suspensions and Surrenders: R1.7 million

An amount of R1.7 million is surrendered for infrastructure capacity building and compensation of employees' budget was reduced due to uncertainty of filling vacant positions. Goods and services budget cuts were under operating payments, uniform and protective clothing, and travel and subsistence.

## Virements and shifts: R3 million

An amount of R3 million is availed to Corporate services to fund shortfall on Microsoft licenses and software assurance products. Furthermore, an amount of R4.5 million is allocated to Financial Management for shortfall on salaries and wages, fuel for back-up generator, municipality property rates and taxes as well as bad debts written off.

## Programme 2: Agriculture and Rural Development

TABLE 11.4: PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT

Sub-programmes	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
1. Sustainable Resource Management	7 961	(1 460)	1 303			(157)	7 804
2. Farmer Support and Development	239 857	(5 590)	27 275	2 700		24 385	264 242
3. Veterinary Services	111 616			(10 401)		(10 401)	101 215
4. Research and Technology Development Services	85 304		9 578	1 500		11 078	96 382
5. Agricultural Economics Services	38 889						38 889
6. Rural Development Coordination	10 733			(2 200)		(2 200)	8 533
<b>Total for Programmes</b>	<b>494 360</b>	<b>(7 050)</b>	<b>38 156</b>	<b>(8 401)</b>		<b>22 705</b>	<b>517 065</b>

Economic classification	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
Current payments	482 642	(7 050)	20 956	(73 343)		(59 437)	423 205
Compensation of employees	199 562			3 700		3 700	203 262
Salaries & wages	171 446			(2 051)		(2 051)	169 395
Social contribution	28 116			5 751		5 751	33 867
Goods and services	283 080	(7 050)	20 956	(77 043)		(63 137)	219 943
<b>Transfers and subsidies</b>	<b>6 561</b>			<b>67 433</b>		<b>67 433</b>	<b>73 994</b>
Higher education institutions	6 227			(2 567)		(2 567)	3 660
Households	334			70 000		70 000	70 334
<b>Payments for capital assets</b>	<b>5 157</b>		<b>17 200</b>	<b>(2 491)</b>		<b>14 709</b>	<b>19 866</b>
Buildings and other fixed structures							
Machinery and equipment	5 157		17 200	(2 491)		14 709	19 866
<b>Payments for financial assets</b>							
<b>Total economic classification</b>	<b>494 360</b>	<b>(7 050)</b>	<b>38 156</b>	<b>(8 401)</b>		<b>22 705</b>	<b>517 065</b>

TABLE 11.5 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(100 438)</b>		<b>27 095</b>
Compensation of employees	Realignment of budget to where expenditure is incurred.	(6 500)	Funds are allocated for compensation of employees in line with new wage salary agreement.	10 200
Goods and services	Funds are shifted due commercialization of smallholder farmers and agropreneurs budget wrongly allocated as inventory farming supplies; cancellation of Nama-phepa awards; rabies strategy workshop; launch of mobile abattoirs and Nguni program launch. Funds were also shifted from advertisement cost of the Agri Food fest and hardware materials for farm-structures due to delays in implementation of project.	(93 938)	Funds are allocated for the multi stakeholder cooperatives Website Development project; research agenda projects; to procure fuel for back-up generators to farmers; upgrading of Agri-parks landscape; for artist; security services and acoustic engineers for the Farmers Markets; procurement of poisonous PPE and chainsaw required for the removal of invasive Alien plants on 1400 Hectares of land.	16 895
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(2 567)</b>		<b>70 000</b>
Higher education institutions	Funds are shifted due to transfers to universities being fully paid for the current financial year.	(2 567)		
Households			Funds are allocated for cash payment to beneficiaries for commercialization of smallholder farmers and agropreneurs.	70 000
<b>Payments for capital assets</b>		<b>(2 491)</b>		
Buildings and other fixed structures				
Machinery and equipment	Funds are shifted due to delays in procurement of laptops.	(2 491)		
<b>Total economic classification</b>		<b>(105 496)</b>		<b>97 095</b>

### Function shifts, Suspensions and Surrenders: R7 million

An amount of R5 million from Comprehensive Agricultural Support Programme Grant is reduced from mechanization programme, sunflower seeds and training and capacity building of famers. An amount of R500 000 was reduced under Illima/ Letsema Projects grant from livestock fodder support. Furthermore, the Land care Programme Grants Poverty Relief and infrastructure Development budget was reduced with an amount of R1.4 million from junior camps and conservation agriculture projects.

### Roll-overs: R38.1 million

An amount of R27.2 million is rolled over for Comprehensive Agricultural Support Programme grant (Extension Recovery plan) to cover expenditure relating to the procurement of pool vehicles for agricultural extension officers. Funds are also availed for CASP infrastructure to procure tractors, supply and delivery of piggery and poultry inputs and equipment. In addition, funds are availed for Land care grant R1.3 million for project management administration, and payment of stipends to establish conservation agriculture (Soybean) Farms for temporary workers. Furthermore, an amount of R9.5 million is availed for cannabis laboratory equipment and analytical instruments.

### Virements and shifts

A total amount of R77 million is shifted from goods and services and reallocated under transfers to households' cash payment for commercialisation of smallholder farmers and agropreneurs beneficiaries. An amount of R27.9 million is shifted from Infrastructure support with water tanks and connecting boreholes to the reservoirs at Kwa Sokhulumu, and supplies of veterinary medicine due to delays in implementation of projects.

Funds are allocated towards the following: Research agenda projects, and Agri food fest activities, farmers markets events, license renewals for refrigerated agro trucks and shortfall on travel and subsistence as well as to fund shortfall on compensation of employees in line with the new wage salary agreement.

## Programme 3: Environmental Affairs

TABLE 11.6: PROGRAMME 3: ENVIRONMENTAL AFFAIRS

Sub-programmes	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
1. Environmental Policy, Planning and Coordination	30 042						30 042
2. Compliance and Enforcement	49 629			2 810		2 810	52 439
3. Environmental Quality Management	59 975		1 368	1 510		2 878	62 853
4. Biodiversity Management	97 108	521	2 868			3 389	100 497
5. Environmental Empowerment Services	59 130	(353)		1 000		159 156	218 933
<b>Total for Programmes</b>	<b>295 884</b>	<b>168</b>	<b>4 236</b>	<b>5 320</b>		<b>159 156</b>	<b>464 764</b>
<b>Economic classification</b>							
<b>R thousand</b>							
<b>Current payments</b>	<b>290 889</b>	<b>(1 065)</b>	<b>3 740</b>	<b>2 891</b>		<b>159 156</b>	<b>455 611</b>
Compensation of employees	212 059			5 910		1 600	219 569
Salaries & wages	182 275			2 445			184 720
Social contribution	29 784			3 465		1 600	34 849
Goods and services	78 830	(1 065)	3 740	(3 019)		157 556	236 042
<b>Transfers and subsidies</b>	<b>1 043</b>			<b>235</b>			<b>1 278</b>
Provinces and municipalities	300			180			480
Households	743			55			798
<b>Payments for capital assets</b>	<b>3 952</b>	<b>1 233</b>	<b>496</b>	<b>2 194</b>			<b>7 875</b>
Buildings and other fixed structures	1 034	1 233					2 267
Machinery and equipment	2 918		496	2 194			5 608
<b>Payments for financial assets</b>							
<b>Total economic classification</b>	<b>295 884</b>	<b>168</b>	<b>4 236</b>	<b>5 320</b>		<b>159 156</b>	<b>464 764</b>

**TABLE 11.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: ENVIRONMENTAL AFFAIRS**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(14 269)</b>		<b>17 160</b>
Compensation of employees	Realignment of budget to where expenditure is incurred.	(2 000)	Funds are allocated for compensation of employees in line with new wage salary agreement.	7 910
Goods and services	Funds are shifted due to closure of Suikerbosrand nature reserve as per the instruction from Labour department; cancellation of EIA open day event and delays in implementation of environmental waste management projects.	(12 269)	Funds are allocated for maintenance of aerial sprays and emptying of septic tanks in Marievale nature reserve; procurement of firefighting equipment and audio-visual equipment; for Gauteng waste information systems and consultancy projects for the GWIS improvement Project.	9 250
<b>Transfers and subsidies</b>				<b>235</b>
Provinces and municipalities			Funds are allocated for municipalities rates and taxes.	180
Households			Funds are allocated for leave gratuity benefits.	55
<b>Payments for capital assets</b>		<b>(620)</b>		<b>2 814</b>
Machinery and equipment	Funds are shifted due to delays in procurement of laptops.	(620)	Funds are allocated to procure firefighting equipment and audio-visual equipment.	2 814
<b>Total economic classification</b>		<b>(14 889)</b>		<b>20 209</b>

**Function shifts, Suspensions and Surrenders: R168 000**

An amount of R353 000 is reduced from EPWP Integrated incentive grant, Alien vegetation removal project. An amount of R521 000 net increased for infrastructure projects for Construction of Fence at Abe Bailey Nature Reserve.

**Roll-overs: R4.6 million**

An amount of R4.6 million equitable share is rolled over to fund the following: Energy Audit research project, Pre-feasibility study for the proposed establishment of a regional Waste Facility "Ecopark" in Gauteng, development of a standardised waste tariff model for municipalities landfill sites, drilling of borehole and appointment of transactional advisor.

**Virements and shifts**

An amount of R14.3 million is shifted to procure firefighting equipment and audio-visual equipment, maintenance of Gauteng Waste Information Systems and power supply back up for air quality monitoring workstations and payment of wages for casual labourers. Furthermore, an amount of R5.9 million is allocated to fund shortfall on compensation of employees in line with new wage salary agreement.

**Additional funding: R159.1 million**

An amount of R157.5 million is availed for EPWP green army participants stipends and R1.6 million is allocated to Compensation of employees for the payment of Unemployment Insurance Fund (UIF).

## 5. Expenditure 2022/23 and Preliminary Expenditure 2023/24

TABLE 11.8: EXPENDITURE 2021/22 AND PRELIMINARY EXPENDITURE 2022/23

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
1. Administration	280 945	141 780	290 570	103%	277 288	138 897	(50)%
2. Agriculture and Rural Development	498 930	141 679	388 644	78%	517 065	190 456	(63)%
3. Environmental affairs	345 631	142 120	331 822	96%	464 764	226 355	(51)%
<b>Total</b>	<b>1 125 506</b>	<b>425 579</b>	<b>1 011 036</b>	<b>90%</b>	<b>1 259 117</b>	<b>555 708</b>	<b>(56)%</b>
							0%
<b>Current payments</b>	<b>1 074 218</b>	<b>407 940</b>	<b>984 296</b>	<b>92%</b>	<b>1 149 704</b>	<b>549 981</b>	<b>(52)%</b>
Compensation of employees	591 093	272 364	561 923	95%	582 219	287 667	(51)%
Goods and Services	483 125	135 576	422 373	87%	567 485	262 314	(54)%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>11 037</b>	<b>3 524</b>	<b>8 781</b>	<b>80%</b>	<b>77 642</b>	<b>4 472</b>	<b>(94)%</b>
Provinces and municipalities	923	267	268	29%	490	2	(100)%
Departmental agencies and accounts	1 322	798	1 324	100%	1 460		(100)%
Higher education institutions	6 985	2 040	5 700	82%	3 660	3 660	0%
Public corporations & private enterprises							
Households	1 807	419	1 489	82%	72 032	810	(99)%
<b>Payments for capital assets</b>	<b>40 024</b>	<b>13 889</b>	<b>17 625</b>	<b>44%</b>	<b>31 518</b>	<b>1 002</b>	<b>(97)%</b>
Buildings and other fixed structures	10 889	3 999	5 618	52%	2 267		(100)%
Machinery and equipment	29 135	9 890	12 007	41%	29 251	1 002	(97)%
<b>Payments for financial assets</b>	<b>227</b>	<b>226</b>	<b>334</b>	<b>147%</b>	<b>253</b>	<b>253</b>	<b>0%</b>
<b>Total</b>	<b>1 125 506</b>	<b>425 579</b>	<b>1 011 036</b>	<b>90%</b>	<b>1 259 117</b>	<b>555 708</b>	<b>(56)%</b>

### Expenditure trends for 2022/23

The department spent R1.011 billion of the R1.125 billion adjusted budget. This translates into 90 per cent expenditure at the end of 2022/23 financial year.

Programme 1: Administration spent R290 million and overspent by 3 per cent due to legal claims and software licence.  
Programme 2: Agriculture and Rural Development spent R389 million which translates to an underspending of 22 per cent due to delays in implementation of projects.

Programme 3: Environmental Affairs has spent R332 million which translates to an underspending of 4 per cent of its adjusted budget due to delays in implementation of projects.

### Compensation of Employees

The department spent R562 million of its R591 million adjusted budget. The underspending can be attributed to departmental vacancies not filled.

### Goods and Services

The department spent R422 million of its R483 million of its adjusted budget. The main reason for the underspending can be attributed to delays in procurement process (RFQ) and tender processes. (On the 20th of July 2022 National Treasury issues PPPFA CIRCULAR 01 OF 2022/23, communication on Constitutional Court judgment regarding preferential procurement regulations that the 2017 regulations will remain in place until 26 January 2023). The CASP and Ilima/Letsema conditional grants first tranche payment were paid late on the 22 of August 2022.

However, most of the department budget was committed for the 2022/23 financial year, but delivery could not take place at financial year end; this forms part of the department's request for roll-over.

### Transfers and Subsidies

The department spent R9 million on its adjusted budget of R11 million. An amount of R4 million was transferred to



Vaal University of Technology and University of Johannesburg for bursaries and internship, an amount of R267 000 was spent on property rates and taxes. A total amount of R1 million was spent on leave gratuity payments and R1 million was transferred to Agri-SETA and Cath-SETA for skills development levy. Furthermore, R386 000 was paid to external bursaries.

#### Payments for Capital Assets

The department spent R18 million on its adjusted budget of R40 million. An amount of R6 million was spent on construction of fence project, R2 million on tractor and motor vehicle and R10 million was spent on purchasing of desktops and desktop printing equipment.

#### Preliminary expenditure trends for the first half of 2023/24

The department is allocated a total budget of R1 066 billion. As at the end of September the department spent R555 million that is equivalent to 52% of its total allocated budget for 2023/24 financial year.

#### Compensation of Employees

The department spent R287 million of its R572 million or 50.2 per cent of the allocated budget despite having an 11,8 per cent vacancy rate (125 vacant post).

#### Goods and Services

The department spent R262 million of its R468 million allocated budget that is equivalent to 56 per cent of its allocation. The 6 per cent over expenditure relate to the payment of EPWP workers, expenditure to date for this project amounting to R79 million.

#### Transfers and Subsidies

The department spent R4 million of its R9 million allocated budget. The expenditure relates to transfers to municipalities, external bursaries, gratuity payments and payments to Higher education institutions (Wits university and University of Pretoria received R300 000 each and R1 million to Tshwane, VUT and UJ universities respectively). Departmental agencies and accounts transfer to Agriseta and Cathsseta for skills development levy are scheduled to be disbursed in Quarter 3. Higher education institutions transfer to various institutions for bursaries and internships are fully paid for the current financial year.

#### Payments for Capital Assets

The department spent R1 million of its R15 million allocated budget. The expenditure relates to procurement of onsite gym and survey equipment.

#### Payments for Financial Assets

The department has written off bad debts to the value of R 253 000.

## 6. Departmental Receipts

TABLE 11.9: DEPARTMENTAL RECEIPTS

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of adjusted appropri- ation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
Tax receipts							
Sales of goods and services other than capital assets	10 946	6 960	14 751	35%	11 603	7 231	4%
Transfers received				0%			0%
Fines, penalties and forfeits	3 710	7 782	10 360	179%	3 933	2 025	(74)%
Interest, dividends and rent on land	8			(100)%	9	4	0%
Sales of capital assets		5	13	0%		13	160%
Financial transactions in assets and liabilities	303	156	282	(7)%	318	696	346%
<b>Total</b>	<b>14 967</b>	<b>14 903</b>	<b>25 406</b>	<b>70%</b>	<b>15 863</b>	<b>9 969</b>	<b>(33)%</b>

#### Revenue collection 2022/23 financial period:

The department collected R25 million as at end of 31st March 2023. The department collected R10 million or 70 per cent more than the projected revenue of R15 million for 2022/2023 financial period. The department received payments of section 24G fines issued in current and previous years in an amount of R10 million and this is an overcollection of 179

per cent or R6.6 million for 2022/23. This item also includes the biodiversity fines, Compliance cases and traffic fines persal deductions founded against the officials within the department.

The collection on sales of goods and services relates to Veterinary services, permits (import and export), EIA and nature reserves entrance fees Included on this item for 2022/23 is the auction sale of horses R175 000 at Suikerbosrand nature reserve and R762 000 for hunting at Leeuwfontein nature reserve. The department over collected on this item by 35 per cent as at end of 2022/23. GDARDE has collected R13 000 from the sale of scrapped laptops and desktops as at end of March 2023.

Revenue collected from financial transactions in assets and liabilities relate to salary reversals from previous financial year, withdrawals from Revenue fund to clear the debt created against payments received, refund from Microsoft license for previous financial year and the approved debt write-offs of deceased employees. The department collected 92.7 per cent of the projected revenue as at end of 2022/23.

### Revenue trends as at end of the 2nd quarter of the 2023/24 financial year:

The department collected R10 million as at end of September 2023, which is 63 per cent of the projected revenue of R16 million for the 2023/24 financial year. The collection on sales of goods and services relates to Veterinary services, permits (import and export), EIA and nature reserves entrance fees. The department collected R7 million (62 per cent) as at end of September 2023.

Revenue collected for fines, penalties and forfeit relate to payments of section 24G fines issued in the previous and current year, traffic fines issued against the employees of the department and Biodiversity criminal offence fines. The fines amount totals to R2 million or 51 per cent of the 2023/24 projected revenue. Interest dividends and rent on land relates to interest on debt owed by employees. The department collected R4 000 or 44 per cent against the projected revenue.

The revenue collected on sales of capital assets amounts to R13 000 the department collected on this item from disposed ICT scrap (laptops, desktops, and printers) during the month of April 2023.

Financial transactions in assets and liabilities, the transactions relate to Persal deductions for debt repayments from employees of the department. There is over collection of R378 000 or 119 per cent on this Item is due to vehicles auctioned by G-Fleet in March 2023, which was paid over an amount of R384 000 to the department in April 2023 and is a once off revenue source. The collection on salary overpayment including reversals, misuse of state vehicle debt by employee recovered from his pension fund which amounts to R106 000.

## 7. Changes to Transfers and Subsidies, Conditional Grants and Infrastructure

### 7.1. Changes to transfers and subsidies

TABLE 11.10: CHANGES TO TRANSFERS AND SUBSIDIES

R'000	Main Budget	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	Additional Funding: National		
<b>Programme 1</b>	<b>2 227</b>			<b>143</b>		<b>143</b>	<b>2 370</b>
Provinces and municipalities				10		10	10
Departmental agencies and accounts	1 405			55		55	1 460
Households	822			78		78	900
<b>Programme 2</b>	<b>6 561</b>			<b>67 433</b>		<b>67 433</b>	<b>73 994</b>
Higher education institutions	6 227			(2 567)		(2 567)	3 660
Households	334			70 000		70 000	70 334
<b>Programme 3</b>	<b>1 043</b>			<b>235</b>		<b>235</b>	<b>1 278</b>
Provinces and municipalities	300			180		180	480
Households	743			55		55	798
<b>Total changes in transfers</b>	<b>9 831</b>			<b>67 811</b>		<b>67 811</b>	<b>77 642</b>

### Virements and shifts

Funds amounting to R70 million is allocated to households for a transfer of cash payments for commercialisation of smallholder farmers and agro-preneurs beneficiaries, cannabis support and expansion of cannabis operations. An amount of R490 000 will be transferred to Merafong Municipality for payment of municipal rates and taxes. Saving with an amount of R2.5 million is realised from transfers to higher education institutions for biotechnology bursaries and internships programme were fully paid in the current financial year.

## 7.2. Changes to Conditional Grants

TABLE 11.11: CHANGES TO CONDITIONAL GRANTS

R'000	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2</b>	<b>146 259</b>	<b>(7 050)</b>	<b>28 578</b>				<b>21 528</b>	<b>167 787</b>
Comprehensive Agricultural Support Programme Grant	103 014	(5 090)	27 275				22 185	125 199
Illima/ Letsema Projects Grant	37 885	(500)					(500)	37 385
Land care Programme Grants Poverty Relief and infrastructure Development	5 360	(1 460)	1 303				(157)	5 203
<b>Programme 3</b>	<b>3 621</b>	<b>(353)</b>					<b>(353)</b>	<b>3 268</b>
EPWP Integrated incentive grant	3 621	(353)					(353)	3 268
<b>Total changes in conditional grants</b>	<b>149 880</b>	<b>(7 403)</b>	<b>28 578</b>				<b>21 175</b>	<b>171 055</b>

### Function shifts, Surrenders and Suspensions: R7.4 million

Comprehensive Agricultural Support Programme Grant is reduced by an amount of R5 million from mechanization programme, sunflower seeds and training and capacity building of famers. An amount of R500 000 was reduced under Illima/ Letsema Projects grant from livestock fodder support. Furthermore, the Land care Programme Grants Poverty Relief and infrastructure Development budget was reduced with an amount of R1.4 million from junior camps and conservation agriculture projects. An amount of R353 000 is reduced from EPWP Integrated incentive grant, Alien vegetation removal project.

### Roll-overs: R28.5 million

An amount of R27.2 million is rolled over for Comprehensive Agricultural Support Programme grant (Extension Recovery plan) to cover expenditure relating to the procurement of pool vehicles for agricultural extension officers. Funds are also availed for CASP infrastructure to procure tractors, and supply and delivery of piggery and poultry inputs and equipment. Funds are also availed for Land care grant R1.3 million for project management administration, and payment of stipends to establish conservation agriculture (Soybean) Farms for temporary workers. Furthermore, an amount of R9.5 million is redirected for cannabis laboratory equipment and analytical instruments.

## 7.3. Changes to Infrastructure

Please refer to 2023 Adjusted Estimates of Capital Expenditure (AECE).

# VOTE 12

## SPORT, ARTS, CULTURE AND RECREATION

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 089 937	1 122 528		32 591
of which:				
Current payments	690 795	685 964	(4 831)	
Transfers and subsidies	349 581	393 465		43 884
Payments for capital assets	49 561	43 099	(6 462)	
Payment for financial assets				
Executive authority	MEC for Sport, Arts, Culture and Recreation			
Accounting officer	Head of Department			

### 1. Vision and Mission

#### Vision

“An active, creative and modernized Gauteng City Region contributing to sustainable economic growth and social cohesion.”

#### Mission

In pursuit of the above vision, the Department of Sport, Arts, Culture and Recreation (DSACR) will work interactively to create an enabling environment towards radical economic and accelerated social transformation for sporting, artistic, and cultural excellence through:

- Facilitating talent identification and development in partnership with key stakeholders;
- Positioning the business of sport and creative industries as catalysts for sustainable economic growth;
- Modernization of the economy through the bidding and hosting of major sporting and cultural events; and
- Providing universal access to sport, arts, cultural activities, library, archival services and facilities and identifying, promoting and preserving heritage.

### 2. Changes to Programme Purpose, Objective and Measures

No changes

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 12.1 DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

Programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Administration	200 475	(3 415)	2 656				(759)	199 716
2. Cultural Affairs	194 790		6 451	11 000		37 000	54 451	249 241
3. Library and Archives Services	328 841	(17 551)	1 443	(4 057)			(20 165)	308 676
4. Sport and Recreation	365 831	(11 698)	12 705	(6 943)		5 000	(936)	364 895
<b>Total for Programmes</b>	<b>1 089 937</b>	<b>(32 664)</b>	<b>23 255</b>			<b>42 000</b>	<b>32 591</b>	<b>1 122 528</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>690 795</b>	<b>(12 207)</b>	<b>15 023</b>	<b>(14 647)</b>		<b>7 000</b>	<b>(4 831)</b>	<b>685 964</b>
Compensation of employees	327 202	(4 305)		(9 526)			(13 831)	313 371
Salaries & wages	270 339	(4 305)		(9 305)			(13 610)	256 729
Social contribution	56 863			(221)			(221)	56 642
Goods and services	363 593	(7 902)	15 023	(5 124)		7 000	8 997	372 590
Interest and rent on land				3			3	3
<b>Transfers and subsidies</b>	<b>349 581</b>	<b>(10 828)</b>	<b>8 232</b>	<b>16 480</b>		<b>30 000</b>	<b>43 884</b>	<b>393 465</b>
Provinces and municipalities	202 322	(7 500)					(7 500)	194 822
Departmental agencies and accounts	40 087							40 087
Non-profit institutions	104 135	(3 328)	7 615	16 954		30 000	51 241	155 376
Households	3 037		617	(474)			143	3 180
<b>Payments for capital assets</b>	<b>49 561</b>	<b>(9 629)</b>		<b>(1 833)</b>		<b>5 000</b>	<b>(6 462)</b>	<b>43 099</b>
Buildings and other fixed structures	34 409	(9 629)				5 000	(4 629)	29 780
Machinery and equipment	14 888			(1 833)			(1 833)	13 055
Heritage assets								
Software and other intangible assets	264							264
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>1 089 937</b>	<b>(32 664)</b>	<b>23 255</b>			<b>42 000</b>	<b>32 591</b>	<b>1 122 528</b>

The appropriation of the department is adjusted upward by a net amount of R32.5 million from R1.089 billion to an adjusted appropriation of R1.122 billion. The net increase of R32.5 million is attributable to a roll-over of R23.2 million, additional funding from the province of R42 million, a surrender of R9.6 million to the Provincial Revenue Fund and a R22.9 million cut in conditional grant funding by the national government.

The surrender of R9.6 million to the Provincial Revenue Fund is due to the delays in the construction of infrastructure funded through the equitable share of revenue. The budget cut of R22.9 million by national is due the reduction of conditional grants amidst the current fiscal challenges faced by the country.

A total amount R23.2 million unspent in the 2022/23 financial year is rolled over, of which R17.1 million is from equitable share and R6.1 million is from conditional grants. The total amount of R6.1 million rolled over from unspent conditional grants includes, R1.2 million for the Community Libraries Services Grant and R4.9 million for the Mass Participation Sport Development Grant in order to fund commitments and accruals emanating from the prior financial year. The equitable share roll-over of R17.1 million includes R8.9 million for accruals within goods and services, R7.6 million for transfers and subsidies to fund football teams in the National First Division and Premier Soccer League based in Gauteng and R617 000 is for bursaries awarded to non-employees.

The department receives additional funding totalling to R42 million from the province, of which R10 million is for the Gauteng Film Summit to support the development of film makers and to empower creatives to be sustainable entrepreneurs. R20 million is for Gig Trucks to be used by all 13 Gauteng Government Departments to improve Gauteng Provincial Government's communication especially within township, informal settlement and hostel (TISH) areas. In addition, R7 million is for the Monate December Programme to improve social cohesion and nation building and to strengthen the battle against crime, corruption, vandalism and lawlessness through commissioned and prescribed work created within townships, informal settlements and

hostels and R5 million is for the construction of artificial turfs to provide communities with access to professional soccer fields and thus create a development opportunity for this sporting code.

Existing cost pressures are partly funded through the reprioritisation or shifting of funds within the department. Compensation of employees decreases by R10 million due to delays in the filling of posts and goods and services also decreases by R5.1 million due to the shifting of budget to the item transfers which therefore increases significantly by R16.9 million. This is due to national directives to transfer funds to the Sports Council and due to the coordination and implementation of the Sports Awards by the Gauteng Sport Confederation.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

##### Programme 1: Administration

TABLE 12.2: PROGRAMME 1: ADMINISTRATION

Programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
R thousand								
1. Office of the MEC	14 265	(3 415)	597				(2 818)	11 447
2. Corporate Services	186 210		2 059				2 059	188 269
<b>Total for Programmes</b>	<b>200 475</b>	<b>(3 415)</b>	<b>2 656</b>				<b>(759)</b>	<b>199 716</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
R thousand								
<b>Current payments</b>	<b>189 777</b>	<b>(3 415)</b>	<b>2 272</b>	<b>162</b>			<b>(981)</b>	<b>188 796</b>
Compensation of employees	136 108	(2 915)		(9 178)			(12 093)	124 015
Salaries & wages	116 218	(2 915)		(9 178)			(12 093)	104 125
Social contribution	19 890							19 890
Goods and services	53 669	(500)	2 272	9 339			11 111	64 780
Interest and rent on land				1			1	1
<b>Transfers and subsidies</b>	<b>2 537</b>		<b>384</b>	<b>(822)</b>			<b>(438)</b>	<b>2 099</b>
Provinces and municipalities								
Households	2 537		384	(822)			(438)	2 099
<b>Payments for capital assets</b>	<b>8 161</b>			<b>660</b>			<b>660</b>	<b>8 821</b>
Machinery and equipment	8 161			660			660	8 821
Software and other intangible assets								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>200 475</b>	<b>(3 415)</b>	<b>2 656</b>				<b>(759)</b>	<b>199 716</b>

**TABLE 12.3 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(11 897)</b>		<b>12 059</b>
Compensation of employees	Budget is reprioritised due to the delay in filling of vacant posts.	(9 178)		
Goods and services	Budget is reprioritised as this item is adequately funded. There were savings from Auditor-General Cost for 2022/2023 FY.	(2 719)	Provision for tablets to be procured for Nasi Ispani projects. Provisions for cleaning products that are needed for the offices to comply with hygiene measures. Provision of soccer boots for school sport campaign hosted by the MEC and provision for emerging spending pressures. Provision is also made for printing of the annual plan 2023/24.	12 058
Interest and rent on land			Defrayment of excess expenditure incurred on interest charged due to late payments to Telkom.	1
<b>Transfers and subsidies</b>		<b>(1 000)</b>		<b>178</b>
Households	Budget is reprioritized within the programme because this item is adequately funded.	(1 000)	Provision for the payment of leave gratuity to retired official.	178
<b>Payments for capital assets</b>		<b>(300)</b>		<b>960</b>
Buildings and other fixed structures				
Machinery and equipment	Budget is reprioritized within the programme because this item is adequately funded.	(300)	Provision for the procurement of office equipment for support to staff and gym equipment for head office.	960
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(13 197)</b>		<b>13 197</b>

**Function shifts, Suspensions and Surrenders: R3.4 million**

An amount of R3.4 million is surrendered from compensation of employees due to the delays in the filling of vacant posts within the infrastructure portfolio.

**Roll-overs: R2.6 million**

An amount of R2.6 million is rolled over from unspent equitable share of which R2.3 million is allocated to goods and services to fund the payment of invoices pertaining to graphic design software and branding material that could not be processed before year-end and R384 000 is allocated to bursaries awarded to non-employees for back-to-school programmes.

**Virements and shifts**

An amount of R9.2 million is shifted from compensation of employees due to delays in filling vacant posts and the total of R9.3 million is shifted to goods and services to make provision for tablets to be used in Nasi Ispani projects, to fund international group studies by the MEC and to supply soccer boots for school sport campaigns hosted by the MEC. An amount of R660 000 is shifted to payments for capital assets to make provision for the procurement of tools of trade for support staff and gym equipment for head office.

**Programme 2: Cultural Affairs****TABLE 12.4: PROGRAMME 2: CULTURAL AFFAIRS**

Programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
R thousand								
1. Management	10 007							10 007
2. Arts & Culture	137 621		3 491	8 980		37 000	49 471	187 092
3. Heritage Resource Services	43 965		2 920	1 520			4 440	48 405
4. Language Services	3 197		40	500			540	3 737
<b>Total for Programmes</b>	<b>194 790</b>		<b>6 451</b>	<b>11 000</b>		<b>37 000</b>	<b>54 451</b>	<b>249 241</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
R thousand								
<b>Current payments</b>	<b>135 169</b>		<b>6 171</b>	<b>1 143</b>		<b>7 000</b>	<b>14 314</b>	<b>149 483</b>
Compensation of employees	57 812			(127)			(127)	57 685
Salaries & wages	48 376			(127)			(127)	48 249
Social contribution	9 436							9 436
Goods and services	77 357		6 171	1 270		7 000	14 441	91 798
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>56 216</b>		<b>280</b>	<b>10 027</b>		<b>30 000</b>	<b>40 307</b>	<b>96 523</b>
Provinces and municipalities	2 029							2 029
Departmental agencies and accounts	40 087							40 087
Non-profit institutions	14 100		280	9 900		30 000	40 180	54 280
Households				127			127	127
<b>Payments for capital assets</b>	<b>3 405</b>			<b>(170)</b>			<b>(170)</b>	<b>3 235</b>
Buildings and other fixed structures	1 685							1 685
Machinery and equipment	1 720			(170)			(170)	1 550
Heritage assets								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>194 790</b>		<b>6 451</b>	<b>11 000</b>		<b>37 000</b>	<b>54 451</b>	<b>249 241</b>



**TABLE 12.5 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: CULTURAL AFFAIRS**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(8 837)</b>		<b>9 980</b>
Compensation of employees	Budget is reprioritised due to the delay in filling of vacant posts.	(127)		
Goods and services	Reprioritisation of budget from items that are adequately funded within the programme.	(8 710)	Provision for Language services programmes - International Translation Day, Multilingual Debates Eliminations, Gauteng Provincial Language Forum and International Mother Language Day. Provision for implementation of Arts & Culture programmes, Language services programmes (Sign Language Interpreters for committee meeting, Writers seminar, Deaf Spelling-Bee, Heritage Services for the commemoration of significant days, Social Cohesion Dialogues, Oral History and indigenous knowledge system festival. Provision for an increase in community participation for commemoration of national and significant days. Funding required for venues for implementation of Language services programme-Deaf Kids Workshop, Language Committee meeting.	9 980
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(1 100)</b>		<b>11 127</b>
Provinces and municipalities				
Departmental agencies and accounts				
Non-profit institutions	Budget is reprioritized within the programme; item is adequately funded for the Arts and Culture events financially supported.	(1 100)	Provision is made to host and assist with the elevation of Crown Gospel Music Awards. The requested funds will support the hosting of the event for the creation of jobs, pay accommodation, venues, marketing, media buying and coordination and implementation of the music capacity building workshops, absorption of students to do internships or in-service training, the launching of announcement of the Awards which will be televised on SABC 2 and other targeted commercial radio stations.	11 000
Households			Provision for the payment of leave gratuity to retired official.	127
<b>Payments for capital assets</b>		<b>(170)</b>		
Buildings and other fixed structures				
Machinery and equipment	Budget is reprioritized within the programme because this item is adequately funded.	(170)		
Heritage assets				
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(10 107)</b>		<b>21 107</b>

**Roll-over: R6.4 million**

A total of R6.4 million is rolled over of which R6.1 million is for goods and services, to fund the payment of invoices that could not be processed before year-end, pertaining to Enterprise Development Programmes for creatives, to fund the feasibility study on the Football Museum in Gauteng Province, statue repairs and Cuba study tour, creative arts for hosting the Gauteng battle of DJ's, fourth quarter corridor holiday programmes and Language Services for International Mother's Day and R280 000 is for transfers to non-profit institutions for grant-in aid arts and sports organisations.

**Virements and shifts**

The programme receives R11 million from Programme 4: Sport and Recreation to host and assist with the elevation of Crown Gospel Music Awards. The funds will support the hosting of the event for the creation of jobs, pay accommodation and venues, provide access to marketing through media buying, ensure the coordination and implementation of the music capacity building workshops, the absorption of students to do internships or in-service training and fund the launching of announcement of the Awards which will be televised on SABC 2 and other targeted commercial radio stations.

A total amount of R127 000 is shifted from compensation of employees due to the delay in filling of vacant posts. An amount of R1.2 million is shifted to goods and services for Language Services programmes such as International Translation Day, Multilingual Debates Eliminations, the Gauteng Provincial Language Forum and the International Mother Language Day. Provision is also made for the implementation of arts and culture programmes, heritage Services for the commemoration of significant days, social cohesion dialogues, oral history and an indigenous knowledge system festival.

**Additional Funding: Provincial R37 million**

The programme receives a total additional amount of R37 million, of which R10 million is for the Gauteng Film Summit to supplement the development of film makers and to empower creatives to be sustainable entrepreneurs. The summit is a platform for the film industry to share knowledge and best practices while profiling Gauteng as the Creative Hub through master classes music festival (AMAPIANO) and BOC (Battle of the Corridors) activations in communities. Furthermore, R20 million is allocated for Gig Trucks to promote Gauteng Provincial Government's communication especially in TISH areas. These event trucks will be utilized by all 13 Gauteng Provincial Government departments and reduce expenditure on infrastructure required for events as well as time spent on procurement processes and building of infrastructure. Lastly, R7 million is for the Monate December Programme to improve social cohesion and nation building and to strengthen the battle against crime, corruption, vandalism and lawlessness through commissioned and prescribed work in TISH areas. Youth and communities will be mobilized in the battle against crime, corruption, lawlessness, vandalism through the implementation of arts and culture programmes during the holiday season.

**Programme 3: Library and Archives Services****TABLE 12.6: PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES**

Programmes	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
1. Management	7 987						7 987
2. Library Services	305 717	(17 551)	1 443	(4 057)		(20 165)	285 552
3. Archives	15 137						15 137
<b>Total for Programmes</b>	<b>328 841</b>	<b>(17 551)</b>	<b>1 443</b>	<b>(4 057)</b>		<b>(20 165)</b>	<b>308 676</b>

Economic classification	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R thousand</b>							
<b>Current payments</b>	<b>98 936</b>	<b>(3 144)</b>	<b>1 210</b>	<b>2 323</b>		<b>389</b>	<b>99 325</b>
Compensation of employees	34 440						34 440
Salaries & wages	28 574						28 574
Social contribution	5 866						5 866
Goods and services	64 496	(3 144)	1 210	2 321		387	64 883
Interest and rent on land				2		2	2
<b>Transfers and subsidies</b>	<b>204 293</b>	<b>(7 500)</b>	<b>233</b>			<b>(7 267)</b>	<b>197 026</b>
Provinces and municipalities	200 293	(7 500)				(7 500)	192 793
Non-profit institutions	3 500						3 500
Households	500		233			233	733
<b>Payments for capital assets</b>	<b>25 612</b>	<b>(6 907)</b>		<b>(6 380)</b>		<b>(13 287)</b>	<b>12 325</b>
Buildings and other fixed structures	22 225	(6 907)		(4 057)		(10 964)	11 261
Machinery and equipment	3 123			(2 323)		(2 323)	800
Software and other intangible assets	264						264
<b>Total economic classification</b>	<b>328 841</b>	<b>(17 551)</b>	<b>1 443</b>	<b>(4 057)</b>		<b>(20 165)</b>	<b>308 676</b>

**TABLE 12.7 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(7 989)</b>		<b>10 312</b>
Compensation of employees				
Goods and services	Reprioritisation of budget from items that are adequately funded within the Library Services sub-programme.	(7 989)	Funds shifted within Library Service for the public and community libraries programmes such as Provincial Funda Mzansi, Born to Read programmes and implementation of Decorative Mosaic Programme at community libraries also, Spelling Bee, public speaking, debates, community outreach programs such as Annual Reading Festival, Provincial Readathon and Market Access for Emerging Authors.	10 310
Interest and rent on land			To cater for interest due to late payment of municipal accounts.	2
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Non-profit institutions				
Households				
<b>Payments for capital assets</b>		<b>(6 380)</b>		
Buildings and other fixed structures	The budget is revised for Koksoord, Mullerstuine and Zuurbekom projects due to assessment on readiness to spend.	(4 057)		
Machinery and equipment	Budget is reprioritized within the programme because this item is adequately funded.	(2 323)		
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(14 369)</b>		<b>10 312</b>

**Function shifts, Suspensions and Surrenders: R17.5 million**

The total amount of R3.5 million is surrendered from equitable share due to delays in the construction of infrastructure. An amount of R14 million is cut from the Community Libraries Services Grant due to the current fiscal challenges and decline in government tax collection.

**Roll-over: R1.4 million**

A total amount of R1.4 million is rolled over, of which R233 000 is for bursaries awarded to the public and R1.2 million is from the Community Libraries Services Grant to cover commitments within goods and services and accruals.

**Virements and shifts**

An amount of R2.3 million is shifted to goods and services and allocated to the Library Services sub-programme to support public and community library programmes. R4 million is virement of funds from buildings and other fixed structure due to revision of the infrastructure budget for Koksoord, Mullerstuine and Zuurbekom projects in line with the assessment of the department's state of readiness to spend the allocated budget.

## Programme 4: Sport and Recreation

TABLE 12.8: PROGRAMME 4: SPORT AND RECREATION

Programmes	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
1. Management	13 171					5 000	5 000	18 171
2. Sport	156 267	(8 275)	9 066	(9 571)			(8 780)	147 487
3. Recreation	107 974	282	288	2 628			3 198	111 172
4. School Sport	88 419	(3 705)	3 351				(354)	88 065
<b>Total for Programmes</b>	<b>365 831</b>	<b>(11 698)</b>	<b>12 705</b>	<b>(6 943)</b>		<b>5 000</b>	<b>(936)</b>	<b>364 895</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R thousand</b>								
<b>Current payments</b>	<b>266 913</b>	<b>(5 648)</b>	<b>5 370</b>	<b>(18 275)</b>			<b>(18 553)</b>	<b>248 360</b>
Compensation of employees	98 842	(1 390)		(221)			(1 611)	97 231
Salaries & wages	77 171	(1 390)					(1 390)	75 781
Social contribution	21 671			(221)			(221)	21 450
Goods and services	168 071	(4 258)	5 370	(18 054)			(16 942)	151 129
<b>Transfers and subsidies</b>	<b>86 535</b>	<b>(3 328)</b>	<b>7 335</b>	<b>7 275</b>			<b>11 282</b>	<b>97 817</b>
Provinces and municipalities								
Non-profit institutions	86 535	(3 328)	7 335	7 054			11 061	97 596
Households				221			221	221
<b>Payments for capital assets</b>	<b>12 383</b>	<b>(2 722)</b>		<b>4 057</b>		<b>5 000</b>	<b>6 335</b>	<b>18 718</b>
Buildings and other fixed structures	10 499	(2 722)		4 057		5 000	6 335	16 834
Machinery and equipment	1 884							1 884
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>365 831</b>	<b>(11 698)</b>	<b>12 705</b>	<b>(6 943)</b>		<b>5 000</b>	<b>(936)</b>	<b>364 895</b>

**TABLE 12.9 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: SPORT AND RECREATION**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(25 195)</b>		<b>6 920</b>
Compensation of employees	Budget is reprioritised due to the delay in filling of vacant posts.	(221)		
Goods and services	Reclassification of funds to transfers from goods and services to the Gauteng Sports Confederation for the implementation of the Sports Awards. Reclassification of funds from goods and services to transfer due to National directives to transfer funds to Sports Council. Reprioritisation of budget from items that are adequately funded within Recreation. Budget is reprioritized within the School Sports and Sport sub-programmes due to cost containment measures.	(24 974)	Funds reprioritised to make provisions on the items for the OR Tambo Soncini Games, Tri-Color, Sports Awards and the operational costs. Funds are reprioritised to make provisions for the items for the Phetogo Wellness Program and demolition of HM Pitje Stadium. Funds reprioritised to make provisions on the items for the Transformational Programmes and the operational costs.	6 920
<b>Transfers and subsidies</b>		<b>(11 000)</b>		<b>18 275</b>
Provinces and municipalities				
Non-profit institutions	Funds reprioritised from Bidding and Hosting and PSL teams due to hosting and assisting with the elevation of Crown Gospel Music Awards (Major Events).	(11 000)	Provision for Sports awards transfer to Gauteng Sport Confederation as it is the key partner coordinator and is responsible to coordinate and implement sports programs. Reprioritisation made due to National directives under School Sports to transfer funds to Sports Council.	18 054
Households			Provision for the payment of leave gratuity to retired official.	221
<b>Payments for capital assets</b>		<b>(2 628)</b>		<b>6 685</b>
Buildings and other fixed structures	Funds reprioritised due to the delays in the construction of the Combi Courts infrastructure project.	(2 628)	Provision for the demolition of the HM Pitje stadium which was delayed in the prior financial year. Funds also shifted for conducting assessments for the 63 combi courts	6 685
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(38 823)</b>		<b>31 880</b>

**Function shifts, Suspensions and Surrenders: R11.7 million**

An amount of R2.7 million is surrendered due to delays in the completion of infrastructure projects. The total amount of R8.9 million is reduced from the Mass Participation Sport Development Grant due to the current fiscal challenges and decline in government tax collection, of which R1.3 million is compensation of employees, R4.2 million is goods and services and R3.3 million is transfers and subsidies.

**Roll-over: R12.7 million**

A total of R12.7 million is rolled over in this programme, of which R471 000 is towards goods and services for the Gauteng Sport Awards prize money and to deliver holistic strategic brand communication services support. R7.3 million is for transfers to non-profit institutions due to late registration on Central Supplier Database (CSD) by some of Gauteng based Football teams in the National First Division and Premier Soccer League. An amount of R4.9 million from Mass Participation Sport Development Grant is for commitments within goods and services and accruals.

**Virements and shifts**

An amount of R18 million is reclassified from goods and services of which R7 million is shifted to transfers to the Gauteng Sports Confederation who will implement the Sports Awards and to the Sports Council in accordance with directives received from national. The balance of R11 million is shifted to Programme 2: from Bidding and Hosting and PSL teams due to hosting and assisting with the elevation of Crown Gospel Music Awards.

Furthermore, R4 million is shifted to building and other fixed structure for the demolition of HM Pitje Stadium.

**Additional Funding: Provincial R5 million**

The programme receives an additional amount of R5 million for the construction of artificial turfs. The primary factor considered in proposing the implementation of the installation of artificial turfs is to give communities access to professional soccer fields and thereby provide a development opportunity for this sporting code. Soccer is a commonly played sport in South Africa especially in TISH (Townships, informal Settlements and Hostels) areas hence there are many dirt or informal soccer fields in almost any form of human settlement.

The impact of installing artificial turfs in soccer fields as a way of an upgrade will be seen in terms of improvement on the quality of soccer played and thereby promote local teams to play in professional leagues and increase the number of participants from TISH areas who will be promoted to play professionally.

## 5. Expenditure 2022/23 and Preliminary Expenditure 2023/24

TABLE 12.10: EXPENDITURE 2020/21 AND PRELIMINARY EXPENDITURE 2021/22: SPORT, ARTS, CULTURE AND RECREATION

Department	2022/23				2023/24		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
1. Administration	155 165	69 342	147 696	95%	199 716	78 061	13%
2. Cultural Affairs	205 633	69 146	174 913	85%	249 241	87 984	27%
3. Library and Archives Services	302 839	150 442	260 515	86%	308 676	176 744	17%
4. Sport and Recreation	304 532	86 508	268 287	88%	364 895	152 622	76%
<b>Total</b>	<b>968 169</b>	<b>375 438</b>	<b>851 411</b>	<b>88%</b>	<b>1 122 528</b>	<b>495 411</b>	<b>32%</b>
<b>Current payments</b>	<b>618 831</b>	<b>213 554</b>	<b>535 414</b>	<b>87%</b>	<b>685 964</b>	<b>280 197</b>	<b>73%</b>
Compensation of employees	284 510	128 969	266 615	94%	313 371	142 992	11%
Goods and Services	334 320	84 581	268 794	80%	372 590	137 202	62%
Interest and rent on land	1	4	5		3	3	
<b>Transfers and subsidies</b>	<b>309 051</b>	<b>158 586</b>	<b>281 597</b>	<b>91%</b>	<b>393 465</b>	<b>204 950</b>	<b>331%</b>
Provinces and municipalities	205 576	128 756	195 436	95%	194 822	146 873	14%
Departmental agencies and accounts	41 169	19 665	41 169	100%	40 087	20 684	5%
Non-profit institutions	58 837	8 691	42 163	72%	155 376	35 947	314%
Households	3 469	1 474	2 829	82%	3 180	1 446	(2)%
<b>Payments for capital assets</b>	<b>40 230</b>	<b>3 298</b>	<b>34 335</b>	<b>85%</b>	<b>43 099</b>	<b>10 264</b>	<b>211%</b>
Buildings and other fixed structures	23 635	50	16 080	68%	29 780	7 700	15300%
Machinery and equipment	16 595	3 248	18 255	110%	13 055	2 564	(21)%
Heritage assets							
Software and other intangible assets					264		
<b>Payments for financial assets</b>	<b>57</b>		<b>65</b>	<b>1</b>			
<b>Total</b>	<b>968 169</b>	<b>375 438</b>	<b>851 411</b>	<b>88%</b>	<b>1 122 528</b>	<b>495 411</b>	<b>32%</b>

### Expenditure trends for 2022/23

The total expenditure as at the end of the 2022/23 financial year was at R851.4 million which translates to 88 per cent of the adjusted appropriation of R968.1 million. The expenditure in the first half of 2023/24 is R495.4 million compared to the R375.4 million of 2022/23 financial year.

#### Programme 1: Administration

The programme spent R147.6 million which is 95 per cent of the allocated budget. The underspending was mainly due to delays in the receipt of inter-departmental claims from the Department of Justice, delays in the start of interim audit which reduced spending on audit fees and the cancellation of maintenance projects due to a change in the scope.

#### Programme 2: Cultural Affairs

The Cultural Affairs programme spent R174.9 million, which is 85 per cent of the allocated budget. The underspending is due to the delays in approval of the Draft Major Events Policy and the Standard Operating Procedure. Transfers to Sedibeng municipality were not processed due to non-compliance with the Service Level Agreement by the municipality with regard to the approved business plan and monthly reporting requirements.

#### Programme 3: Library and Archives Services

The programme spent R260.5 million which is 86 per cent of the allocated budget mainly due to vacant posts funded through the Community Library Services Grant and delays in the implementation of infrastructure projects. Transfers to Emfuleni municipality have not been processed due to lack of governance in the municipality.

#### Programme 4: Sport and Recreation

The programme spent R268.7 million, which is 88 per cent of the allocated budget. Underspending was attributable to delays in the finalization of transversal tender for the procurement of equipment and attire. Delays in transfers due to late registration on Central Supplier Database (CSD) by some of Gauteng-based football teams in the National First Division and Premier Soccer League.

## Preliminary expenditure trends for the first half of 2023/24

The total departmental expenditure at the end of September 2023 is R495.4 million representing 32 per cent of the adjusted budget. The slow spending is due to delays in the procurement of laptops for officials and delays in the payments of G-fleet invoices and rates and taxes invoices for the head office building which is due to the landlord tax matters which were not resolved on the CSD. Additionally, the department experienced delays in the adjudication process in transfers and internal delays on submission of the major events documents to BAC. There were also delays in the filling of conditional grant posts and transfers to two municipalities (Tshwane and Emfuleni) have not been processed due to non-compliance with the Service Level Agreement related to tax matters that are not in order, thus making the CSD not to be compliant.

### Programme 1: Administration

The total expenditure as at the end of September 2023 amounts to R78 million which is only 13 per cent more than the comparative figure from the 2022/23 financial year.

### Programme 2: Cultural Affairs

The department spent R87.9 million at the end of September 2023/24 which is only 27 per cent more when compared to the same period in the 2022/23 financial year.

### Programme 3: Library and Archives Services

The total expenditure as at the end of September 2023 is R176.7million which is 17 per cent more when compared to the same period in the 2022/23 financial year.

### Programme 4: Sport and Recreation

The total expenditure for the first half of 2022/23 is R152.7 million which is more by 76 per cent when compared to the same period in the 2022/23 financial year due to an increase in the implementation of sport and recreation events and programmes.

## 6. Departmental Receipts

TABLE 12.11: DEPARTMENTAL RECEIPTS

Department	2022/23				2023/24		
	Adjusted appropriation	Audited Outcome			Adjusted appropriation	Actual Receipts	
April 2022 - Sep 2022		April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Apr 2023- Sep 2023		% change 2022/23 - 2023/24 Apr - Sep	
<b>R thousand</b>							
Tax receipts							
Sales of goods and services other than capital assets	331	149	321	(3.0)%	346	150	0.7%
Interest, dividends and rent on land	18	1	2	(88.9)%	19		(100.0)%
Sales of capital assets		12		0.0%			(100.0)%
Financial transactions in assets and liabilities	28	186	266	850.0%	29	98	(47.3)%
<b>Total</b>	<b>377</b>	<b>348</b>	<b>589</b>	<b>56.2%</b>	<b>394</b>	<b>248</b>	<b>(28.7)%</b>

## Revenue trends for the first half of the 2023/24 financial year

The department's revenue appropriation for the 2023/24 financial year remains unchanged and amounts to R394 000. As at the end of September 2023, the department recorded R248 000. This is less than the collection of R348 000 for the same period last financial year. There is a decline in financial transactions in assets and liabilities and this is due to the fact that the source of revenue cannot be estimated realistically as it is dependent on amongst other factors, the recovery of the previous years' expenditure, debtors and the interest charge.

## 7. Changes to Transfers and Subsidies, Conditional Grants and Infrastructure

### 7.1 Changes to transfers and subsidies

TABLE 12.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 1</b>	2 537		384	(822)			(438)	2 099
Households	2 537		384	(822)			(438)	2 099
<b>Programme 2</b>	56 216		280	10 027		30 000	40 307	96 523
Provinces and municipalities	2 029							2 029
Departmental agencies and accounts	40 087							40 087
Non-profit institutions	14 100		280	9 900		30 000	40 180	54 280
Households				127			127	127
<b>Programme 3</b>	204 293	(7 500)	233				(7 267)	197 026
Provinces and municipalities	200 293	(7 500)					(7 500)	192 793
Non-profit institutions	3 500							3 500
Households	500		233				233	733
<b>Programme 4</b>	86 535	(3 328)	7 335	7 275			11 282	97 817
Non-profit institutions	86 535	(3 328)	7 335	7 054			11 061	97 596
Households				221			221	221
<b>Total changes in conditional Name of transfer payments</b>	<b>349 581</b>	<b>(10 828)</b>	<b>8 232</b>	<b>16 480</b>		<b>30 000</b>	<b>43 884</b>	<b>393 465</b>

#### Function shifts, Surrenders and Suspensions: R10.8 million

R10.8 million is reduced from transfers and subsidies due to current fiscal challenges and a decline in government tax collection. An amount of R3.3 million is from transfers related to the implementation of school sport programmes and R7.5 million is from transfers to municipalities.

#### Roll-over: R8.2 million

A total amount of R8.2 million is rolled over from the previous financial year which includes R384 000 allocated to Programme 1, for bursaries awarded to non-employees, R280 000 allocated to Programme 2 for Grants-in-Aid of which R100 000 will be transferred to sports organizations and R180 000 to arts and culture organizations. In Programme 3, R233 000 is allocated to households for bursaries to non-employees, specifically Archives nominated bursary beneficiaries who are not officials employed in the department. In Programme 4, non-profit institutions are allocated R7.3 million due to late registration on the Central Supplier Database (CSD) by some of Gauteng based Football teams in the National First Division and Premier Soccer League.

#### Virements and shifts

A total amount of R9.9 million is shifted to non-profit institutions in Programme 2 to host and assist with the elevation of Crown Gospel Music Awards. This amount emanated from funding earmarked for bidding and hosting major events and for PSL teams. In Programme 4, a net amount of R7.2 million is added, for the transfer of the Sports Awards to the Gauteng Sport Confederation and for a transfer of fund to the Sports Council in accordance with directives from national on school sports. Lastly R221 000 shifts to households in Programme 4 to fund the payment of leave gratuity to retired officials.

#### Additional Funding: Provincial R30 million

Non-profit institutions increase with a total additional amount of R30 million, of which R10 million is for the Gauteng Film Summit to supplement the development of film makers and to empower creatives to be sustainable entrepreneurs. The summit is a platform for the film industry to share knowledge and best practices while profiling Gauteng as the Creative Hub through master classes music festival and Battle of the Corridors activations in communities. Furthermore, R20 million is allocated for Gig Trucks to promote Gauteng Provincial Government's communication especially in TISH areas.



## 7.2 Changes to conditional grants

TABLE 12.13: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2</b>								
EPWP Integrated Grant								
<b>Programme 3</b>	176 522	(14 000)	1 210				(12 790)	81 260
Community Library Services Grant	176 522	(14 000)	1 210				(12 790)	81 260
<b>Programme 4</b>	124 727	(8 976)	4 899				(4 077)	120 650
Mass Sport and Recreation Participation Programme Grant 2	124 727	(8 976)	4 899				(4 077)	120 650
<b>Total changes in conditional grants</b>	<b>301 249</b>	<b>(22 976)</b>	<b>6 109</b>				<b>(16 867)</b>	<b>201 910</b>

### Function shifts, Surrenders and Suspensions: R22.9

An amount of R22.9 million is surrendered to National Revenue Fund of which R14 million is from the Community Library Services Grant and R8.9 million from the Mass Participation Sport Development Grant due to current fiscal challenges and decline in government tax collection. Factors that were considered by national government when reducing the conditional grants include the spending patterns against the grant allocations and the implication of the reductions on the overall operational activities pertaining to the grant funding.

### Roll-overs: R6.1 million

An amount of R6.1 million is rolled over to fund commitments on goods and services and accruals emanating from the prior financial year, of which R1.2 million is from the Community Library Services Grant and R4.9 million from the Mass Participation Sport Development Grant.

## 7.3 Changes to infrastructure

Refer to the 2023 Adjusted Estimates of Capital Expenditure (AECE)

**VOTE 13****e-GOVERNMENT**

R thousand	2023/24			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 744 202	1 754 202		10 000
of which:				
Current payments	1 718 610	1 711 180	(7 430)	
Transfers and subsidies	23 550	24 557		1 007
Payments for capital assets	2 042	18 465		16 423
Payment for financial assets				
Executive authority:	MEC for Co-operative Governance and Traditional Affairs, e-Government Research and Development			
Accounting officer:	Head of Department			

**1. Vision and Mission****Vision**

A smart Gauteng City Region that provides efficient quality services to citizens.

**Mission**

To modernise government services and foster the implementation of a citizen centric innovation ecosystem that stimulates sustainable economic growth through transformative fourth industrial revolution (4IR) technologies.

**2. Changes to Programme Purpose, Objective and Measures**

No changes.

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 13.1: DEPARTMENT OF e-GOVERNMENT

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	254 425			19 528			19 528	273 953
2. Information Communication Technology Shared Services	1 356 748			(19 528)		10 000	(9 528)	1 347 220
3. Human Resource Services	133 029							133 029
<b>Total for Programmes</b>	<b>1 744 202</b>					<b>10 000</b>	<b>10 000</b>	<b>1 754 202</b>

Economic classification R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>1 718 610</b>			<b>(17 430)</b>		<b>10 000</b>	<b>(7 430)</b>	<b>1 711 180</b>
Compensation of employees	513 207			(11 006)			(11 006)	502 201
Salaries & wages	446 659			(12 421)			(12 421)	434 238
Social contribution	66 548			1 415			1 415	67 963
Goods and services	1 205 403			(6 424)		10 000	3 576	1 208 979
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>23 550</b>			<b>1 007</b>			<b>1 007</b>	<b>24 557</b>
Provinces and municipalities								
Higher education institutions	22 800							22 800
Households	750			1 007			1 007	1 757
<b>Payments for capital assets</b>	<b>2 042</b>			<b>16 423</b>			<b>16 423</b>	<b>18 465</b>
Buildings and other fixed structures								
Machinery and equipment	2 042			16 423			16 423	18 465
Software and other intangible assets								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>1 744 202</b>					<b>10 000</b>	<b>10 000</b>	<b>1 754 202</b>

The department's main appropriation increases by R10 million from R1.744 billion to an adjusted appropriation of R1.754 billion. The R10 million increase is due to an additional funding allocation for the implementation of the e-Panic button project.

The budget for compensation of employees reduces by R11 million to fund critical funding pressures under goods and services, and transfers and subsidies items. Funds are allocated for communication costs and municipal services. A further R1 million is allocated for transfer payment to households to cater for leave gratuity payments for former employees and injury on duty claims.

The department reclassifies R16.4 million budget from goods and services to payments for capital assets to fund expenditure relating to Gauteng Provincial Network (GPN) and the installation of the state-of-the-art CCTV cameras as part of the integrated security system to ensure the highest level of safety and surveillance in the prioritised townships, informal settlements, and hostels (TISH) within the province.

#### 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

##### Programme 1: Administration

TABLE 13.2: PROGRAMME ADMINISTRATION

R THOUSAND	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of The HoD	11 366			1 104			1 104	12 470
2. Risk Management	4 904			139			139	5 043
3. Office of the CFO	64 433			13 671			13 671	78 104
4. Corporate Services	173 722			4 614			4 614	178 336
<b>Total for Programmes</b>	<b>254 425</b>			<b>19 528</b>			<b>19 528</b>	<b>273 953</b>

Economic classification R THOUSAND	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>252 233</b>			<b>19 011</b>			<b>19 011</b>	<b>271 244</b>
Compensation of employees	174 484			(350)			(350)	174 134
Salaries & wages	151 132			(2 068)			(2 068)	149 064
Social contribution	23 352			1 718			1 718	25 070
Goods and services	77 749			19 361			19 361	97 110
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>150</b>			<b>350</b>			<b>350</b>	<b>500</b>
Provinces and municipalities								
Departmental agencies and accounts								
Households	150			350			350	500
<b>Payments for capital assets</b>	<b>2 042</b>			<b>167</b>			<b>167</b>	<b>2 209</b>
Buildings and other fixed structures								
Machinery and equipment	2 042			167			167	2 209
Software and other intangible assets								
<b>Payments for financial assets</b>								
Thefts & Losses								
<b>Total economic classification</b>	<b>254 425</b>			<b>19 528</b>			<b>19 528</b>	<b>273 953</b>

TABLE 13.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(31 019)</b>		<b>50 030</b>
Compensation of employees	Alignment of Compensation of employees within PR1: Administration and funding employee social benefits from vacant posts.	(24 806)	Alignment of Compensation of employees within PR1: Administration.	24 456
Goods and services	Funds reprioritized within the programme from audit fees; catering; contractors and fleet services under goods and services.	(6 213)	Defraying excess expenditure incurred for meetings under Corporate Services unit; Probity Audits under consultants: business advisory; stationery and operating leases.	25 574
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>350</b>
Provinces and municipalities				
Non-profit institutions				
Households			Payments of employee social benefits.	350
<b>Payments for capital assets</b>				<b>167</b>
Buildings and other fixed structures				
Machinery and equipment			Provision for expenditure incurred for the purchase of tools of trade.	167
Payments for financial assets				
<b>Total economic classification</b>		<b>(31 019)</b>		<b>50 547</b>

### Virements and Shifts

The programme shifts an amount of R350 000 from compensation of employees to cater for leave payments and injury on duty claims under transfers and subsidies.

The Department reprioritize R19.5 million from Program 2: ICT Shared Services to Program 1: Administration (R10 million from compensation of employees and R9.5 million from goods and services) to cater for the following funding gaps:

- Municipal utility costs,
- Departmental communication costs,
- g-Fleet,
- Tools of trade,
- Probity audit fees,
- Travel and subsistence,
- Stationery.

R166,917 is shifted to machinery and equipment to provide for the department's tools of trade under payments of capital assets.

## Programme 2: ICT Shared Services

TABLE 13.4: PROGRAMME: ICT SHARED SERVICES

R thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Applications	189 389			2 926		10 000	12 926	202 315
2. Operations	1 062 401			(17 359)			(17 359)	1 045 042
3. Business Alignment	101 563			(4 556)			(4 556)	97 007
4. Information Communication Technology Programme Support	3 395			(539)			(539)	2 856
<b>Total for Programmes</b>	<b>1 356 748</b>			<b>(19 528)</b>		<b>10 000</b>	<b>(9 528)</b>	<b>1 347 220</b>

Economic classification	R thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation	
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National			Additional Funding: Provincial
Current payments		1 333 798			(36 136)		10 000	(26 136)	1 307 662
Compensation of employees		206 817			(10 351)			(10 351)	196 466
Salaries & wages		185 238			(10 048)			(10 048)	175 190
Social contribution		21 579			(303)			(303)	21 276
Goods and services		1 126 981			(25 785)		10 000	(15 785)	1 111 196
Interest and rent on land									
<b>Transfers and subsidies</b>		<b>22 950</b>			<b>352</b>			<b>352</b>	<b>23 302</b>
Higher education institutions		22 800							22 800
Households		150			352			352	502
<b>Payments for capital assets</b>					<b>16 256</b>			<b>16 256</b>	<b>16 256</b>
Buildings and other fixed structures									
Machinery and equipment					16 256			16 256	16 256
Software and other intangible assets									
<b>Payments for financial assets</b>									
Thefts & Losses									
<b>Total economic classification</b>		<b>1 356 748</b>			<b>(19 528)</b>		<b>10 000</b>	<b>(9 528)</b>	<b>1 347 220</b>

TABLE 13.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: ICT SHARED SERVICES

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(183 449)</b>		<b>157 313</b>
Compensation of employees	Alignment of Compensation of employees within PR2: ICT and funding Employee social benefits. Anticipated savings on vacant posts reprioritized to cater for expenditure incurred on City of Johannesburg utilities costs and communications costs.	(15 354)	Alignment of Compensation of employees within PR2: ICT	15 003
Goods and services	Funding smart solution and OpenText license from Microsoft licenses. Provision for PMO tool and e-services application. Reclassification of GPN expenditure from computer services item to communications item.	(168 095)	Provision for smart solution license; OpenText license and GSOC; PMO tool and e-Services application.	142 310
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>352</b>
Provinces and municipalities				
Non-profit institutions				
Households			Payments of leave gratuity for former employees.	352
<b>Payments for capital assets</b>				<b>16 256</b>
Buildings and other fixed structures				
Machinery and equipment			Reclassification of expenditure relating to CCTV cameras and GPN from current payments to payments for capital assets.	16 256
Payments for financial assets				
<b>Total economic classification</b>		<b>(183 449)</b>		<b>173 921</b>

### Shifts and virements

An amount of R352 809 is reallocated from compensation of employees to transfers and subsidies to cater for the injury-on-duty claims and leave gratuity payments to former employees, e.g., resignations, retirements, and other forms of terminations.

A reduction of R16.2 million in goods and services is reallocated to machinery and equipment as a reclassification of funds. Details are stated below:

- R14.7 million for CCTV cameras which are part of the elevated priority project.
- R1.5 million for the Gauteng Provincial Network.

The programme reallocates an amount of R19.5 million to Programme 1: Administration (R10 million from compensation of employees and R9.5 million from goods and services) to cater for the funding gaps under Programme 1.

### Additional funding: Provincial R10 million

An amount of R10 million is allocated for the e-Panic buttons deployment.

### Programme 3: Human Resource Services

TABLE 13. 6: PROGRAMME 3: HUMAN RESOURCE SERVICES

R THOUSAND	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Hr Chief Dir Support	2 884							2 884
2. Hr Administration Cluster 1	29 851							29 851
3. Hr Administration Cluster 2	25 405							25 405
4. Hr Information Management	6 788							6 788
5. Payroll Services	31 170							31 170
6. Debt Administration	27 732							27 732
7. Injury on Duty	9 199							9 199
<b>Total for Programmes</b>	<b>133 029</b>							<b>133 029</b>

Economic classification	R THOUSAND	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>132 579</b>			<b>(305)</b>			<b>(305)</b>	<b>132 274</b>
Compensation of employees		131 906			(305)			(305)	131 601
Salaries & wages		110 289			(305)			(305)	109 984
Social contribution		21 617							21 617
Goods and services		673							673
Interest and rent on land									
<b>Transfers and subsidies</b>		<b>450</b>			<b>305</b>			<b>305</b>	<b>755</b>
Provinces and municipalities									
Departmental agencies and accounts									
Households		450			305			305	755
<b>Payments for capital assets</b>									
Buildings and other fixed structures									
Machinery and equipment									
Software and other intangible assets									
<b>Payments for financial assets</b>									
Thefts & Losses									
<b>Total economic classification</b>		<b>133 029</b>							<b>133 029</b>

**TABLE 13.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: HUMAN RESOURCE SERVICES**

Economic classification	Motivation	From	Motivation	To
Current payments		(305)		
Compensation of employees	Funding Leave gratuity from vacant post.	(305)		
Goods and services				
Interest and rent on land				
<b>Transfers and subsidies</b>		<b>(61)</b>		<b>366</b>
Households	Alignment of households' expenditure.	(61)	Provision for leave gratuity payments.	366
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
Machinery and equipment				
Payments for financial assets				
<b>Total economic classification</b>		<b>(366)</b>		<b>366</b>

**Virement and shifts**

An amount of R304 936 is shifted from compensation of employees within the programme to cater for leave gratuity payments.

**5. Expenditure 2022/23 and Preliminary Expenditure 2023/24****TABLE 13.8: EXPENDITURE 2022/23 AND PRELIMINARY EXPENDITURE 2023/24: e-GOVERNMENT**

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
1. Administration	267 584	121 864	279 635	105%	273 953	134 645	10%
2. ICT Shared Services	1 335 798	478 886	1 183 138	89%	1 347 220	394 278	(18)%
3. Human Resource Services	132 579	60 308	127 062	96%	133 029	68 877	14%
<b>Total</b>	<b>1 735 961</b>	<b>661 058</b>	<b>1 589 835</b>	<b>92%</b>	<b>1 754 202</b>	<b>597 800</b>	<b>(10)%</b>
							0%
<b>Current payments</b>	<b>1 438 871</b>	<b>597 211</b>	<b>1 408 459</b>	<b>98%</b>	<b>1 711 180</b>	<b>578 268</b>	<b>(3)%</b>
Compensation of employees	499 080	225 252	464 714	93%	502 201	239 490	6%
Goods and Services	939 791	371 959	943 745	100%	1 208 979	338 778	(9)%
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>25 677</b>	<b>1 518</b>	<b>26 404</b>	<b>103%</b>	<b>24 557</b>	<b>1 227</b>	<b>(19)%</b>
Provinces and municipalities							
Departmental agencies and accounts							
Households	2 877	1 518	3 604	125%	1 757	1 227	(19)%
<b>Payments for capital assets</b>	<b>271 413</b>	<b>62 329</b>	<b>154 700</b>	<b>57%</b>	<b>18 465</b>	<b>18 305</b>	<b>(71)%</b>
Buildings and other fixed structures							
Machinery and equipment	271 413	62 329	153 745	57%	18 465	18 305	(71)%
Software and other intangible assets			955				0%
<b>Payments for financial assets</b>			<b>272</b>				<b>0%</b>
<b>Total</b>	<b>1 735 961</b>	<b>661 058</b>	<b>1 589 835</b>	<b>92%</b>	<b>1 754 202</b>	<b>597 800</b>	<b>(10)%</b>



## Expenditure trends for 2022/23

The department spent a total amount of R1.6 billion or 92 per cent of their R1.7 billion adjustment budget. Major spending areas were on goods and services at 100 per cent and compensation of employees at 93 per cent.

Departmental expenditure on compensation of employees amounted to 93 percent of the R499 million budget for the 2022/23 financial year. Notable underspending was under Programme 2: Information Communication Technology Shared Services which spent 91 percent of its budget due to posts that were not filled in the organizational structure at year-end.

Payments for capital asset underspending at year-end was due to the centralized budget for the installation and building of new Gauteng Provincial Network sites for other GPG Departments. The process commenced in the second quarter of the 2022/23 financial year and payments were made during the third quarter and fourth quarter. The remaining sites were scheduled for completion during the 2023/24 financial year.

## Preliminary expenditure trends for the first half of 2023/24

The department's total expenditure for the first half of 2023/24 is R597.8 million compared to R661 million in 2022/23, which is 10 per cent less than the first six months of the previous financial year. The major spending was on compensation of employees, transfers and subsidies as well as payments for capital assets. Goods and services spending is 9 per cent lower than the same period in the previous financial year. Reasons for the lower spending under goods and services are:

- **FMDC:** The delay in finalizing Service Level Agreements (SLAs) and the budget deficit stemming from contributions made by other departments for additional cloud services have collectively contributed to slow spending.
- **GPN (Other departments):** The sluggish progress in obtaining detailed site designs and the official notice to proceed from various GPG departments have been the primary factor behind the project delays. A remedial plan is being developed to accelerate progress and make up for the lost time.
- **Replacement of LAN in 75 Fox Street Building:** The ongoing structural issues affecting the building have resulted in the postponement of the commencement of the LAN upgrade task.
- **Software licenses:** The department primarily adhere to a periodic payment schedule for licenses, with most payments occurring toward the conclusion of the fiscal year. This expenditure pattern is not linear.
- **e-Waste:** The protracted process of finalizing the operating model played a role in the reduced spending. The department has since restructured the operational plans and it intends to increase expenditure, whilst a portion of the budget will be reprioritised.
- **Expansion of Wi-Fi Hotspots in all townships:** The sluggish progress in obtaining detailed site designs have been the primary factor behind the project delays. A remedial plan is being developed to accelerate progress and make up for the lost time.
- **Installation of CCTV Cameras in TISH:** The delivery of the solar power solution to install in the remaining 21 sites is anticipated. The department aims to install 156 more cameras.

## Programme 1: Administration

The Administration Programme spent R121.8 million in the first half of 2022/23, compared to R134.6 million spent in the current financial year. The increase in goods and services spending is related to external audit costs, communications data costs, property payments.

## Programme 2: Information Communication Technology Shared Services

Expenditure incurred during the first half of 2023/24 amounts to R394.2 million, which is 18 per cent lower than R478.9 million expenditure incurred during the corresponding period in 2022/23. The main cost drivers contributing to the decrease are lower than anticipated payments on the replacement of LAN in the 75 Fox Street building, installation of CCTV Cameras in townships, informal settlements, and hostels as well as the expansion of Wi-Fi hotspots in all townships and the Fully Managed Data Centre service costs.

## Programme 3: Human Resource Services

The aggregate expenditure for the first half of the 2023/24 financial year amounts to R68.8 million, compared to R60.3 million expenditure incurred during the corresponding period in the 2022/23 financial year. Higher spending on leave gratuity payments and injury-on-duty claims underpins the reported increase.

## 6. Departmental Receipts

TABLE 13.9: DEPARTMENTAL RECEIPTS

Department	2022/23 Audited Outcome				2023/24 Actual Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of ad- justed appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
Tax receipts							
Sales of goods and services other than capital assets	704	246	497	71%	735	259	5%
Transfers received							
Fines, penalties and forfeits			27				
Interest, dividends and rent on land	15	1	3	20%	16		(100)%
Sales of capital assets							
Financial transactions in assets and liabilities	58	123	510	879%	61	76	(38)%
<b>Total</b>	<b>777</b>	<b>370</b>	<b>1 037</b>	<b>133%</b>	<b>812</b>	<b>335</b>	<b>(9)%</b>

### Revenue trends for the first half of the 2023/24 financial year

The main sources of departmental receipts are sales of goods and services other than capital assets, interest on outstanding debts as well as financial transactions in assets and liabilities. The major source being the sales of goods and services other than capital assets, which comprises of parking fees, commission on garnishee orders, and replacement of security cards.

The departmental receipts amounted to R370 000 as at 30 September 2022, compared to R335 000 collected as at 30 September 2023. This decrease is due to financial transactions in assets and liabilities, which depend on the progress of the debt recovery process. To date, there is no collection of interest on outstanding debts. Sale of goods and services other than capital assets, as the main revenue source, has recorded a 5 per cent increase. The sale of non-capital goods and services is negatively affected by the suspension of gym operations during the building renovation and the automation of tender documentation which stops the inflow of this revenue.

## 7. Changes to Transfers and Subsidies, Conditional Grants and Infrastructure

### 7.1 Changes to transfers and subsidies

No changes

### 7.2 Changes to conditional grants

Not applicable

### 7.3 Changes to infrastructure

Not applicable



# VOTE 14

## GAUTENG PROVINCIAL TREASURY

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>818 465</b>	<b>795 465</b>	<b>(23 000)</b>	
<b>of which:</b>				
Current payments	745 619	710 246	(35 373)	
Transfers and subsidies	65 946	78 319		12 373
Payments for capital assets	6 900	6 900		
Payment for financial assets				
<b>Executive authority:</b>	<b>MEC for Finance</b>			
<b>Accounting officer:</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

Pioneers in fiscal prudence and good governance.

#### Mission

A Treasury that drives world class financial support through tight fiscal controls, upheld by a culture of good corporate governance for our stakeholders.

### 2. Changes to Programme Purpose, Objective and Measures

No changes

### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 14.1: GAUTENG PROVINCIAL TREASURY

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Administration	174 486							174 486
2. Sustainable Fiscal Resource Management	170 030							170 030
3. Financial Governance	135 902	(11 000)					(11 000)	124 902
4. Supply Chain Management	105 124							105 124
5. Municipal Financial Governance	90 882	(12 000)					(12 000)	78 882
6. Gauteng Audit Service	142 041							142 041
<b>Total for Programmes</b>	<b>818 465</b>	<b>(23 000)</b>					<b>(23 000)</b>	<b>795 465</b>

Economic classification	R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>745 619</b>	<b>(23 000)</b>		<b>(12 373)</b>			<b>(35 373)</b>	<b>710 246</b>
Compensation of employees		657 425	(23 000)		(23 813)			(46 813)	610 612
Salaries & wages		552 627	(18 800)		(11 945)			(30 745)	521 882
Social contribution		104 798	(4 200)		(11 868)			(16 068)	88 730
Goods and services		88 194			11 440			11 440	99 634
<b>Transfers and subsidies</b>		<b>65 946</b>			<b>12 373</b>			<b>12 373</b>	<b>78 319</b>
Departmental agencies and accounts		65 468			9 400			9 400	74 868
Non-profit institutions									
Households		478			2 973			2 973	3 451
<b>Payments for capital assets</b>		<b>6 900</b>							<b>6 900</b>
Machinery and equipment		6 900							6 900
Software and other intangible assets									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>818 465</b>	<b>(23 000)</b>					<b>(23 000)</b>	<b>795 465</b>

The main appropriation decreases from R818.5 million to R795.5 million during the adjustments budget process. The unutilized R23 million is for vacancies in the approved structure that is currently being filled. The amount is surrendered to the Provincial Revenue Fund.

The Gauteng Provincial Treasury (GPT) anticipates an overspending on goods and services. This projected overspending reflects in consultants who will carry out SAP Ariba upgrade to address major procurement risks and gain operational efficiency, such as the automation of tender submissions. It also reflects in the following items operating leases, computer services, training of employees, and venue and facilities. Therefore, an amount of R11.4 million is reallocated from compensation of employees to address the shortfall on goods and services.

Furthermore, R9.4 million is reallocated from compensation of employees for the establishment of State Bank and State-owned Pharmaceutical Company in the province. The funds will be transferred to the Gauteng Infrastructure Financing Agency (GIFA) for operational support of the advisory panels that have been set up to assist with the establishment and stakeholder engagement processes. An amount of R3 million is reprioritised from compensation of employees to fund leave gratuity payments to former employees of the department and the anticipated payments on external bursaries for underprivileged students for 2024 intake.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

## Programme 1: Administration

TABLE 14.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Office of the MEC	10 976			(2 000)			(2 000)	8 976
2. Office of The HOD	14 660			(1 000)			(1 000)	13 660
3. Corporate Management	94 103			4 000			4 000	98 103
4. Financial Management (CFO)	39 556							39 556
5. Strategy Management and Transformation Programme	15 191			(1 000)			(1 000)	14 191
<b>Total for Programmes</b>	<b>174 486</b>							<b>174 486</b>
R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>167 108</b>			<b>(1 322)</b>			<b>(1 322)</b>	<b>165 786</b>
Compensation of employees	139 205			(8 222)			(8 222)	130 983
Salaries & wages	108 903			(612)			(612)	108 291
Social contribution	30 302			(7 610)			(7 610)	22 692
Goods and services	27 903			6 900			6 900	34 803
<b>Transfers and subsidies</b>	<b>478</b>			<b>1 322</b>			<b>1 322</b>	<b>1 800</b>
Provinces and municipalities								
Households	478			1 322			1 322	1 800
<b>Payments for capital assets</b>	<b>6 900</b>							<b>6 900</b>
Buildings and other fixed structures								
Machinery and equipment	6 900							6 900
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>174 486</b>							<b>174 486</b>

TABLE 14.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(27 312)</b>		<b>25 990</b>
Compensation of employees	Funds for vacant posts in the organisational structure.	(25 602)	Realignment of funds as per personnel requirements within the programmes.	17 380
Goods and services	Realignment of goods and services within the programme to fund prioritised expenditure.	(1 710)	To fund the pressured items such as advertising, communication for data provision, commitments for departmental probity audits, contractors, consumable supplies, operating leases, fleet services venues & facilities, travel and subsistence, training & development.	8 610
<b>Transfers and subsidies</b>				<b>1 322</b>
Provinces and municipalities				
Households			Provision for leave gratuity payments to former employees, injury on duty and provision for bursary scheme for underprivileged students.	1 322
<b>Payments for capital assets</b>				
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(27 312)</b>		<b>27 312</b>

## Virements and shifts

Through shifts, the programme reprioritised R8.2 million from compensation of employees. Of this amount, R6.9 million is reallocated to fund goods and services pressurised expenditure on advertising, communication for data provision, commitments for departmental probity audits, contractors, consumable supplies, operating leases, fleet services, venues and facilities, travel and subsistence, training and development and R1.3 million is reprioritised to households transfer payments to fund leave gratuity payments, injury-on-duty claims and anticipated payments for external bursaries to underprivileged students.

## Programme 2: Sustainable Fiscal Resource Management

TABLE 14.4: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support/ Office of the DDG	70 592			9 400			9 400	79 992
2. Budget Management	27 365			(400)			(400)	26 965
3. Economic and Fiscal Policy Oversight	16 112			(2 600)			(2 600)	13 512
4. Infrastructure Management	21 529			(3 400)			(3 400)	18 129
5. Financial Asset and Liabilities Management	15 788							15 788
6. Public Finance	18 644			(3 000)			(3 000)	15 644
<b>Total for Programmes</b>	<b>170 030</b>							<b>170 030</b>
R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>104 562</b>			<b>(9 400)</b>			<b>(9 400)</b>	<b>95 162</b>
Compensation of employees	89 021			(9 400)			(9 400)	79 621
Salaries & wages	75 414			(5 128)			(5 128)	70 286
Social contribution	13 607			(4 272)			(4 272)	9 335
Goods and services	15 541							15 541
<b>Transfers and subsidies</b>	<b>65 468</b>			<b>9 400</b>			<b>9 400</b>	<b>74 868</b>
Departmental agencies and accounts	65 468			9 400			9 400	74 868
Households								
<b>Payments for capital assets</b>								
Buildings and other fixed structures								
Machinery and equipment								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>170 030</b>							<b>170 030</b>

TABLE 14.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(15 647)</b>		<b>6 247</b>
Compensation of employees	Funds for vacant posts in the organisational structure and to fund prioritised expenditure.	(14 978)	Realignment of budget to fund personnel-related expenditure as per the requirements of the programme.	5 578
Goods and services	Unspent funds for consultants, computer services, agency and support, travel and training and development. Therefore, funds are being reprioritised to curb the anticipated spending pressure within, towards media buying and administration information access.	(669)	Realignment of goods and service budget to curb the spending pressure on administration information access.	669
<b>Transfers and subsidies</b>				<b>9 400</b>
Departmental agencies and accounts			Provision for operational support of the advisory panels to carry out a business study on the establishment of state bank and state-owned pharmaceutical company through GIFA.	9 400
<b>Payments for capital assets</b>				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(15 647)</b>		<b>15 647</b>

## Virements and shifts

The programme shifts an amount of R9.4 million from compensation of employees to transfer payments to fund the establishment of State Bank and State-Owned Pharmaceutical Company in the province. These are the department's projects that support the elevated priorities of the province. The funds will be transferred to GIFA for operational support of the advisory panels that have been set up to assist with the establishment and stakeholder engagement processes.

## Programme 3: Financial Governance

TABLE 14.6: PROGRAMME 3: FINANCIAL GOVERNANCE

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support/ Office of the DDG	4 503	(2 550)		180			(2 370)	2 133
2. Provincial Accounting Services	65 050	(2 800)		(480)			(3 280)	61 770
3. Transversal Internal Audit and Risk Management	21 580	(2 500)		800			(1 700)	19 880
4. Compliance	5 785	(1 750)					(1 750)	4 035
5. Transversal Financial Information Management Systems	38 984	(1 400)		(500)			(1 900)	37 084
<b>Total for Programmes</b>	<b>135 902</b>	<b>(11 000)</b>					<b>(11 000)</b>	<b>124 902</b>
Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>135 902</b>	<b>(11 000)</b>		<b>(200)</b>			<b>(11 200)</b>	<b>124 702</b>
Compensation of employees	125 785	(11 000)		(200)			(11 200)	114 585
Salaries & wages	107 902	(9 450)		356			(9 094)	98 808
Social contribution	17 883	(1 550)		(556)			(2 106)	15 777
Goods and services	10 117							10 117
<b>Transfers and subsidies</b>				<b>200</b>			<b>200</b>	<b>200</b>
Provinces and municipalities								
Households				200			200	200
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>135 902</b>	<b>(11 000)</b>					<b>(11 000)</b>	<b>124 902</b>

TABLE 14.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: FINANCIAL GOVERNANCE

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(11 790)</b>		<b>11 590</b>
Compensation of employees	Funds for vacant post in the organisational structure. Funds are reprioritised to defray the anticipated spending on consultants and leave gratuity payments.	(10 642)	Due to the anticipated overspending on COE in sub-programmes, funds are realigned to defray overspending within the programme.	10 442
Goods and services	Realignment of goods and services budget to curb spending pressure within the programme.	(1 148)	Realignment of goods and services budget to curb spending pressure within the programme.	1 148
Interest and rent on land				
<b>Transfers and subsidies</b>				<b>200</b>
Households				200
<b>Payments for capital assets</b>				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(11 790)</b>		<b>11 790</b>

## Surrender: R11 million

While the department is filling vacant positions in the organizational structure, the programme reallocates R11 million from vacant posts in compensation of employee to the Provincial Revenue Fund.



## Virements and shifts

Through shifts, R10.4 million is reallocated within compensation of employees to fund sub-programmes that project to overspend. R200 000 is reallocated from compensation of employees to households transfers to provide for leave gratuity payments and injury-on-duty claims.

## Programme 4: Provincial Supply Chain Management

TABLE 14.8: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support/ Office of the DDG	6 108			4 500			4 500	10 608
2. SCM Policy, Norms and Standards	18 613							18 613
3. SCM Client Support	42 965							42 965
4. Contract Management and Strategic Procurement	37 438			(4 500)			(4 500)	32 938
<b>Total for Programmes</b>	<b>105 124</b>							<b>105 124</b>
Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>105 124</b>			<b>(1 125)</b>			<b>(1 125)</b>	<b>103 999</b>
Compensation of employees	101 947			(5 665)			(5 665)	96 282
Salaries & wages	87 142			(6 235)			(6 235)	80 907
Social contribution	14 805			570			570	15 375
Goods and services	3 177			4 540			4 540	7 717
<b>Transfers and subsidies</b>				<b>1 125</b>			<b>1 125</b>	<b>1 125</b>
Non-profit institutions								
Households				1 125			1 125	1 125
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>105 124</b>							<b>105 124</b>

TABLE 14.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(7 088)</b>		<b>5 963</b>
Compensation of employees	Funds for vacant posts in the organisational structure and to fund prioritised expenditure	(6 935)	Realignment of funds as per personnel requirements within the programme.	1 270
Goods and services	Realignment of goods and services within the programme to fund prioritised expenditure	(153)	Provision to fund spending pressures on Consultants for SAP Ariba enhancement project as well as operating expenses such as consumable supplies, travel & subsistence and resettlement costs	4 693
<b>Transfers and subsidies</b>				<b>1 125</b>
Provinces and municipalities				
Households			Provision for leave gratuity payments to former employees of the department	1 125
<b>Payments for capital assets</b>				
Buildings and other fixed structures				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(7 088)</b>		<b>7 088</b>

## Virements and shifts

Through shifts, R6.9 million for vacant posts is reprioritised from compensation of employees and R153 000 is reprioritised from goods and services. Of these amounts, R1.3 million is realigned within compensation of employees. The amount of R4.7 million is reallocated to goods and services to fund items such as Consultants for SAP Ariba enhancement project as well as operating expenses such as consumable supplies, travel & subsistence and resettlement costs. The amount of R1.1 million is reallocated to fund transfer payments for leave gratuity and for injury on duty claims.

**Programme 5: Municipal Financial Governance****TABLE 14.10: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support/ Office of the DDG	27 806	(3 000)		(355)			(3 355)	24 451
2. Local Government Financial Services	23 554	(3 000)		35			(2 965)	20 589
3. Municipal Accounting and Asset Management	21 739	(6 000)		270			(5 730)	16 009
4. Municipal Compliance and Financial Management Support	17 783			50			50	17 833
<b>Total for Programmes</b>	<b>90 882</b>	<b>(12 000)</b>					<b>(12 000)</b>	<b>78 882</b>

Economic classification	R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>90 882</b>	<b>(12 000)</b>		<b>(46)</b>			<b>(12 046)</b>	<b>78 836</b>
Compensation of employees		69 804	(12 000)		(46)			(12 046)	57 758
Salaries & wages		56 991	(9 350)		(46)			(9 396)	47 595
Social contribution		12 813	(2 650)					(2 650)	10 163
Goods and services		21 078							21 078
<b>Transfers and subsidies</b>					<b>46</b>			<b>46</b>	<b>46</b>
Provinces and municipalities									
Households					46			46	46
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>90 882</b>	<b>(12 000)</b>					<b>(12 000)</b>	<b>78 882</b>

**TABLE 14.11: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(1 833)</b>		<b>1 787</b>
Compensation of employees	Funds for vacant posts in the organisational structure.	(46)	Realignment of compensation of employees within the programme.	
Goods and services	Budget review to fund prioritised expenditure.	(1 787)	To fund the pressured items such as advertising, communication for data provision, commitments for departmental probity audits, contractors, consumable supplies, operating leases, fleet services venues & facilities, travel and subsistence, training & development.	1 787
<b>Transfers and subsidies</b>				<b>46</b>
Households			Provision for leave gratuity payments to former employees of the department.	46
<b>Payments for capital assets</b>				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(1 833)</b>		<b>1 833</b>

**Surrender: R12 million**

The programme surrenders to the Provincial Revenue Fund an amount of R12 million for vacant posts from compensation of employees.

**Virements and shifts**

Through shifts, the programme reprioritizes R 46 000 from compensation of employees to transfer payments to households to defray overspending on leave gratuity payments.

**Programme 6: Gauteng Audit Services****TABLE 14.12: PROGRAMME 6: GAUTENG AUDIT SERVICES**

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support/ Office of the DDG	22 635			(190)			(190)	22 445
2. Risk and Compliance Audit Services (Cluster 1,2,3)	44 745			150			150	44 895
3. Risk and Compliance Audit Services (Cluster 4,5,6)	32 306			15			15	32 321
4. Performance and Computer Audit Services	42 355			25			25	42 380
<b>Total for Programmes</b>	<b>142 041</b>							<b>142 041</b>

Economic classification	R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
			Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>		<b>142 041</b>			<b>(280)</b>			<b>(280)</b>	<b>141 761</b>
Compensation of employees		131 663			(280)			(280)	131 383
Salaries & wages		116 275			(280)			(280)	115 995
Social contribution		15 388							15 388
Goods and services		10 378							10 378
<b>Transfers and subsidies</b>					<b>280</b>			<b>280</b>	<b>280</b>
Households					280			280	280
<b>Payments for capital assets</b>									
<b>Payments for financial assets</b>									
<b>Total economic classification</b>		<b>142 041</b>							<b>142 041</b>

**TABLE 14.13: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: GAUTENG AUDIT SERVICES**

Economic classification	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(49 200)</b>		<b>48 920</b>
Compensation of employees	Funds for vacant posts in the organisational structure.	(46 935)	Realignment of compensation of employees within the programme.	46 655
Goods and services	Budget review to fund prioritised expenditure.	(2 265)	To fund the pressured items such as advertising, communication for data provision, commitments for departmental probity audits, contractors, consumable supplies, operating leases, fleet services venues & facilities, travel and subsistence, training & development.	2 265
<b>Transfers and subsidies</b>				<b>280</b>
Households			Provision for leave gratuity payments to former employees of the department.	280
<b>Payments for capital assets</b>				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(49 200)</b>		<b>49 200</b>

**Virements and shifts**

Through shifts, the programme reprioritizes R280 000 from compensation of employees and R 2.2 million goods and services. R2.2 million within goods and services is for funding computer services, travelling costs, training, and operating payments that are already overspending. R280 000 is reallocated to households transfer payments to provide for leave gratuity payments.

## 5. Expenditure 2022/23 and Preliminary Expenditure 2023/24

TABLE 14.15: EXPENDITURE 2021/22 AND PRELIMINARY EXPENDITURE 2022/23

Department	2022/23 Expenditure Outcome				2023/24 Preliminary expenditure		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 - March 2023 as a % of adjusted appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
1. Administration	173 506	68 270	171 098	98.6%	174 486	81 596	19.5%
2. Sustainable Fiscal Resource Management	151 162	68 394	148 680	98.4%	170 030	72 272	5.7%
3. Financial Governance	115 980	51 720	114 375	98.6%	124 902	58 356	12.8%
4. Supply Chain Management	88 279	41 560	88 029	99.7%	105 124	46 142	11.0%
5. Municipal Financial Governance	46 793	19 138	45 414	97.1%	78 882	32 285	68.7%
6. Gauteng Audit Services	108 345	52 713	113 354	104.6%	142 041	65 462	24.2%
<b>Current payments</b>	<b>605 768</b>	<b>267 976</b>	<b>603 303</b>	<b>99.6%</b>	<b>710 246</b>	<b>321 485</b>	<b>20.0%</b>
Compensation of employees	515 121	241 586	513 428	99.7%	610 612	279 653	15.8%
<b>Goods and Services</b>	<b>90 647</b>	<b>26 390</b>	<b>89 875</b>	<b>99.1%</b>	<b>99 634</b>	<b>41 832</b>	<b>58.5%</b>
Interest and rent on land							0.0%
Transfers and subsidies	66 328	32 976	66 827	100.8%	78 319	34 628	5.0%
<b>Departmental agencies and accounts</b>	<b>63 706</b>	<b>31 853</b>	<b>63 706</b>	<b>100.0%</b>	<b>74 868</b>	<b>32 734</b>	<b>2.8%</b>
Departmental agencies and accounts	63 706	31 853	63 706	100.0%	74 868	32 734	2.8%
Buildings and other fixed structures							
<b>Machinery and equipment</b>	<b>11 969</b>	<b>843</b>	<b>10 728</b>	<b>89.6%</b>	<b>6 900</b>		<b>(100.0)%</b>
<b>Payments for financial assets</b>			<b>92</b>				<b>0.0%</b>
<b>Total</b>	<b>684 065</b>	<b>301 795</b>	<b>680 950</b>	<b>99.5%</b>	<b>795 465</b>	<b>356 113</b>	<b>18.0%</b>

### Expenditure trends for 2022/23

The department spent 99.5 per cent of the R684.1 million budget in 2022/23. The allocation of R684.1 million in 2022/23 included personnel budget of R515.1 million; and R90.6 million for goods and services. Goods and services budget was to provide for various key funding priorities such as the printing of treasury publications, costs of utilities, training, and development for GPG departments and municipalities as well as audit costs. The transfers and subsidies allocation comprised of R63.7 million allocated to GIFA and R2.6 million for injury-on-duty claims, leave gratuity payments to former officials and external bursaries payments. Payments for capital assets amounted to R12 million and it provided for the purchase of office equipment and laptops.

The department's expenditure was recorded at R680.9 million, which translates to 99.5 per cent of the total budget. This spending level comprised of 99.7 per cent on compensation of employees; 99.1 per cent on goods and services; 100 per cent on transfers and subsidies (i.e., 100 per cent made to GIFA and further 119 per cent on households) and 90 percent spending on purchases of office and computer equipment. The performance target was met by the department during 2022/23 financial year.

### Expenditure trends for the first half of 2023/24

#### Programme 1: Administration

Spending amounts to R81.6 million, which is 19.5 per cent more than R68.3 million spent in the same period in the previous financial year. The increase is mainly due increase in expenditure on goods and services such as operating expenses and filling of vacancies in the programme.

#### Programme 2: Sustainable Fiscal Resource Management

The programme spent R72.3 million as at the end of September 2023 compared to R68.4 million spent at the end of September 2022. The expenditure is 5.7 percent higher because of the filling of vacancies in the programme and increased expenditure on consultants for infrastructure development management.

**Programme 3: Financial Governance**

The programme spent 58.4 million, which is 12.8 per cent higher than R51.7 million spent in the same period in the previous year financial year. The increase is mainly due to filling of vacancies in the programme.

**Programme 4: Provincial Supply Chain Management**

The programme spent R46.1 million in the first half of the 2023/24 financial year, which was 11 per cent higher than R41.6 million spent in the corresponding period in the current financial year. The increase is due to filling of vacancies in the programme.

**Programme 5: Municipal Financial Governance**

The expenditure for six months in the current financial year is 68.7 per cent higher than the same period in the previous financial year. The expenditure increased from R19.1 million in 2022/23 to R32.3 million in 2023/24 because of increased expenditure on consultants for the municipal hands-on support programme and the filling of vacancies in the programme.

**Programme 6: Gauteng Audit Services**

The half-year expenditure of this programme in 2023/24 is 24.2 per cent higher than in the previous financial year. The expenditure increased from R52.7 million in 2022/23 to R65.5 million in 2023/24 mainly due to the filling of vacancies in the programme.

**6. Departmental Receipts**

TABLE 14.15: DEPARTMENTAL RECEIPTS

Department	2022/23 Audited Outcome				2023/24 Preliminary Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of ad- justed appropriation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
Tax receipts							
Sales of goods and services other than capital assets	869	262	525	60%	929	265	1%
Interest, dividends and rent on land	622 806	305 475	1 108 424	178%	669 526	722 838	137%
Sales of capital assets							
Financial transactions in assets and liabilities	416	4 182	473	114%	443	688	(84)%
<b>Total</b>	<b>624 091</b>	<b>309 919</b>	<b>1 109 422</b>	<b>178%</b>	<b>670 898</b>	<b>723 791</b>	<b>134%</b>

**Revenue trends for the first half of the 2023/24 financial year**

The department collected a total amount of R723.8 million in the first six months of the current financial year, which is 134 per cent more compared to the same period in the previous financial year. The increase in collection is mainly due to interest earned on cash balances.

## 7. Changes to Transfers and Subsidies, Conditional Grants and Infrastructure

### 7.1 Changes to transfers and subsidies

R'000	Main Budget	2023/24 Adjustments				Total Adjustments	Adjusted Budget (Appropriation)
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	Additional Funding: National		
<b>Programme 1</b>	<b>478</b>			<b>1 322</b>		<b>1 322</b>	<b>1 800</b>
Households	478			1 322		1 322	1 800
<b>Programme 2</b>	<b>65 468</b>			<b>9 400</b>		<b>9 400</b>	<b>74 868</b>
Departmental agencies and accounts	65 468			9 400		9 400	74 868
<b>Total changes in conditional Name of transfer payments</b>	<b>65 946</b>			<b>10 722</b>		<b>10 722</b>	<b>76 668</b>

Through shifts, transfers to households increase by R1.3 million to fund the department 's External Bursary Scheme (EBS) for the 2024 academic year. EBS provides support to underprivileged students studying towards qualifications aligned with department's strategic objectives. The programme shifts an amount of R9.4 million from compensation of employees to transfer payments to fund the establishment of State Bank and State-Owned Pharmaceutical Company in the province.

### 7.2 Changes to conditional grants

Not applicable

### 7.3 Change to infrastructure

Not applicable



# VOTE 15

## DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

R thousand	2023/24			
	Main Appropriation	Adjusted appropriation	Decrease	Increase
<b>Amount to be appropriated</b>	<b>3 311 270</b>	<b>3 773 285</b>		<b>462 015</b>
<b>of which:</b>				
Current payments	1 912 469	2 081 684		169 215
Transfers and subsidies	1 242 977	1 246 517		3 540
Payments for capital assets	155 824	445 084		289 260
Payment for financial assets				
<b>Executive authority</b>	<b>MEC for Human Settlements and Infrastructure Development</b>			
<b>Accounting officer</b>	<b>Head of Department</b>			

### 1. Vision and Mission

#### Vision

To be a leading sustainable infrastructure provider and facilitator that positions Gauteng as a globally competitive city region with inclusive economic growth and decent work for all.

#### Mission

To contribute towards the radical transformation, modernisation, and re-industrialisation of Gauteng by accelerating integrated service delivery, maintenance and management of public infrastructure and deploying built environment professionals while encouraging the active participation of an empowered citizenry.

### 2. Changes to Programme Purpose, Objective and Measures

No changes.





### 3. Summary of Adjusted Estimates of Departmental Expenditure 2023/24

TABLE 15.1: INFRASTRUCTURE DEVELOPMENT

R Thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National Additional Funding: Provincial		
Administration	446 533			25 929		25 929	472 462
Public Works Infrastructure	2 491 396	(21 483)	55 473	93 566		556 556	3 047 952
Expanded Public Works Programme	373 341	(975)		(119 495)		(120 470)	252 871
<b>Total for ProgrammeS</b>	<b>3 311 270</b>	<b>(22 458)</b>	<b>55 473</b>			<b>429 000</b>	<b>3 773 285</b>

Economic classification R Thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National Additional Funding: Provincial		
<b>Current payments</b>	<b>1 912 469</b>	<b>(975)</b>	<b>51 890</b>	<b>18 300</b>	<b>100 000</b>	<b>169 215</b>	<b>2 081 684</b>
Compensation of employees	1 232 558	(975)		10 600		9 625	1 242 183
Salaries & wages	1 065 778	(975)		10 600		9 625	1 075 403
Social contribution	166 780						166 780
Goods and services	679 911		51 890	7 700		159 590	839 501
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>1 242 977</b>		<b>3 540</b>			<b>3 540</b>	<b>1 246 517</b>
Provinces and municipalities	1 238 977		3 540			3 540	1 242 517
Departmental agencies and accounts							
Households	4 000						4 000
<b>Payments for capital assets</b>	<b>155 824</b>	<b>(21 483)</b>	<b>43</b>	<b>(18 300)</b>	<b>329 000</b>	<b>289 260</b>	<b>445 084</b>
Buildings and other fixed structures	117 524	(21 483)	43	(26 300)		281 260	398 784
Machinery and equipment	38 300			8 000		8 000	46 300
<b>Payments for financial assets</b>							
<b>Total economic classification</b>	<b>3 311 270</b>	<b>(22 458)</b>	<b>55 473</b>			<b>429 000</b>	<b>3 773 285</b>

The department's budget for the 2023/24 financial year is R3.31 billion and increases to R3.773 billion due to rollover of R55.4 million; additional funding of R100 million for leases; and R329 million earmarked for alternative energy. The Department redirected funds from the Infrastructure CAPEX budget due to 3 Projects that are to be deferred to Kopanong (30 Simmons, Imbumba House, Corner House Consolidated) and the terminated project due to access to site (SA Perm). This has resulted in an amount of R22.5 million being identified for a surrender.

The department implemented shift of funds within the programmes to address budget pressures and to defray overspending on items such as property payments; Fleet services and transport claims; utilities and provision of tools of trade; and for the absorption of wage agreement costs for compensation of employees.

An amount of R119.5 million will be shifted from programme 3, triggering a legislature approval requirement for virements that exceed 8 per cent of programme shifts, in line with the regulations. This shift is to programme 1 and programme 2 to address overspending in the department's critical programmes such as probity auditors' fees, conveyance services and utilities.

## 4. Details of Adjustments to Estimates of Departmental Expenditure 2023/24

### Programme 1: Administration

TABLE 15.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
1. Office of the MEC	14 638			102		102	14 740
2. Corporate Support	412 782			25 827		25 827	438 609
3. Management of the Department	19 113						19 113
<b>Total for Programmes</b>	<b>446 533</b>			<b>25 929</b>		<b>25 929</b>	<b>472 462</b>

Economic classification <sup>1</sup>	Main Appropriation	2023/24 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National		
<b>R Thousand</b>							
<b>Current payments</b>	<b>414 233</b>			<b>17 929</b>		<b>17 929</b>	<b>432 162</b>
Compensation of employees	267 476			2 544		2 544	270 020
Salaries & wages	231 058			2 544		2 544	233 602
Social contribution	36 418						36 418
Goods and services	146 757			15 385		15 385	162 142
Interest and rent on land							
<b>Transfers and subsidies</b>	<b>4 000</b>						<b>4 000</b>
Provinces and municipalities							
Households	4 000						4 000
<b>Payments for capital assets</b>	<b>28 300</b>			<b>8 000</b>		<b>8 000</b>	<b>36 300</b>
Machinery and equipment	28 300			8 000		8 000	36 300
<b>Payments for financial assets</b>							
<b>Total economic classification</b>	<b>446 533</b>			<b>25 929</b>		<b>25 929</b>	<b>472 462</b>

TABLE 15.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification <sup>1</sup>	Motivation	From	Motivation	To
<b>Current payments</b>		<b>(8 000)</b>		<b>25 929</b>
Compensation of employees			Funds made available to cover the wage agreement	2 544
Goods and services	Funds are available due to underspending as Microsoft invoice was paid with last payment run from the previous financial year.	(8 000)	Funds made available for qualification verifications, legal cost, probity auditors and fleet services.	23 385
Interest and rent on land				
<b>Transfers and subsidies</b>				
Provinces and municipalities				
Households				
<b>Payments for capital assets</b>				<b>8 000</b>
Buildings and other fixed structures				
Machinery and equipment			Funds made available for the procurement of tools of trade.	8 000
Software and other intangible assets				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(8 000)</b>		<b>33 929</b>

#### Virement and Shifts

An amount of R8 million is available due to underspending as Microsoft invoice was paid with last payment run from the previous financial year and is shifted from goods and services to machinery and equipment for the procurement of tools of trade.

An amount of R23.4 million is shifted towards goods and services for qualification verifications, legal costs, probity auditors, and fleet services.

An amount of R2.5 million is shifted towards compensation of employees for the wage agreement.

## Programme 2: Public Works Infrastructure

TABLE 15.4: PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Construction	266 718	(21 483)	43	16 644		329 000	324 204	590 922
2. Maintenance	686 626			6 740			6 740	693 366
3. Immovable Asset Management	1 538 052		55 430	70 182		100 000	225 612	1 763 664
<b>Total for Programmes</b>	<b>2 491 396</b>	<b>(21 483)</b>	<b>55 473</b>	<b>93 566</b>		<b>429 000</b>	<b>556 556</b>	<b>3 047 952</b>
Economic classification <sup>1</sup>	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>Current payments</b>	<b>1 124 895</b>		<b>51 890</b>	<b>119 866</b>		<b>100 000</b>	<b>271 756</b>	<b>1 396 651</b>
Compensation of employees	843 257			7 950			7 950	851 207
Salaries & wages	714 888			7 950			7 950	722 838
Social contribution	128 369							128 369
Goods and services	281 638		51 890	111 916		100 000	263 806	545 444
Interest and rent on land								
<b>Transfers and subsidies</b>	<b>1 238 977</b>		<b>3 540</b>				<b>3 540</b>	<b>1 242 517</b>
Provinces and municipalities	1 238 977		3 540				3 540	1 242 517
Departmental agencies and accounts								
Households								
<b>Payments for capital assets</b>	<b>127 524</b>	<b>(21 483)</b>	<b>43</b>	<b>(26 300)</b>		<b>329 000</b>	<b>281 260</b>	<b>408 784</b>
Buildings and other fixed structures	117 524	(21 483)	43	(26 300)		329 000	281 260	398 784
Machinery and equipment	10 000							10 000
Software and other intangible assets								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>2 491 396</b>	<b>(21 483)</b>	<b>55 473</b>	<b>93 566</b>		<b>429 000</b>	<b>556 556</b>	<b>3 047 952</b>

TABLE 15.5: DETAILS OF SHIFTS AND VIREMENTS PER CLASSIFICATION: PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Economic classification <sup>1</sup>	Motivation	From	Motivation	To
<b>Current payments</b>				<b>119 746</b>
Compensation of employees			Funds made available to cover the wage agreement	7 950
Goods and services			Funds made available for cleaning services, utilities and procurement of conveyance services	111 796
Interest and rent on land				
<b>Transfers and subsidies</b>				
Households				
<b>Payments for capital assets</b>		<b>(26 300)</b>		
Buildings and other fixed structures	Delay in the implementation of CAPEX due to Projects to be deferred and terminated due to access to site.	(26 300)		
Machinery and equipment				
<b>Payments for financial assets</b>				
<b>Total economic classification</b>		<b>(26 300)</b>		<b>119 746</b>

### Surrenders: R21.5 million

An amount of R21.5 million is surrendered to the Provincial Revenue fund from CAPEX due to delay in implementation of projects as result of deferred projects.

### Provincial Rollovers: R55.5 million

The programme receives an amount of R55.5 million as a rollover from the preceding year of which: R43 000 is allocated for buildings and other fixed structures in the construction branch; R51.9 million is allocated to goods and services to make provision for utilities and R3.5 million is allocated to transfers and subsidies to fund municipal rates and taxes.

### Virements and Shifts

An amount of R26 million is shifted from CAPEX as result of underspending due to delays in implementing capital projects. These projects faced deferral and termination due to challenges with site access. To mitigate overspending, funds are redirected to cover costs related to maintenance projects that is currently overspending.

An amount of R7.9 million is shifted to compensation of employees to make provision for the wage agreement.

An amount of R111.8 million is shifted to goods and services to make provision for procurement of conveyance services, payment of utilities and cleaning services.

### Additional funding R429 million

An amount of R429 million is allocated for ongoing spending on commitments amounting to R100 million for operational leases and additional funding amounting to R329 million for alternative energy projects.

### Programme 3: Expanded Public Works Programme

TABLE 15.6: PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

R Thousand	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
1. Programme Support Cbp	37 086			1 883			1 883	38 969
2. Community Development	336 255	(975)		(121 378)			(122 353)	213 902
<b>Total for Programmes</b>	<b>373 341</b>	<b>(975)</b>		<b>(119 495)</b>			<b>(120 470)</b>	<b>252 871</b>

Economic classification	Main Appropriation	2023/24 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs	Virements and Shifts	Additional Funding: National	Additional Funding: Provincial		
<b>R Thousand</b>								
<b>Current payments</b>	<b>373 341</b>	<b>(975)</b>		<b>(119 495)</b>			<b>(120 470)</b>	<b>252 871</b>
Compensation of employees	121 825	(975)		106			(869)	120 956
Salaries & wages	119 832	(975)		106			(869)	118 963
Social contribution	1 993							1 993
Goods and services	251 516			(119 601)			(119 601)	131 915
<b>Transfers and subsidies</b>								
Households								
<b>Payments for capital assets</b>								
<b>Payments for financial assets</b>								
<b>Total economic classification</b>	<b>373 341</b>	<b>(975)</b>		<b>(119 495)</b>			<b>(120 470)</b>	<b>252 871</b>

TABLE 15.7: DETAILS OF SHIFTS AND VIREMENTS PER CLASSIFICATION: PROGRAMME 3: EXPANDED PUBLIC WORKS PROGRAMME

Economic classification	Motivation	From	Motivation	To
Current payments		(121 495)		2 000
Compensation of employees			Funds made available to cover the wage agreement.	106
Goods and services	Low expenditure due to delay in implementation of EPWP training plans.	(121 495)	Funds made available to cover expenditure already incurred on catering.	1 894
Interest and rent on land				
Transfers and subsidies				
Households				
<b>Total economic classification</b>		<b>(121 495)</b>		<b>2 000</b>

### Surrender: R975 000

An amount of R975 000 is surrendered to the Provincial Revenue fund from salaries and wages due to budget cut implemented on the EPWP grant.

## Virements and Shifts

An amount of R121.5 million is being shifted from goods and services due to slow spending caused by delays in implementing EPWP training plans.

An amount of R1.9 million is shifted to goods and services in programme support branch to cover expenditure incurred on catering and fleet services.

## 5. Expenditure 2022/23 and Preliminary Expenditure 2023/24

TABLE 15.8: EXPENDITURE 2022/23 AND PRELIMINARY EXPENDITURE 2023/24

Department	2022/23 Expenditure Outcome				2023/24 Preliminary expenditure		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of adjusted appro- priation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24  Apr - Sep
<b>R thousand</b>							
1. Administration	417 907	187 455	448 389	107%	472 462	249 334	33%
2. Public Works	2 774 708	1 433 310	2 670 562	96%	3 047 952	1 296 353	(10)%
3. Expanded Public Works	162 620	61 734	123 530	76%	252 871	120 180	95%
<b>Total</b>	<b>3 355 235</b>	<b>1 682 499</b>	<b>3 242 481</b>	<b>97%</b>	<b>3 773 285</b>	<b>1 665 867</b>	<b>(1)%</b>
<b>Current payments</b>	<b>2 125 144</b>	<b>1 076 586</b>	<b>2 162 226</b>	<b>102%</b>	<b>2 081 684</b>	<b>1 216 879</b>	<b>13%</b>
Compensation of employees	1 179 186	568 057	1 151 970	98%	1 242 183	585 957	3%
Goods and Services	945 778	508 529	1 007 596	107%	839 501	630 465	24%
Interest and rent on land	180		2 660	1478%		457	0%
<b>Transfers and subsidies</b>	<b>1 181 322</b>	<b>588 014</b>	<b>1 039 759</b>	<b>88%</b>	<b>1 246 517</b>	<b>420 711</b>	<b>(28)%</b>
Provinces and municipalities	1 176 868	584 892	1 033 435	88%	1 242 517	418 494	(28)%
Departmental agencies and accounts							
Households	4 454	3 122	6 324	142%	4 000	2 217	(29)%
<b>Payments for capital assets</b>	<b>48 377</b>	<b>17 703</b>	<b>38 477</b>	<b>80%</b>	<b>445 084</b>	<b>28 275</b>	<b>60%</b>
Buildings and other fixed structures	26 130	2 205	13 887	53%	398 784	15 670	611%
Machinery and equipment	22 247	15 498	24 590	111%	46 300	12 605	(19)%
Software and other intangible assets							0%
<b>Payments for financial assets</b>	<b>392</b>	<b>196</b>	<b>2 019</b>	<b>515%</b>		<b>2</b>	<b>(99)%</b>
<b>Total</b>	<b>3 355 235</b>	<b>1 682 499</b>	<b>3 242 481</b>	<b>97%</b>	<b>3 773 285</b>	<b>1 665 867</b>	<b>(1)%</b>

### Expenditure trends 2022/23

The department final budget for 2022/23 financial year was R3.355 billion, with overall expenditure of R3.242 billion. The department had underspending of R112.7 million which was surrendered in that financial year. Underspending was due to delays in implementation of EPWP training plans, slow recruitment processes and delay in implementation of capex projects as result poor contractor performance.

#### Programme 1: Administration

The department experienced a 33 per cent increase in expenditure to R187 million in the first half of the financial year due to payments received of Legal Services on behalf of Department of Health and the interest for legal claims.

#### Programme 2: Public Works Infrastructure

This programme is the core with the most critical and cost driver activities with budget pressures such as property leases, utilities, security services. It was allocated R2.7 billion in 2022/23 financial year with a 10 per cent reduction in expenditure from R1.433 billion 2022/23 financial year to R1.296 billion in 2023/24 during the first half of the financial years.

Reduction in spending is due to underspending on Security Equipment as result of delays in the implementation of construction projects and installation of cameras.

#### Programme 3: Expanded Public Works

This programme implements EPWP programmes and underspent by R26 million by the end of the financial year due to delays in implementation of EPWP training plans. The Expanded Public Works department witnessed a substantial 95 per cent increase in expenditure, from R62 million in 2022/23 financial year to R120 million in 2023/24 financial year due to the implementation of these 2 programmes: Vacant land and Health maintenance.

## Preliminary expenditure trends for the first half of 2023/24

### Programme 1: Administration

This programme is allocated R472 million with expenditure of R249 million in the first half of the financial year. However, it is overspending on Legal Services due to payments made on behalf of the department of health (DoH).

### Programme 2: Public Works Infrastructure

This programme is allocated R3.047 billion with expenditure of R1.296 billion for the 2023/24 financial year and the following items overspending due to being underfunded: Leases allocated R162 million with expenditure of R255 million, Security allocated R23 million with expenditure of R76 million and Utilities allocated R4.8 million with expenditure of R22 million.

Rates & Taxes is underspending in the first half of the financial year due to bulk billing only received in quarter 2. This is due to different financial year-end between the municipalities and the department.

The decrease in buildings and other machinery is due to underspending on capex projects as result of site access challenges and some projects being deferred. The increase in property payments is due to overspending on utilities.

### Programme 3: Expanded Public Works

This programme is allocated R252.9 million with expenditure of R120 million for the first half of the financial year. It implements EPWP programmes and the PPPR 2017 resulted in the procurement process being put into a halt and this directly impacted the training programs for the EPWP.

## 6. Departmental Receipts

TABLE 15.9: DEPARTMENTAL RECEIPTS

Department	2022/23 Audited Outcome				2023/24 Preliminary Receipts		
	Adjusted appropriation	April 2022 - Sep 2022	April 2022 - Mar 2023	April 2022 -March 2023 as a % of adjusted appro- priation	Adjusted appropriation	Apr 2023- Sep 2023	% change 2022/23 - 2023/24 Apr - Sep
<b>R thousand</b>							
Tax receipts							
Sales of goods and services other than capital assets	30 664	6 531	16 537	(46)%	32 013	6 924	6%
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land		33	271	0%			(100)%
Sales of capital assets		9 621	11 378	0%		3 798	(61)%
Financial transactions in assets and liabilities	807	102	7 534	834%	843	651	538%
<b>Total</b>	<b>31 471</b>	<b>16 287</b>	<b>35 720</b>	<b>14%</b>	<b>32 856</b>	<b>11 373</b>	<b>(30)%</b>

### Revenue trends for the first half of the 2022/23 financial year

The department aims at collecting revenue amounting to R32.8 million for the 2023/24 financial year. Property-related revenue is the main contributor of the Departmental Revenue. Revenue collected amounts to R11.4 million in the first six months of the current financial year.

The department has been struggling to collect the expected revenue due to inconsistency in rental payments by tenants. Under Sale of goods and services other than capital assets, R32 million was projected, and the actual cash collection was R6.9 million as at September 2023. This is an increase compared to R6.5 million collected as at September 2022. The department experienced a windfall of R3.7 million under sale of capital assets for none-core assets online auction. A total of R651 000 has been collected to date compared to R102 000 collected in 2022/23 financial year for financial transactions in assets and liabilities.

## 7. Changes to Transfers and Subsidies, Conditional Grants and Infrastructure

### 7.1. Changes to transfer and subsidies

TABLE 15.10 Changes to transfer and subsidies

R'000	Main Budget	2023/24 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 2(Devolution of rates and taxes)</b>	<b>1 238 977</b>			<b>3 540</b>					<b>3 540</b>	<b>1 242 517</b>
EKU Ekurhuleni										
MetrO	208 868			3 540					3 540	212 408
JHB City Of Johannesburg	470 327									470 327
TSH City Of Tshwane	410 000									410 000
GT421 Emfuleni	75 000									75 000
GT422 Midvaal	10 000									10 000
GT423 Lesedi	23 000									23 000
DC42 Sedibeng										
GT481 Mogale City	10 000									10 000
GT484 Merafong City	10 000									10 000
GT485 Rand West City										
DC48 West Rand	21 782									21 782
<b>Total changes in transfer payments</b>	<b>1 238 977</b>			<b>3 540</b>					<b>3 540</b>	<b>1 242 517</b>

#### Rollover: R3.5 million

The departments' municipal rates and taxes budget for 2023/24 financial year is R1.238 billion increases by R3.5 million to R1.242 billion due to a rollover of Ekurhuleni Metro for municipal rates and taxes. The allocations for other municipalities remain unchanged.

### 7.2. Changes to Conditional grant

TABLE 15.11 Changes to Conditional grant

R'000	Main Budget	2023/24 Adjustments							Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: National	Roll-overs: Provincial	Virements and Shifts	Unforeseeable/unavoidable	Additional Funding: National	Additional Funding: Provincial		
<b>Programme 3</b>	<b>10 006</b>	<b>(975)</b>							<b>(975)</b>	<b>9 031</b>
EPWP Grant	10 006	(975)							(975)	9 031
<b>Total changes in conditional grants</b>	<b>10 006</b>	<b>(975)</b>							<b>(975)</b>	<b>9 031</b>

#### Surrender: R975 000

The departments' EPWP grant budget for 2023/24 financial year is R10 million and decreases by R975 000 to R9 million due to surrender as result of budget cuts implemented by National Treasury during the adjustment period.

### 7.3. Changes to Infrastructure

Please refer to the 2023/24 Adjusted Estimates of Capital Expenditure (AECE).





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