



GAUTENG PROVINCE
ADJUSTED ESTIMATES OF
PROVINCIAL REVENUE
AND EXPENDITURE

2019



GAUTENG PROVINCE
TREASURY
REPUBLIC OF SOUTH AFRICA

Growing Gauteng Together

ADJUSTED ESTIMATES OF PROVINCIAL REVENUE AND EXPENDITURE

2019/20

Gauteng Provincial Government

November 2019



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The Adjusted Estimate of Provincial Revenue and Expenditure 2019 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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SUMMARY OF ADJUSTMENTS FOR 2019/20

1. Adjusted Estimates of Provincial Revenue and Expenditure

The Gauteng Provincial Government (GPG) has implemented the provincial adjustments budget process as per the provision of section 18(1)(a) of the Public Finance Management Act (Act number 1 of 1999)(PFMA) to facilitate the compilation of the 2019/20 provincial adjustments budget as per the provision of section 31 of the PFMA. The provincial adjustments budget revises and adjusts the 2019/20 provincial main budget that the Gauteng Member of Executive Council (MEC) for Finance tabled at the Gauteng Provincial Legislature on 5 March 2019.

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

The 2019/20 provincial adjustments budget is the first budget of the sixth administration, the province uses this adjustments budget process to realign the 2019/20 provincial budget with the priorities of the sixth Administration. The 2019/20 adjustments budget focuses on resourcing the provincial plan of the sixth Administration, namely: Growing Gauteng Together Plan (the “GGT Plan”). The GGT Plan aims at addressing the triple challenges of poverty, unemployment, and inequality that continue to prevail in Gauteng and the whole country. The GGT Plan specifies five priorities and related interventions that will drive the work of the provincial government during the sixth Administration. In no particular order, the first priority is about economy, jobs and infrastructure. The second priority is about education, skills revolution and health. The third priority is about integrated human settlements and land release. The fourth priority is about Safety, social cohesion, and food security. The fifth priority is about Building a capable, ethical and developmental state.

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 2019/20 adjustments budget is prepared in an economic environment where the global economy is on a weaker footing. The economic growth outlook in South Africa remains benign, with the GDP contracting by 3.1 per cent quarter-on-quarter in the first quarter of 2019 and rebounded to a positive growth of 3.1 per cent in the second quarter. However, the unemployment rate rose to 29 per cent in the second quarter. The National Treasury revised the 2019 economic growth from 1.5 per cent to 0.5 per cent mainly because of the constrained domestic economic growth and weak business and consumer confidence driven by political and policy uncertainty.

The weaker global and domestic economic developments continue to weigh negatively on the Gauteng economy. For the first quarter of 2019, the provincial GDP contracted by 2.5 per cent and rebounded to a positive growth of 2.8 per cent in the second quarter.

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

2. Summary of the 2019 Adjusted Estimates of Provincial Receipts

Provincial receipts

TABLE 1: SUMMARY OF CHANGES TO RECEIPTS

R thousand	Main Appropriation	2019/20 Adjustments			Total Adjustments	Adjusted Appropriation
		Provincial Rollovers	Provincial Other	National Conditional Grants Additions Reductions; Conversions & Shifts		
Equitable Share	102 448 280					102 448 280
Conditional Grants	23 077 035			131 048	131 048	23 208 083
Transfers from National	125 525 315			131 048	131 048	125 656 363
Provincial Own Receipts	6 326 420		344 034		344 034	6 670 454
Gross Receipts	131 851 735		344 034	131 048	475 082	132 326 817
Less: Direct charges - Political Office bearers	(79 116)		(20 078)		(20 078)	(99 194)
Total Receipts	131 772 619		323 956	131 048	455 004	132 227 623
Financing from Province	714 882					714 882
Financing from revenue fund	714 882					714 882
Net Receipts	132 487 501		323 956	131 048	455 004	132 942 505

The provincial receipts increase from R132.5 billion to R132.9 billion. The increase of R455 million includes R131 million added to conditional grants and R344 million added to provincial own receipts. The increase in the provincial own receipts results from the high rate of own receipts collection in specific provincial departments during the first half of the financial year.

The direct charges increase by R20.1 million from R79.1 million to R99.2 million to provide for the once-off gratuity payment to public office bearers who did not return to office in the 6th Administration and who had served for more than 5 years. The direct charges against the Provincial Revenue Fund relate to the remuneration of public office bearers in line with the legislation.

Changes to Conditional Grants

TABLE 2: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Health	11 570 305		299 754		132 699		432 453	12 002 758
Comprehensive HIV, Aids Grant and TB Grant	4 766 734		8 951				8 951	4 775 685
Health Facility Revitalisation Grant	859 028							859 028
Health Professions Training and Development Grant	1 027 240		33 239				33 239	1 060 479
National Tertiary Services Grant	4 724 843		252 205				252 205	4 977 048
Human Papillomavirus Vaccine Grant	28 841		5 359		(9 116)		(3 757)	25 084
HumanResource Capacitation Grant	135 235				88 057		88 057	223 292
National Health Insurance Grant					53 758		53 758	53 758
SOC SEC EPWP INCENTIV GRANT PROV	26 197							26 197
EPWP Integrated Grant	2 187							2 187
Education	2 454 072							2 454 072
Education Infrastructure Grant	1 474 715							1 474 715
HIV and Aids (Life Skills Education) Grant	37 907							37 907
National School Nutrition Programme Grant	849 075							849 075
Maths, Science and Technology Grant	56 042							56 042
Learners with Profound Intellectual Disabilities Grant	31 259							31 259

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
EPWP Integrated Grant	2 089							2 089
Social Sector EPWP Integrated Grant	2 985							2 985
Social Development	91 261							91 261
Early Childhood Development Grant	68 097							68 097
Social Sector EPWP Incentive Grant	23 164							23 164
Cooperative Governance and Traditional Affairs	2 004							2 004
EPWP Integrated Grant	2 004							2 004
Human Settlements	5 331 071		53 716				53 716	5 384 787
Integrated Housing and Human Settlement Development Grant	5 164 409		49 371				49 371	5 213 780
Title Deeds Restoration Grant	156 204		4 345				4 345	160 549
EPWP Integrated Grant	10 458							10 458
Roads and Transport	3 209 966							3 209 966
Provincial Roads Maintenance Grant	767 506							767 506
Public Transport Operations Grant	2 436 074							2 436 074
EPWP Integrated Grant	6 386							6 386
Community Safety	1 000							1 000
Social Sector EPWP Incentive Grant	1 000							1 000
Agriculture and Rural Development	131 471	(1 651)	1 585				(66)	131 405
Comprehensive Agricultural Support Programme Grant	91 306		1 585				1 585	92 891
Ilima/Letsema Projects Grant	31 974	(1 651)					(1 651)	30 323
Land Care Programme Grant: Poverty Relief and Infrastructure Development	5 675							5 675
EPWP Integrated Grant	2 516							2 516
Sport, Arts, Culture and Recreation	262 007							262 007
Community Library Services Grant	167 784							167 784
Mass Sport and Recreation Participation Programme Grant	92 223							92 223
EPWP Integrated Grant	2 000							2 000
Infrastructure Development	23 878							23 878
EPWP Integrated Grant	23 878							23 878
Total changes in conditional grants	23 077 035	(1 651)	355 055		132 699		486 103	23 563 138

Table 2 above presents the adjustments to the conditional grants allocation for the 2019/20 financial year. The adjustments to the conditional grants in the provincial departments of Health, Human Settlements as well as Agriculture and Rural Development increase the total allocation for the conditional grants to R23.6 billion.

Gauteng Department of Health: R432.5 million

The conditional grant budget of the department increases due to rollovers approved by national as well as additions to the grants. An amount of R9 million of the Comprehensive HIV, Aids Grant and TB Grant is rolled over to pay invoices relating to the procurement of medicine. Furthermore, R33.2 million of the Health Professions Training and Development Grant is rolled over for the procurement of medical and allied equipment dedicated for the training of registrars. Lastly, an amount of R252.2 million is allocated to National Tertiary Services Grant as a rollover of unspent funding from the 2018/19 financial year to enable the department to pay invoices relating to the procurement of medical equipment for various institutions.

An amount of R5.4 million of the Human Papillomavirus Vaccine (HPV) grant is rolled over for the payment of invoices in relation to training, material, travel claims, and vaccines aimed at reducing the incidence of cervical cancer amongst the target group. An amount of R9.1 million is reprioritised from this grant due to a change in the target group vaccination from grade 4 to grade 5 girls and most of the 2019 grade 5 cohort were vaccinated in 2018. The net decrease in this grant is thus R3.7 million. The Human Resource Capacitation Grant increases by R88 million to assist the department to meet salary obligations

for the posts that have already been filled under this conditional grant. Lastly, the National Health Insurance (NHI) grant increases by R53.8 million for the health professionals contracting subcomponent.

Gauteng Department of Human Settlements: R53.7 million

The department receives a rollover of R49.4 million for Human Settlements Development Grant to honour contractual commitments in respect of various projects pertaining to the creation of sustainable and integrated human settlements to contribute to an improved quality of household life, access to basic services and secure tenure. A rollover of R4.3 million for Title Deeds Restoration Grant is approved to enable the department to fund contractual commitments. This produces an overall increase of R53.7 million in the conditional grant budget of this vote.

Gauteng Department of Agriculture and Rural Development: (R66 000)

An amount of R1.6 million of the Comprehensive Agricultural Support Programme Grant is rolled over to allow the department to pay invoices which could not be paid before financial year-end due to BAS closure and late delivery of goods. An amount of R1.7 million is reduced from the Ilima/ Letsema Projects. This amount will be used by the National Department of Agriculture and Fisheries to fund the National Food and Nutrition Survey that is aimed at setting the baseline for poverty, vulnerability and food insecurity in the country which will enable the country to do food security forecasting. This results in an overall decline of R66 000 in the conditional grant budget of this department.

3. Summary of the 2019 Adjusted Estimates of Provincial Expenditure

Changes to Provincial Payments by Vote

TABLE 3: CHANGES TO PROVINCIAL PAYMENTS BY VOTE

R thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Office of the Premier	996 271	(154 765)					(154 765)	841 506
Gauteng Provincial Legislature	761 430							761 430
Economic Development	1 581 240		23 661			33 391	57 052	1 638 292
Health	50 767 163		299 754		132 699	379 203	811 656	51 578 819
Education	49 809 551	(250 000)	46 200				(203 800)	49 605 751
Social Development	5 516 852	(126 850)				52 949	(73 901)	5 442 951
Cooperative Governance and Traditional Affairs	562 282							562 282
Human Settlements	6 216 526		80 016				80 016	6 296 542
Roads and Transport	7 708 630					91 390	91 390	7 800 020
Community Safety	759 224		11 700			7 116	18 816	778 040
Agriculture and Rural Development	990 202	(7 920)	4 757			5 633	2 470	992 672
Sport, Arts, Culture and Recreation	1 058 424	(97 184)	8 063				(89 121)	969 303
E-Government	1 413 914							1 413 914
Gauteng Provincial Treasury	834 950	(55 000)					(55 000)	779 950
Infrastructure Development	3 465 840	(40 854)					(40 854)	3 424 986
Total	132 442 501	(732 573)	474 151		132 699	569 682	443 960	132 886 461

Gauteng Office of the Premier: R154.8 million decrease

The departmental main appropriation decreases by R154.8 million from R996.3 million to an adjusted budget of R841.5 million. The department surrenders unspent funds which are a provision for payments to the executors in respect of acutely ill mental health care users. Payments to the executors will be made on the conclusion of a legal process after 31 March 2020. Moreover, the Office of the Premier reallocates the savings realised during the realignment and reprioritisation process towards the establishment of programmes and projects in line with the mandate of the department.

Gauteng Provincial Legislature: no changes

Gauteng Department of Economic Development: R57 million increase

The 2019/20 appropriation is R57 million higher during the adjustments budget process. The increase comprises of additional funding of R33.4 million for the Business Automation project that the Gauteng Gambling Board will implement. The system will streamline the business processes in order to enhance accuracy of data collection, improve revenue collection and to close off any loopholes within the collection system. Moreover, an approved rollover amount of R23.6 million is for the payment of 2018/19 commitments and accruals.

Gauteng Department of Health: R811.7 million increase

The departmental main appropriation increases by R811.7 million to an adjusted appropriation of R51.6 billion. The increase is attributable to additional funding of R320 million for health infrastructure; R59 million made available towards Health Revenue Incentive Scheme; and R132.6 million, of which R88 million is provided for Human Resource Capacitation grant and R53.7 million is for health professions contracting through National Health Insurance grant.

The department receives rollovers amounting to R299.8 million in the conditional grant allocation. This amount includes R9 million to fund commitments made on HIV/AIDS for ARV procured during March 2019; R5.4 million for the Human Papillomavirus Vaccine grant that is allocated to District Health Services for accruals related to procurement of vaccine; and R285.4 million for the National Tertiary Service Grant and the Health Professional Training Development Grant to pay for commitments made towards medical and allied equipment in the previous financial year.

Gauteng Department of Education: R203.8 million decrease

The 2019/20 main appropriation of the department decreases by a net amount of R203.8 million from R49.8 billion to R49.6 billion. An amount of R250 million is surrendered from the infrastructure budget due to a lack of readiness to implement projects whilst R46.2 million is rolled over to settle outstanding invoices relating to municipal services and school furniture.

Gauteng Department of Social Development: R73.9 million decrease

The department's main appropriation for the 2019/20 financial year is reduced from R5.5 billion to R5.4 billion during the adjustments budget process because R126.8 million is surrendered to the Provincial Revenue Fund while additional funding amounting to R52.9 million is received.

The surrendered funds are disaggregated as follows: R17 million due to delays experienced with the filling of some vacant posts. R14 million allocated for the installation of CCTV cameras and R6 million leases of office buildings are surrendered because of delays in the finalisation of supply chain management process. R8 million for the lease of government garage vehicles is surrendered because of the RT57 contract not being finalized. In addition, delays in the finalisation of specifications for the gym equipment necessitated the surrender of R2.3 million. Lastly, R84.6 million is surrendered from compensation of employees, goods and services and non-profit institutions as the funds will not be spent in full by the end of the financial year. Further contributions to the surrenders are delays in the filling of posts; delays in infrastructure processes for ECD renovations; and uncommitted funds for nutrition programme due to discontinuation of the programme.

The department receives an additional amount of R52.9 million to implement infrastructure projects. This amount includes R31.8 million that is allocated for the repair and maintenance of the institutions, regional office, service points and head office. It also includes R9.6 million that is allocated for the capital works programme that registered significant progress in the 2019/20 financial year with a number of projects, such as Bekkersdal Social Integrated Facility, currently at construction stage. It also includes R11.4 million that is allocated for the infrastructure upgrade, refurbishment and rehabilitation. The infrastructure programme focuses on the provision of social facilities, upgrade and rehabilitation of existing social facilities. The social infrastructure portfolio includes early childhood development centres, community facility for older persons, child and youth care centres, inpatient and outpatient substance rehabilitation centres and secure care centres to enable the department to achieve its strategic goals.

Gauteng Department of Cooperative Governance and Traditional Affairs: no changes**Gauteng Department of Human Settlements: R80 million increase**

The departmental budget is adjusted upwards by R80 million from R6.2 billion to R6.3 billion. The increase relates to rollovers amounting to R80 million which consists of both a conditional grant and equitable share that will be used for the creation of sustainable and integrated human settlements. The rollover provides for the payment of 2018/19 commitments. This amount can be disaggregated into an equitable share amount of R26.3 million which provides for the acquisition of capital assets, tools of trade for staff, payment for property rates & taxes for non-transferred RDP stock, five provincial hostels and for the migration and testing application development system administrative services database administration. Moreover, an amount of R53.7 million is a provincial rollover from the conditional grant that is approved to assist the department to honour the commitments made in the previous financial year, whereby the services were rendered but the department was not invoiced timeously.

Gauteng Department of Roads and Transport: R91.4 million increase

An amount of R91.4 million is added to the department to augment the infrastructure budget to provide for the contract price adjustment in respect of outsourced routine maintenance class 1&2.

Gauteng Department of Community Safety: R18.8 million increase

The R7.1 million added to the budget and R11.7 million approved rollover increase the appropriation by R18.8 million during the adjustments budget process in 2019/20. The rollover amount is disaggregated as follows: R7.9 million is for commitments on the procurement of safety kiosks; R1.4 million is for the procurement and installation of lifts at Ikhaya Lethemba which offers holistic victim support and R2.4 million is for the procurement of firearms used by traffic law officers. The R7.1 million addition to the budget includes R5.5 million from the proceeds of sale of motor vehicles that have reached the 100 000 km

limit and R1.6 million which is a reimbursement to the department for expenditure incurred on behalf of the Road Traffic Management Corporation in the previous financial year.

Gauteng Department of Agriculture and Rural Development: R2.5 million increase

The appropriation of the department increases because of R5.6 million added to the budget, R4.7 million approved rollover and R7.9 million surrendered to the Provincial Revenue Fund.

The R5.6 million is added to fund the implementation and operationalization of Isigayo Milling plant in Randfontein. The R4.7 million rollover is approved for the Comprehensive Agricultural Support Programme (CASP) grant to fund the following projects: poultry production inputs; research agenda project; plant pest identification, Sebokeng Zone 10 Agripark; Eikenhof irrigation project; Hydroponic tunnel repairs and the production of service video and biotechnology programme. The amount of R7.9 million surrendered to the Provincial Revenue Fund includes R6.2 million for the infrastructure projects in the department's nature reserve that are not ready for implementation and R1.6 million from Ilima/ Letsema grant that is reallocated to the national department to pay for the national food and nutrition survey.

Gauteng Department of Sport, Arts, Culture and Recreation: R89.1 million decrease

The R97.2 million funds surrender and R8.1 million approved funds rollover reduce the budget by R89.1 million during the adjustments budget process.

Funds surrender relates to R45.2 million allocated for infrastructure projects including the building of libraries throughout the province, capacity building of professional infrastructure personnel, multi-purpose courts; and the rehabilitation of HM Pitje Stadium; as well as R52 million allocated for the bidding and hosting of events, the Women's Living Heritage Monument and the Provincial Archive Centre.

Funds rollover is approved for the repairs and maintenance of the Tarlton Community Library, payment of a contractor at the Provincial Archive Centre, installation of the solar panels at the Women's Living Heritage Monument, completion of Phase 1 of the Women's Living Heritage Monument, procurement of computers for the newly-appointed staff and for installing **security cameras at head office.**

Gauteng Department of e-Government: no changes

Gauteng Provincial Treasury: R55 million decrease

The appropriation of the department is R55 million lower during the adjustments budget process because the department surrenders to the Provincial Revenue Fund R55 million for vacant posts that will be filled after concluding the consultation with stakeholders.

Gauteng Department of Infrastructure Development: R40.9 million decrease

The R40.9 million funds surrender from the infrastructure project programme results from delays in the tender process for the Kopanong Precinct and the occupational health and safety refurbishment projects. The budget therefore reduces from R3.5 billion to R3.4 billion.

Changes to Provincial Payments by Economic Classification

TABLE 4: CHANGES TO PROVINCIAL PAYMENTS BY ECONOMIC CLASSIFICATION

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current Payments	105 527 017	(191 114)	95 107	(861 759)	132 699	184 911	(640 156)	104 886 861
Compensation of employees	75 002 457	(100 689)		(533 366)	141 815		(492 240)	74 510 217
Salaries and wages	64 794 701	(90 499)		(142 273)	141 815		(90 957)	64 703 744
Social contributions	10 207 756	(10 190)		(391 093)			(401 283)	9 806 473
Goods and services	30 523 300	(90 425)	95 107	(328 392)	(9 116)	184 911	(147 915)	30 375 385
Interest and rent on land	1 260			(1)			(1)	1 259
Transfers and subsidies	21 645 883	(231 929)	53 716	772 070		33 391	627 248	22 273 131
Provinces and municipalities	1 923 986			94 180			94 180	2 018 166
Departmental agencies and accounts	3 467 753			47 610		33 391	81 001	3 548 754
Higher education institutions	67 729			(500)			(500)	67 229
Public corporations and private enterprises	2 617 233							2 617 233
Non-profit institutions	7 142 320	(77 164)		601 864			524 700	7 667 020

Households	6 426 862	(154 765)	53 716	28 916		(72 133)	6 354 729
Payments for capital assets	5 269 601	(309 530)	325 328	83 391		351 380	5 720 170
Buildings and other fixed structures	3 289 819	(283 320)	4 547	(314 425)		336 854	3 033 475
Machinery and equipment	1 957 695	(26 210)	313 656	203 041		14 526	2 462 708
Heritage assets	5 463		1 725			1 725	7 188
Land and sub-soil assets	5 868			125 000		125 000	130 868
Software and other intangible assets	10 756		5 400	69 775		75 175	85 931
Payments for financial assets				6 299		6 297	6 299
Thefts and losses				6 299		6 297	6 299
Total Economic Classification	132 442 501	(732 573)	474 151		132 699	569 682	132 886 461

Current Payments

The province's current payments constitute the largest portion of the economic classification and reflect the largest share of spending. The main appropriation for current payments decreases from R105.5 billion to R104.9 billion. The decrease of R640.2 million emanates mainly from the surrender of funds and shifts from goods and services to non-profit institutions to comply with the requirements of Classification Circular 21 of 2018.

The net decrease of R492.2 million in compensation of employees is due to a shift of funds from personnel and a surrender of funds to the Provincial Revenue Fund. The reprioritisation of funds from personnel is primarily informed by delays in the filling of vacancies. The total shifts from compensation of employees amounts to R533.4 million which is attributed to the Department of Education decreasing compensation of employees due to vacant posts in schools which are in the process of being filled. The Department of Health increases compensation of employees through reprioritisation due to the 24-hour service expansion of Community Health Centres and to provincialize the Johannesburg Emergency Medical Services. Furthermore, budget was reclassified by Health from non-profit institutions and compensation of employees in order to ensure that community health workers and EPWP workers are remunerated directly by the department. Furthermore, the Department of Health receives additional funding from national to assist the department to meet their salary obligations for the posts that have already been filled through the Human Resources Capacitation conditional grant.

A total amount of R100.1 million of the compensation of employees budget is surrendered back to the PRF. Departments affected include Gauteng Provincial Treasury due to vacant posts in the approved organisational structure that will be filled after concluding the consultation process with stakeholders and Department of Social Development due to delays experienced with the filling of some vacant posts. Department of Sport, Arts, Culture and Recreation surrendered funds due to slow progress in fully operationalising the Women's Living Heritage Monument and due to slow progress in the recruitment of relevant professional staff in the built environment.

Goods and services decrease from R30.5 billion to R30.4 billion due to a surrender of funds back to the PRF and shifts of funds from goods and services back to transfers specifically by Department of Education in line with Classification circular 21 of 2018.

A total amount of R90.4 million allocated to goods and services is surrendered. The major contributors is the Department of Infrastructure Development that surrenders R40.8 million of its goods and services allocation due to delays in the tender process of some infrastructure projects and completion of these projects have been deferred to the next financial year. Another major contributor is the Department Social Development that surrenders R44.4 million from the goods and services' allocation due to delays in finalisation of procurement processes, uncommitted funds for nutrition programme and funds availed from an outsourced secure care facility as a system of paying is based on number of beneficiaries and not on the allocated budget.

With regard to additional funding, R184.9 million is allocated to goods and services, of which R56 million is for the Department of Health for the payment of revenue collecting agencies, R31.8 million is for the Department of Social Development to fund the repair and maintenance of regional offices, satellite offices, departmental institutions and head office. The Department of Roads and Transport receives additional funding of R91 million to augment the infrastructure budget for the outsourced routine maintenance class 1 and 2 to settle the contract price adjustment as approved by Provincial Treasury.

Transfers and subsidies

Transfers and subsidies increases by R627.2 million from R21.6 billion to R22.3 billion. A total amount of R231.9 million is surrendered back to PRF which includes a surrender of R154.7 million from the Office of the Premier which is budget allocated to acutely ill mental health care users. This total also includes R49.2 million from the Department of Social Development due to delays in infrastructure processes for ECD renovations and R28 million from the Department of Sport, Arts, Culture and Recreation due to the fact that the Bidding and Hosting Committee has not finalised projects that will be funded.

The Department of Economic Development increases its transfers budget by R33.3 million due to additional funding allocated for business automation project which will be implemented by the Gauteng Gambling Board (GGB). Other growth in the budget for transfers is informed by the reclassification of the budget transferred to Matthew Goniwe School of Leadership

and Sci-Bono Discovery Centre by Education from goods and services in line with Classification Circular 21 of 2018. The Office of the Premier also reclassifies the funds for Tshepo 1 million programme from goods and services to transfers and subsidies in line with the said Classification Circular.

Payments for capital assets

The budget for payments for capital assets increases by R450.6 million from R5.3 billion to R5.7 billion. The main reason for the increase is additional funding towards infrastructure projects that are ready for implementation. An amount of R320.2 million is allocated to the Department of Health for the implementation of the Occupational Health and Safety (OHS) compliance Programme and the Department of Social Development is allocated R21 million for the capital works programme that registered significant progress in the 2019/20 financial year on projects that are currently at construction stage.

Surrenders of infrastructure budgets are from the Department of Sport, Arts, Culture and Recreation due deferment of the construction of community libraries. Other surrenders of infrastructure allocations from this department are in relation to the HM Pitje stadium due to slow performance and budget allocated to the multi-purpose sports courts is surrendered due to the deferment of the procurement process.

An amount of R269.8 million is rolled over by the Department of Health to pay for the procurement of machinery and equipment which was acquired in the previous financial year.

Funds are also reprioritised from capital assets budget due to delays in the municipal processes to approve plans which consequently resulted in delays in the implementation of projects in the Department of Education, Lastly, the Department of Roads and Transport reduced the budget of projects that are not ready for implementation due to stoppages.

4. Summary of the 2019 Adjusted Estimates of Provincial Own Receipts

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

R thousand	Main Appropriation	Total Adjustments	Adjusted Appropriation	Actual Receipts April - September 2019
Office of the Premier	558	(68)	490	193
Gauteng Provincial Legislature				
Economic Development	1 052 881		1 052 881	583 039
Health	536 796		536 796	299 961
Education	32 770		32 770	19 421
Social Development	3 601	5 944	9 545	7 499
Cooperative Governance and Traditional Affairs	594		594	234
Human Settlements	5 471		5 471	4 035
Roads and Transport	4 110 915		4 110 915	2 110 106
Community Safety	35 780		35 780	20 758
Agriculture and Rural Development	17 304	(6 842)	10 462	7 697
Sport, Arts, Culture and Recreation	403		403	183
E-Government	665		665	424
Gauteng Provincial Treasury	501 701	345 000	846 701	422 959
Infrastructure Development	26 981		26 981	8 654
Total Changes in Own Receipts	6 326 420	344 034	6 670 454	3 485 163

The adjusted appropriation for the provincial own receipts totalling R6.7 billion is R344 million higher than the main appropriation of R6.3 billion in 2019/20. A justified trend in the collection of own receipts during the first half of the financial year informs the treasury-approval of adjustments to the main appropriation. The adjustments in the appropriations of Office of the Premier, Social Development, Agriculture and Rural Development and Provincial Treasury causes the overall increase of R344 million.

The appropriation for own receipts in Gauteng Office of the Premier reduces from R558 000 to R490 000 because of a significantly low collection in financial transactions in assets and liabilities to date.

In Gauteng Department of Social Development, the appropriation for own receipts increases by R5.9 million from R3.6 million to R9.5 million to provide for an unexpected increase in collection of monies owed to the department such as receivables from previous years' expenditure and departmental debts.

The adjusted appropriation in Gauteng Department of Agriculture and Rural Development is R6.8 million lower than the main appropriation after the Provincial Treasury granted approval to the department to exclude the S24G fines from its revenue stream. S24G fines are the fines levied in terms of 24G of the National Environment Management Act (Act 107 of 1998) for contravening the requirements of this Act. The appropriation for own receipts therefore reduces from R17.3 million to R10.5 million.

The appropriation for own receipts in Gauteng Provincial Treasury increases by R345 000 from R501.7 million to R846.7 million to provide for an over-collection of interest revenue as at 30 September 2019. The interest revenue earned on favourable bank balances amounts to R422.3 million or 84 per cent of the appropriation for interest as at 30 September 2019.

OFFICE OF THE PREMIER

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	996 271	841 506	(154 765)	
of which:				
Current payments	659 361	533 165	(126 196)	
Transfers and subsidies	326 542	296 036	(30 506)	
Payments for capital assets	10 368	12 305		1 937
Payment for financial assets				
Executive authority	Premier			
Accounting officer	Director General			

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 2019/20

TABLE 1.1 OFFICE OF THE PREMIER

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Administration	414 477	(154 765)		5 797			(148 968)	265 508
2. Institutional Development	276 321			927			927	277 248
3. Policy & Governance	305 473			(6 724)			(6 724)	298 749
Total for Programmes	996 271	(154 765)		0			(154 765)	841 506

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	659 361			(126 196)			(126 196)	533 165
Compensation of employees	341 264			(9 971)			(9 971)	331 293
Salaries & wages	307 001			(12 522)			(12 522)	294 479
Social contribution	34 263			2 551			2 551	36 814
Goods and services	318 097			(116 225)			(116 225)	201 872
Transfers and subsidies	326 542	(154 765)		124 259			(30 506)	296 036
Higher education institutions	26 542			(500)			(500)	26 042
Non-profit institutions				124 273			124 273	124 273
Households	300 000	(154 765)		486			(154 279)	145 721
Payments for capital assets	10 368			1 937			1 937	12 305
Buildings and other fixed structures								
Machinery and equipment	10 368			1 937			1 937	12 305
Payments for financial assets								
Total economic classification	996 271	(154 765)		0			(154 765)	841 506

The 2019/20 financial year is the start of the 6th Administration and therefore the Office of the Premier reprioritised the budget to align it with the provincial priorities of the 6th Administration. The budget baseline are revised downwards by R154.8 million from R996.3 million to R841.5 million due to a surrender of the budget for acutely ill mental health care users.

The Office of the Premier reallocates the savings realised during the realignment and reprioritisation process towards the establishment of programmes and projects as per the mandate of the department.

The main budget of Programme 1: Administration, in which the in-house administration function and Executive Council Support are located, constitutes 42 per cent of the total baseline. This budget includes the funds that are providing for the expenditure for acutely ill mental health care users. Through virements and shifts, the budget for Programme 3: Policy and Governance reduces by R6.7 million. Of this amount, R5.8 million is reallocated to Programme 1 to fund the internal operations and R927 000 is reallocated to Programme 2: Institutional Development to fund key projects and programmes.

Adjustments reflects in all economic classification items and they relate mainly to the funding of revised outputs and the reclassification of items as per the standard chart of accounts. Through virements and shifts, current payments reduce by R126.2 million to fund an increase of R124.3 million in transfers and subsidies and an increase of R1.9 million in payments for capital assets. Transfers and subsidies also decrease by R154.8 million because of funds surrender to the Provincial Revenue Fund. A provision for payments to the executors in respect of acutely ill mental health care users is expected to be used in the next financial year, hence the funds surrender.

A reclassification of the budget for Tshepo 1 million programme from goods and services to transfers and subsidies causes an increase of R124.3 million in transfers to non-profit institutions. This increase is funded from goods and services and compensation of employees, which decrease by R116.2 million and R10 million respectively.

Transfers to higher education institutions decrease by R500 000 because the research projects will be funded under goods and services. Transfers to households increase by R486 000 to provide for the payment of injury on duty claims and payment of leave gratuity to former employees.

A provision for the procurement of GIS server and the spending pressures on leased G-fleet vehicles increases payments for capital assets by R1.9 million.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 1.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Premiers Support	20 798			(2 127)			(2 127)	18 671
Executive Council Support	9 262			404			404	9 666
Director General	333 912	(154 765)		4 603			(150 162)	183 750
Financial Management	48 313			2 410			2 410	50 723
Programme Support Prg1	2 192			507			507	2 699
Total for Programmes	414 477	(154 765)		5 797			(148 968)	265 508

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	106 709			4 504			4 504	111 213
Compensation of employees	68 996			2 207			2 207	71 204
Salaries & wages	61 961			1 569			1 569	63 529
Social contribution	7 036			639			639	7 674
Goods and services	37 713			2 297			2 297	40 010
Transfers and subsidies	300 000	(154 765)		19			(154 746)	145 254
Provinces and municipalities								
Households	300 000	(154 765)		19			(154 746)	145 254
Payments for capital assets	7 768			1 273			1 273	9 041
Buildings and other fixed structures								
Machinery and equipment	7 768			1 273			1 273	9 041
Payments for financial assets								
Total economic classification	414 477	(154 765)		5 797			(148 968)	265 508

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

Economic classification	Motivation	From	Motivation	To
Current payments		(11 746)		16 250
Compensation of employees	Reallocation as per personnel requirements within the programme.	(4 422)	To fund personnel requirements as per approved organisational structure.	6 629
Goods and services	Unused funds for the expenditure management software, previously-outsourced security services and postponed international engagements.	(7 324)	Provision for additional venues for executive meetings, rental expenses for Turbine Hall office premises, uniforms for insourced security officials, maintenance of occupational health and safety equipment and costs of relocating the Premier's office furniture to new premises.	9 621
Interest and rent on land				
Transfers and subsidies				19
Households			Provision for leave gratuity payments to former employees and for injury on duty claims	19
Payments for capital assets		(1 150)		2 423
Buildings and other fixed structures				
Machinery and equipment	Unused funds for purchasing office furniture since the department is leasing furnished offices.	(1 150)	Provision for the G-fleet finance lease, purchase of the GIS server for centralised IT function and purchase of staff laptops.	2 423
Total economic classification		(12 896)		18 692

The budget for Programme 1 budget reflects a net decrease of R149 million from R414.5 million to R265.5 million due to a surrender of funds for acutely-ill mental health care users that will be spent in the next financial year.

Virements and shifts

Through virements and shifts, the budget for Programme 1 increases by R5.8 million that is received from Programme 3: Policy and Governance to fund operational requirements. Compensation of employees increases by R2.2 million to fund personnel requirements as per approved organisational structure.

Through virements, the budget for goods and services increases by R2.3 million to provide for spending pressures in the programme. The spending pressure relates to the rental expenses for the Turbine Hall building which provides office accommodation for the department following the extension of its rental lease agreement. The spending pressure also relates to unforeseen costs of forensic investigation following the collapse of building structure at Hoërskool Driehoek in Vanderbijlpark early in 2019.

Through shifts, R7.3 million is reallocated within goods and services to fund the operational requirements in the programme. The unused funds for the electronic system for expenditure management, previously outsourced security services and reviewed international engagements are reallocated for the Turbine Hall lease agreement extension, purchase of uniforms for insourced security officers and the Premier's meetings venue at Emoyeni in Parktown.

Transfers to households increase by R19 000 to make provision for the payment of leave gratuity to officials who exit the public sector and for the payment of injury on duty claims.

Payments for capital assets increase by R1.3 million to fund the procurement of machinery and equipment required to make the office building more accessible for people living with disabilities, to provide for a budget pressure in respect of G-fleet lease and to make a provision for the replacement of laptops in line with the department's assets management policy.

Surrender of funds

The department surrenders R154.8 million to the Provincial Revenue Fund. This amount is a provision for the payments to the executors in respect of acutely-ill mental health care users. Payments will be made to the executors after the conclusion of a legal process, which is expected to happen after 31 March 2020.

Programme 2: Institutional Development

TABLE 1.4: PROGRAMME 2: INSTITUTIONAL DEVELOPMENT

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Strategic Human Resources	108 393			(2 258)			(2 258)	106 135
Information Communication	13 901			4 920			4 920	18 821
Legal Services	15 299			(2 291)			(2 291)	13 008
Communication Services	84 087			3 184			3 184	87 270
Programme Support Prg2	2 158			442			442	2 600
Service Delivery Interventions	52 483			(3 069)			(3 069)	49 413
Total for Programmes	276 321			927			927	277 248

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	274 661			(599)			(599)	274 062
Compensation of employees	191 878			(11 089)			(11 089)	180 789
Salaries & wages	172 690			(13 138)			(13 138)	159 551
Social contribution	19 188			2 050			2 050	21 238
Goods and services	82 783			10 490			10 490	93 273
Interest and rent on land								
Interest (Incl. interest on finance leases)								
Transfers and subsidies				421			421	421
Provinces and municipalities								

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Departmental agencies and accounts								
Higher education institutions								
Non-profit institutions								
Households				421			421	421
Payments for capital assets	1 660			1 104			1 104	2 764
Buildings and other fixed structures								
Machinery and equipment	1 660			1 104			1 104	2 764
Software and other intangible assets								
Payments for financial assets								
Thefts & Losses								
Total economic classification	276 321			927			927	277 248

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

Economic classification	Motivation	From	Motivation	To
Current payments		(25 066)		24 467
Compensation of employees	Excess funds identified after the realignment of budget with personnel requirements are reallocated for key projects and operational requirements	(16 365)	To fund personnel requirements as per the approved organisational structure.	5 276
Goods and services	Lower expenditure on catering in Communication Services, unused funds for the previously-outsourced cleaning services, funds for computer services in Communication Services to be centralised in the ICT sub-programme and cost containment applied on the use of consultants	(8 701)	Provision for the occupational health and safety training in GPG, the hosting of Ntirhisano events, the procurement of multimedia products to publicize the new GGT Plan, the costs of state and official funerals declared in GPG, the payment of legal costs, software licences and new hotline channels	19 191
Transfers and subsidies				421
Households			Provision for leave gratuity payments to former employees and for injury on duty claims	421
Payments for capital assets		(400)		1 504
Buildings and other fixed structures				
Machinery and equipment	Reallocation of funds for the desktop computers to provide for the purchase of laptop computers	(400)	Provision for the replacement of obsolete staff laptops as per departmental asset management policy.	1 504
Payments for financial assets				
Total economic classification		(25 466)		26 393

Virements and shifts

The virements and shifts increase the budget by R927 000 from R276.3 million to R277.2 million to fund the key projects of the 6th Administration in 2019/20. Funds are received from Programme 3.

The review of personnel requirements as per the approved organisational structure resulted in unutilised R11.1 million in the budget for compensation of employees. This amount is reallocated towards key deliverables of the 6th Administration within the programme.

Through shifts, R10.5 million of unutilised funds in compensation of employees is reallocated to goods and services. In goods and services, R5 million is allocated in Communication Services sub-programme to fund the GPG publications that promote the 6th Administration Programme of Action; R735 000 is for repositioning of the Ntirhisano Service Delivery War Room and integration of Community Development Workers and internships; and R2.2 million is for augmenting the budget for bursaries and legal fees. The other shifts are the realignment and reprioritisation of funds to address the spending pressures within the sub-programmes.

The budget for transfers to households increases by R421 000 that is shifted from compensation of employees to provide for leave gratuity payments to former employees and for injury on duty claims.

The budget for payments for capital assets increases by R1.1 million in the Information Communication Technology sub-programme to scale up the ICT capabilities in order to meet the increased demands on Apex office.

Programme 3: Policy and Governance

TABLE 1.6: PROGRAMME 3: POLICY AND GOVERNANCE

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Intergovernmental Relations	32 552			(5 339)			(5 339)	27 213
2. Provincial Policy Management	269 311			(526)			(526)	268 785
3. Programme Support	3 610			(858)			(858)	2 752
Total for Programmes	305 473			(6 724)			(6 724)	298 749

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	277 991			(130 102)			(130 102)	147 889
Compensation of employees	80 390			(1 090)			(1 090)	79 300
Salaries & wages	72 351			(952)			(952)	71 398
Social contribution	8 039			(138)			(138)	7 901
Goods and services	197 601			(129 012)			(129 012)	68 589
Transfers and subsidies	26 542			123 818			123 818	150 360
Higher education institutions	26 542			(500)			(500)	26 042
Non-profit institutions				124 273			124 273	124 273
Households				45			45	45
Payments for capital assets	940			(440)			(440)	500
Buildings and other fixed structures								
Machinery and equipment	940			(440)			(440)	500
Payments for financial assets								
Total economic classification	305 473			(6 724)			(6 724)	298 749

TABLE 1.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: POLICY AND GOVERNANCE

Economic classification	Motivation	From	Motivation	To
Current payments		(148 307)		18 205
Compensation of employees	Excess funds identified after the realignment of budget with personnel requirements are reallocated for key projects and operational requirements.	(4 423)	To fund personnel requirements as per the approved organisational structure.	3 333
Goods and services	Re-classification of Tshepo 1 million funds from goods and services to transfer and subsidies; funds shifted following the review of the Provincial African and Global International Relations Strategies and the implementation plans in line with the priorities of the 6th Administration; reprioritisation of funds for PSEA adjudication; re-aligned from Gender sub-directorate under foreign travelling as they will no longer travel to cater for the shortfall under domestic accommodation.	(143 884)	Funds allocated to cater for the skills development of the military veterans and their dependants who require the programme to create abilities to participate in the main economy through employment or self-employment; Provision for the International Relations strategy, development of policies and framework to guide the planning and implementation of military veterans programmes; to make provision for the urgent need for GIS officials to attend the Kenya exhibition of Geo-portal and projects such as the anti-corruption summit, Commemorative day of military veterans which forms part of Military Veteran Act of 2011 and the international day of older persons	14 872
Interest and rent on land				
Transfers and subsidies		(4 000)		127 818
Higher education institutions	Funds shifting within higher education institutions from research and innovation project to GCRO for the Research Chair on inclusive Economies that will be undertaken by WITS University and from higher education institutions to consultants: research services as the University of Pretoria will be conducting research directly on behalf of OoP.	(4 000)	Funds reallocation to GCRO to fund the research project that will be undertaken by WITS University	3 500
Public corporations and private enterprises				
Non-profit institutions			Reclassification of Tshepo 1 million budget from goods and services to transfers and subsidies in respect of National Treasury's Circular 21 of 2018.	124 273

Economic classification	Motivation	From	Motivation	To
Households			Provision for leave gratuity payments to former employees and for injury on duty claims	45
Payments for capital assets		(940)		500
Buildings and other fixed structures Machinery and equipment	Funds moved to programme 2 to procure GIS server due to centralised procurement of Computer related assets	(940)	To make provision for the creation of an asset which is a library book in which stories, memories and experience of military veterans will be recorded and published. This book will be stored in the Department's Library as an asset.	500
Payments for financial assets				
Total economic classification		(153 247)		146 523

Virements and shifts

The programme is responsible for the core functions such as Delivery support unit, Planning infrastructure coordination, Performance Monitoring & Evaluation, Transformation, Integrity, and Inter-governmental relations. The budget reduces after the reallocation of funds to the other programmes because of a change in key activities and projects during the transition from the 5th Administration to the 6th Administration.

Through virements, the budget for the programme reduces by R6.7 million. Of this amount, R5.8 million is reallocated to Programme 1 to fund the internal operations and R927 000 is reallocated to Programme 2: Institutional Development to fund key projects and programmes

The budget for compensation of employees reduces by R1.1 million, of which R340 000 is reallocated to Programme 2 to fund the requirements of the approved organisational structure and R750 000 is shifted among other economic classification items.

The programme reallocates R5.4 million from goods and services to Programme 2 and Programme 1. The review of the International Relations strategy, which resulted in the postponement of international trips and engagements and the postponement of hosting some events in the Gauteng City Region, created unutilized funds in the programme.

The budget for goods and services reduces by R129 million because of the reclassification of R124.3 million for Tshepo 1 million as transfers to non-profit institutions in line with the National Treasury's Circular 21 of 2018 on classification of transfer payments. The budget for goods and services includes R2 million that is shifted from transfers to higher education institutions to enable the department to directly appoint a local institution of higher institution to undertake the research projects. This decision differs from the previous arrangement whereby the GCRO was mandated to appoint, on behalf of the department, the local institutions of higher education to undertake the Township Economic Revitalisation Research Chair project.

Through shifts, R14.9 million is reallocated within goods and services to fund the prioritized requirements of the programme. The budget for international travel and engagements is reallocated to fund the establishment of the Policy and Advisory Unit, expenditure for the Revised Framework for Strategic Plans and Annual Performance Plans for 2020/2025, Priority projects such as the anti-corruption summit, the commemorative day of military veterans which forms part of Military Veteran Act of 2011 and the international day of older persons.

The budget for transfers and subsidies increases because of the abovementioned reclassification of funds for Tshepo 1 million. The budget for transfers to households increases to provide for leave gratuity payments to former employees and for injury on duty claims.

Payments for capital assets increase by R500 000 to make a provision for the recording of the stories of personal experiences of military veterans in the armed struggle for liberation. The recordings will inform the writing of a book that will promote heritage and memorialisation of the targeted group. An amount of R940 000 for the procurement of the GIS server is reallocated to Programme 2 where the ICT-related procurement function is centralised.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE 1.8: EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20

Department	2018/19 Expenditure Outcome				2019/20 Preliminary expenditure		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
1. Administration	278 428	228 715	300 895	108%	265 508	181 644	(21%)
2. Institutional Development	254 041	129 089	262 046	103%	277 248	124 662	(3%)
3. Policy and Governance	306 909	75 263	274 708	90%	298 749	60 366	(20%)

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Total	839 378	433 067	837 649	100%	841 506	366 672	(15%)
Current payments	643 298	237 464	508 977	79%	533 165	228 023	(4%)
Compensation of employees	307 088	152 979	301 923	98%	331 293	162 274	6%
Goods and Services	336 210	84 485	207 054	62%	201 872	65 749	(22%)
Interest and rent on land							
Transfers and subsidies	182 432	189 846	313 126	172%	296 036	132 337	(30%)
Higher education institutions	25 306		21 306	84%	26 042	11 270	#DIV/0!
Non-profit institutions		29 000	117 410		124 273		(100%)
Households	157 126	160 846	174 410	111%	145 721	121 067	(24.73%)
Payments for capital assets	13 648	5 757	15 546	114%	12 305	6 312	10%
Machinery and equipment	13 648	5 757	15 546	114%	12 305	6 312	10%
Payments for financial assets							
Total	839 378	433 067	837 649	100%	841 506	366 672	(15%)

Expenditure trends 2018/19

The department spent R433.1 million (or 52 per cent) of the R839.3 million adjusted appropriation as at 30 September 2018. The annual spending amounted to R837.6 million (or 99.8 per cent of the budget) as at 31 March 2019.

The unspent R1.7 million or 0.2 per cent of the budget was caused by delays in the signing of memorandum of understanding (MOUs) between the GPG and higher education institutions. The amount was budgeted for the Research Chair projects.

Preliminary expenditure trends for the first half of 2019/20

The department spent R433.1 million during the first six months of 2018/19 versus R366.7 million spent in the corresponding period in 2019/20. The department incurred lower expenditure for the acutely ill mental health care users and for the state funerals declared in the province in 2019/20.

Programme 1: Administration

The expenditure for the first half of the current financial year amounting to R181.6 million is 21 per cent lower than R228.7 million spent in the same period of 2018/19 financial year. A trend in payments for the acutely ill mental health care users is the main reason for lower expenditure.

Programme 2: Institutional Development

The spending of R124.7million as at the end of second quarter in 2019/20 is 3 per cent lower than R129.1 million spent in 2018/19 financial year during the same period. The main contributing factor to the lower expenditure is the change of provincial priorities following the start of the 6th Administration, which affected the spending under Provincial Communication Services; Transversal Human Resources and Legal Services.

Programme 3: Policy and Governance

The expenditure amounting to R60.4 million during the 2019/20 first six months is 20 per cent lower than R75.3 million spent during the same period in the previous financial year. Spending will increase in the last two quarters as funds are redirected to other projects such as the Policy and advisory unit establishment, military veterans and other key activities that need to be accelerated by the 6th Administration in line with the Deliverology programmes. Transfers to Harambee Youth Employment Accelerator in respect of Tshepo 1 million will also improve expenditure in the second half of 2019/20.

6. Departmental Receipts

TABLE 1.9: DEPARTMENTAL RECEIPTS

Department	2018/19 Audited Outcome				2019/20 Actual Receipts		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 -March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Tax receipts							
Sales of goods and services other than capital assets	330	200	406		390	189	(6%)
Interest, dividends and rent on land	10			(1)	10		#DIV/0!
Sales of capital assets							0%
Financial transactions in assets and liabilities	189	65	73	(61%)	90	4	(94%)
Total	529	265	479	(9%)	490	193	(27%)

Revenue trends for the first half of the 2019/20 financial year

The table above shows the contribution of each revenue source towards the departmental receipts generated as at the end of September 2019. The main source of departmental receipts is sales of goods and services other than capital assets. This item consists of application fees for business rights (i.e. township development), parking fees and commission earned on garnishee orders and insurance premiums. The revenue from the business rights applications remains the main contributor in this revenue item for the two period comparatively.

The interest revenue contributes the lowest share of the departmental receipts. The departmental receipts totalling R193 000 as at 30 September 2019 are 11 per cent lower than R265 000 revenue collected as at 30 September 2018. The decrease reflects in financial transactions in assets and liabilities. This item is mainly used for the recovery of salaries which were overpaid to employees who left the department. This is regarded as unforeseen revenue. However, the main budget for this revenue in 2019/20 was set high based on a historical trend. A significant low rate of collection in this item during this financial year necessitates a downward adjustment of the budget by R68 000 from R558 000 to R490 000.

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

Changes to transfers and subsidies

TABLE 1.10: CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Programme 3								
GCRO-WITS	26 542	26 542			(500)			26 042
Harambee Tshepo 1 Million					124 273			124 273
Total changes in conditional Name of transfer payments	26 542	26 542			123 773			150 315

Changes on transfers to higher education is due to a shift of R2 million from transfers and subsidies to goods and services in respect of the Township Economic Revitalisation Research Chair project that department will commission directly with institutions of higher education instead of the previous arrangement whereby the GCRO commissioned such research projects with institutions of higher education on behalf of the department.

Transfers to Harambee Youth Employment Accelerator, a non-profit institution, increase by R124.3 million due to reclassification of funds for Tshepo 1 million from goods and services to transfers and subsidies to follow SCOA classification and the National Treasury's Circular 21 of 2018 on the classification of transfer payments.

Changes to conditional grants

Not applicable

Changes to infrastructure

Not applicable

GAUTENG PROVINCIAL LEGISLATURE

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	761 430	761 430		
of which:				
Current payments	629 380	620 784	(8 596)	
Transfers and subsidies	126 420	126 420		
Payments for capital assets	5 630	14 226		8 596
Payment for financial assets				
Executive authority	Speaker			
Accounting officer	Secretary of the Legislature			

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 2019/20

TABLE 2.1: GAUTENG PROVINCIAL LEGISLATURE

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Leadership and Governance	45 646							45 646
2. Office of the Secretary	25 249			(776)			(776)	24 473
3. Corporate Support Services	355 069			776			776	355 845
4. Core Business	275 131			(204)			(204)	274 927
5. Office of the CFO	60 335			204			204	60 539
Total for Programmes	761 430							761 430

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	629 380			(8 596)			(8 596)	620 784
Compensation of employees	382 427			3 296			3 296	385 723
Salaries & wages	382 427			3 296			3 296	385 723
Social contribution								
Goods and services	246 953			(11 892)			(11 892)	235 061
Transfers and subsidies	126 420							126 420
Provinces and municipalities								
Non-profit institutions	126 420							126 420
Households								
Payments for capital assets	5 630			8 596			8 596	14 226
Buildings and other fixed structures				4 000			4 000	4 000
Machinery and equipment	5 630			4 596			4 596	10 226
Payments for financial assets								
Total economic classification	761 430							761 430

The adjustments budget of the Gauteng Provincial Legislature (GPL) is 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 financial year. The current adjustment also afforded programmes an opportunity to realign the main budget with the political imperatives and priorities for the 6th Legislature.

Funds have been reprioritised from low-performing activities to core service delivery outputs, new priorities and areas experiencing budgetary pressures. The reprioritisation process led to unspent funds and savings totalling R11.9 million from goods and services, primarily due to implementation of cost-containment measures and delays in the performance of activities following the transitional processes from the 5th to the 6th Legislature.

Declared savings from goods and services have been reallocated to both compensation of employees and payments for capital assets. A budget shortfall in compensation of employees is due to the implementation of a higher salary agreement for employees in the bargaining unit. A budget shortfall in payments for capital assets relates to staff laptops, computer servers, audio-visual equipment and asset-ware scanners.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Leadership and Governance

TABLE 2.2: PROGRAMME 1: LEADERSHIP AND GOVERNANCE

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Office of the Executive Director	26 656			257			257	26 913
2. Administrative Operations	3 468			517			517	3 985
3. Inter-Legislature Relations	12 955			(2 732)			(2 732)	10 223
4. Oversight and Liaison	2 567			1 958			1 958	4 525
Total for Programmes	45 646							45 646

Economic classification	Main Appropriation						Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	45 646							45 646
Compensation of employees	25 839			109			109	25 948
Salaries & wages	25 839			109			109	25 948
Social contribution								
Goods and services	19 807			(109)			(109)	19 698
Interest and rent on land								
Transfers and subsidies								
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Foreign governments and international organisations								
Public corporations and private enterprises								
Non-profit institutions								
Households								
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Heritage assets								
Software and other intangible assets								
Payments for financial assets								
Thefts & Losses								
Total economic classification	45 646							45 646

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

Economic classification	Motivation	From	Motivation	To
Current payments		(2 732)		2 732
Compensation of employees			To fund the implementation of salary agreement that was higher than the budgeted amount	109
Goods and services	Savings from Gauteng Speakers Forum activities and conferences	(2 732)	To fund the budgetary shortfall in Presiding Officers international conferences and study tours	2 623
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				
Total economic classification		(2 732)		2 732

Virements and shifts

The programme identified savings from the Gauteng Speakers Forum (GSF) activities and Commonwealth Parliamentary Association (CPA) Africa region conference due to reprioritisation of travel budget and discontinuation of planned activities as a result of disestablishment of the 5th Legislature and transition to the 6th Legislature. Funds have been shifted to emerging requirements for the Presiding Officers.

An amount of R148 000 is shifted within goods and services from the Inter-Legislature Relations sub-programme to the Office of the Executive Director sub-programme to cover the costs of a strategic planning session held for the Presiding Officers.

An amount of R109 000 is shifted from goods and services in the Inter-Legislature Relations sub-programme to compensation of employees in the Office of the Executive Director sub-programme to supplement a budget shortfall caused by the implementation of a higher salary agreement for employees in the bargaining unit.

An amount of R517 000 is shifted within goods and services from the Inter-Legislature Relations sub-programme to the Administrative Operations sub-programme to fund the travelling requirements of the Deputy Speaker.

An amount of R2 million is shifted within goods and services from the Inter-Legislature Relations sub-programme to the Oversight and Liaison sub-programme to fund a budget shortfall on international conference and study tour for the Presiding Officers.

Programme 2: Office of the Secretary

TABLE: 2.4: PROGRAMME 2: OFFICE OF THE SECRETARY

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Office of the Secretary	24 909			(687)			(687)	24 222
2. Office of the Integrity Commissioner	340			(89)			(89)	251
Total for Programmes	25 249			(776)			(776)	24 473

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	25 249			(776)			(776)	24 473
Compensation of employees	16 005			1 057			1 057	17 062
Salaries & wages	16 005			1 057			1 057	17 062
Social contribution								
Goods and services	9 244			(1 833)			(1 833)	7 411
Interest and rent on land								
Transfers and subsidies								
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Non-profit institutions								
Households								
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Software and other intangible assets								
Payments for financial assets								
Thefts & Losses								
Total economic classification	25 249			(776)			(776)	24 473

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

Economic classification	Motivation	From	Motivation	To
Current payments		(1 833)		1 057
Compensation of employees			To fund the implementation of salary agreement that was higher than the budgeted amount	1 057
Goods and services	Savings from international travel and media monitoring project.	(1 833)		
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				
Payments for financial assets				
Total economic classification		(1 833)		1 057

Virements and shifts

The programme identified unused funds from goods and services under international travel budget and media monitoring project. The media monitoring project has been put on hold due to poor responses to the tender adverts.

Through funds shifts, an amount of R1.1 million is reallocated to compensation of employees to supplement the budget shortfall due to the implementation of a higher salary agreement for employees in the bargaining unit.

An amount of R776 000 is also shifted to building and other fixed structures in Programme 3: Corporate Support Services to finance the first phase of the project relating to the rehabilitation of the concrete sheet roof portion in the main building.

Programme 3: Corporate Support Services

TABLE: 2.6: PROGRAMME 3: CORPORATE SUPPORT SERVICES

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Ed Corporate Support Services	121 469			(159)			(159)	121 310
2. Members Affairs	143 130			(3 947)			(3 947)	139 183
3. Institutional Support Services	29 906			(2 846)			(2 846)	27 060
4. Operational Support Services	40 986			1 389			1 389	42 375
5. IT and Technology	19 578			6 339			6 339	25 917
Total for Programmes	355 069			776			776	355 845

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	224 049			(7 522)			(7 522)	216 527
Compensation of employees	120 146							120 146
Salaries & wages	120 146							120 146
Social contribution								
Goods and services	103 903			(7 522)			(7 522)	96 381
Interest and rent on land								
Transfers and subsidies	126 420							126 420
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Non-profit institutions	126 420							126 420
Households								
Payments for capital assets	4 600			8 298			8 298	12 898
Buildings and other fixed structures				4 000			4 000	4 000
Machinery and equipment	4 600			4 298			4 298	8 898
Software and other intangible assets								

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Payments for financial assets								
Thefts & Losses								
Total economic classification	355 069			776			776	355 845

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

Economic classification	Motivation	From	Motivation	To
Current payments		(9 563)		2 041
Compensation of employees	Savings realised in training and development, Executive Assistance Programme, security services, policy committee meetings, inter-legislature games and telephone and canteen contracts.	(9 563)	To fund the implementation of the Information, Communication and Technology (ICT) strategy project.	2 041
Goods and services				
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				8 298
Buildings and other fixed structures			To fund the budget shortfall in relation to the Upgrade of Aged Infrastructure: Roof Covering, Structure and Waterproofing (Phase 01: Rehabilitation of Concrete Sheet Roof Portion – Main Building	4 000
Machinery and equipment			To defray the overspending relating to computer servers and budget shortfall under audio-visual equipment and laptops for staff.	4 298
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(9 563)		10 339

Virements and shifts

The overall budget for the programme increases by R776 000 from R355.1 million to R355.8 million.

A total amount of R4 million is reallocated from goods and services to building and other fixed structures to finance the first phase of the project relating to the rehabilitation of the concrete sheet roof portion in the main building. The transitional processes from the 5th to the 6th Legislature delayed some activities in Gauteng Provincial legislature. The delay resulted in unused funds under emergency security services, catering during House sittings, policy committee meetings and travel. The R4 million is received from the following sub-programmes within the programme and from the other programme:

- An amount of R2.6 million within Operational Support Services sub-programme;
- An amount of R454 000 from Institutional Support Services sub-programme;
- An amount of R159 000 from Office of the ED Corporate Support Services sub-programme; and
- A virement of R776 000 from Programme 2: Office of the Secretary.
-

An amount of R1.8 million is shifted from goods and services in the Members Affairs sub-programme to machinery and equipment in the IT and Technology sub-programme to defray budgetary shortfall on laptops for staff. Savings have been realised from training and development and Executive Assistance Programme (EAP) for members.

An amount of R2 million is shifted from goods and services in the Members Affairs sub-programme to machinery and equipment in the IT and Technology sub-programme to defray excess expenditure on computer servers. Savings have been realised from training and development, EAP expenses, inter-legislature games, external audit fees and conferences.

An amount of R2 million is shifted within goods and services from the Institutional Support Services sub-programme to the IT and Technology sub-programme to fund the implementation of the Information, Communication and Technology (ICT) Strategy project. Savings have been realised from EAP expenses, disciplinary hearings, injury on duty as well as telephone and canteen contracts. The ICT strategy is developed each term to align with the strategy for the new term, following the completion of the institutional business strategy.

A total amount of R499 000 is shifted from goods and services to machinery and equipment in the IT and Technology sub-programme to augment the budgetary shortfall for audio-visual equipment. Funds are reprioritised from the Institutional

Support Services sub-programme (R351 000) and the Members Affairs sub-programme (R148 000) under EAP expenses, disciplinary hearings, injury on duty allocation and inter-legislature games.

Programme 4: Core Business

TABLE: 2.8: PROGRAMME 4: CORE BUSINESS

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Ed Core Business	177 429			1 822			1 822	179 251
2. Parliamentary Business	40 047			(2 176)			(2 176)	37 871
3. Information and Knowledge Management	16 597			(161)			(161)	16 436
4. Communication	41 058			311			311	41 369
Total for Programmes	275 131			(204)			(204)	274 927

Economic classification R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Current payments	275 131			(204)			(204)	274 927
Compensation of employees	176 183			2 130			2 130	178 313
Salaries & wages	176 183			2 130			2 130	178 313
Social contribution								
Goods and services	98 948			(2 334)			(2 334)	96 614
Interest and rent on land								
Transfers and subsidies								
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Non-profit institutions								
Households								
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Software and other intangible assets								
Payments for financial assets								
Thefts & Losses								
Total economic classification	275 131			(204)			(204)	274 927

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

Economic classification	Motivation	From	Motivation	To
Current payments		(2 645)		2 441
Compensation of employees			To fund the implementation of salary agreement that was higher than the budgeted amount	2 130
Goods and services	Saving realised from meetings, printing and publication and activities supporting Committees' work outside the GPL precinct. Activities were negatively affected by the transitional processes of the disestablishment of the 5th Legislature and the establishment of the 6th Legislature.	(2 645)	To fund budget pressures under advertising and marketing of GPL and Committees activities	311
Interest and rent on land				

Economic classification	Motivation	From	Motivation	To
Transfers and subsidies				
Payments for capital assets				
Payments for financial assets				
Total economic classification		(2 645)		2 441

Virements and shifts

The programme's budget is reduced by R204 000 from R275.1 million to R274.9 million. The R204 000 is shifted to the Supply Chain Management sub-programme in Programme 5: Office of the CFO. This amount is shifted from goods and services to machinery and equipment to fund the procurement of assets-ware scanners. Savings have been identified from National Council of Provinces (NCOP) meetings which were affected by the disestablishment of the 5th Legislature.

Through shifts within the programme, a total amount of R2.1 million is reprioritised from goods and services to compensation of employees to supplement the budget shortfall following the implementation of a higher salary agreement for employees in the bargaining unit. Savings were identified from quarterly management and sector meetings, printing and publication and activities supporting Committees' work outside the GPL precinct. Some activities of the legislature were delayed during the transitional processes from the 5th to the 6th Legislature.

An amount of R311 000 is shifted within goods and services from Parliamentary Business sub-programme to the Communications sub-programme to fund the budgetary pressures in advertisement and marketing of Committees activities and public outreach programmes, as well as events of the GPL. Savings have been identified from NCOP meetings.

Programme 5: Office of the CFO

TABLE: 2.10: PROGRAMME 5: OFFICE OF THE CFO

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Chief Financial Officer	49 981							49 981
2. Finance	539							539
3. Supply Chain Management	7 936			204			204	8 140
4. Audit, Risk and Governance	1 879							1 879
Total for Programmes	60 335			204			204	60 539

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	59 305			(94)			(94)	59 211
Compensation of employees	44 254							44 254
Salaries & wages	44 254							44 254
Social contribution								
Goods and services	15 051			(94)			(94)	14 957
Interest and rent on land								
Transfers and subsidies								
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Non-profit institutions								
Households								
Payments for capital assets	1 030			298			298	1 328
Buildings and other fixed structures								
Machinery and equipment	1 030			298			298	1 328
Software and other intangible assets								

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Payments for financial assets								
Thefts & Losses								
Total economic classification	60 335			204			204	60 539

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

Economic classification	Motivation	From	Motivation	To
Current payments		(94)		
Compensation of employees	Savings realised due to the implementation of cost cutting measures in terms of the attendance of workshops	(94)		
Goods and services				
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				298
Machinery and equipment			To fund the procurement of assets-ware scanners	298
Payments for financial assets				
Total economic classification		(94)		298

Virements and shifts

A total amount of R298 000 is shifted from goods and services to machinery and equipment to fund the procurement of assets-ware scanners. Of the total virements and shifts, an amount of R94 000 is shifted within the Supply Chain Management sub-programme due to the implementation of cost cutting measures on attendance of workshops and a further amount of R204 000 is received from Programme 4: Core Business.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE: 2. 13 EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20

Programme	2018/19 Expenditure Outcome				2019/20 Preliminary expenditure		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
1. Leadership and Governance	36 814	19 819	46 644	127%	45 646	13 971	(30%)
2. Office of the Secretary	25 032	8 756	21 710	87%	24 473	8 680	(1%)
3. Corporate Support Services	338 173	190 562	326 848	97%	355 845	203 681	7%
4. Core Business	259 372	119 062	262 964	101%	274 927	108 623	(9%)
5. Office of the CFO	56 433	27 062	53 419	95%	60 539	26 784	(1%)
Total	715 824	365 261	711 585	99%	761 430	361 740	(1%)
Current payments	589 809	258 933	577 848	98%	620 784	251 779	(3%)
Compensation of employees	356 885	163 867	339 222	95%	385 723	179 083	9%
Goods and Services	232 924	95 066	238 626	102%	235 061	72 696	(24%)
Interest and rent on land							
Transfers and subsidies	121 572	101 180	121 572	100%	126 420	105 330	4%
Provinces and municipalities							
Departmental agencies and accounts							
Non-profit institutions	121 572	101 180	121 572	100%	126 420	105 330	4%
Households							
Payments for capital assets	4 443	5 148	12 165	274%	14 226	4 631	(10%)
Buildings and other fixed structures	2 736	365	1 716	63%	4 000		(100%)

Programme	2018/19 Expenditure Outcome				2019/20 Preliminary expenditure		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Machinery and equipment	1 707	4 783	10 449	612%	10 226	4 631	(3%)
Software and other intangible assets							
Payments for financial assets							
Total	715 824	365 261	711 585	99%	761 430	361 740	(1%)

Expenditure trends for 2018/19

The GPL spent a total amount of R711.6 million or 99 per cent of the allocated budget in 2018/19. An amount of R339.2 million was spent on compensation of employees comprising salaries for all GPL and political support staff, 13th cheque for employees in the bargaining unit, funeral benefits and overtime payments. Compensation of employees accounted for 48 per cent of the total expenditure for the year.

Spending on goods and services amounted to R238.6 million, equating to 33 per cent of the total expenditure. Goods and services were mainly driven by public outreach programmes, Re-engineering of public participation and outreach workshops, activities of the House and Committee sittings, provision of facilities and support to members of the GPL, institutional events, operational costs and contractual obligations.

Transfers to political parties totalled R121.6 million with Political Party Funding at R80.8 million and Constituency allowance at R40.8 million. Transfers to political parties accounted for 17 per cent of the overall expenditure.

Payments for capital assets amounted to R12.2 million and the reported expenditure relates to implementation of the following projects and acquisition of assets:

- Upgrade of audio-visual system in the chamber project;
- Upgrade of plumbing and drainage project Phase 1 project;
- Upgrade of aged infrastructure - Roof covering, structure and waterproofing project;
- Heating ventilation and air-conditioning project;
- Sage building project;
- Laptops for members and staff;
- Furniture for staff and members' bar lounge;
- Replacement of House equipment;
- Office equipment and TVs for the public forum; and
- Audio-visual equipment for the boardrooms.

Preliminary expenditure trends for the first half of 2019/20

The GPL spent R361.7 million or 48 per cent of the allocated budget during the first half of the 2019/20 financial year in comparison to the R365.3 million that was spent in the same period in 2018/19, showing an overall decline of 1 per cent. Of the total expenditure, compensation of employees accounted for R179.1 million or 50 per cent of the overall expenditure, whilst goods and services accounted for R72.7 million or 20 per cent of the total expenditure. Included in compensation of employees is 13th cheque and pay-progression for employees in the bargaining unit, overtime payments and other benefits. Goods and services expenditure was driven by committees' activities and outreach programmes, sector parliaments, the Opening of the Legislature, members facilities, educational materials, audit fees, voter education as well as operating expenses and contractual obligations.

A total amount of R105.3 million was transferred to political parties comprising Political Party Funding and Constituency Allowance at R85.4 million and R19.9 million respectively. Transfers accounted for 29 per cent of the total expenditure for the mid-year. Transfers are informed by Section 236 of the Constitution of South Africa which promotes a multi-party democracy and funding of political parties participating in the provincial legislatures on an equitable and proportional basis.

Payment for capital assets totalled R4.6 million, equating to 1 per cent of the total expenditure for the mid-year. The reported expenditure relates to procurement of laptops for members, computer servers, audio-visual equipment, office furniture and equipment.

Programme 1: Leadership and Governance

The programme has spent R14 million during the first six months of the financial year when compared to the R19.8 million that was spent in the same period of 2018/19, representing a decrease of 30 per cent. The reduction in expenditure is largely on goods and services due to delayed implementation of activities following the transitional processes from the 5th to the 6th Legislature. Spending on goods and services is mostly driven by Presiding Officers' strategic planning session, chairpersons review sessions, Gauteng Speakers Forum (GSF) meeting, GSF website design and development and attendance and participation in conferences such as the National conference of State Legislatures Summit and Commonwealth Parliamentary Association (CPA) Africa region conference.

Programme 2: Office of the Secretary

The programme spent R8.7 million during the first half of the financial year as compared to R8.8 million spent in the same period of the last financial year, equating to 1 per cent decrease in expenditure. Compensation of employees account for 78 per cent or R6.7 million of the aggregate expenditure for the programme. Goods and services only account for 23 per cent or R1.9 million of the total expenditure for the programme. Key cost drivers for goods and services are legal fees, printing and publication of declaration of members' interest, NCOP planning workshop, attendance and participation in conferences and sector forums such as National Conference of State Legislatures (NCSL), the Annual General Meeting of the Society of Clerks at the Table, Secretaries' Association of the Legislatures of South Africa and the South African Association of Public Administration and Management conference.

Programme 3: Corporate Support Services

The programme expenditure for the mid-year increased by 7 per cent, with R203.7 million spent at mid-year and R190.6 million spent in 2018/19 in the same period. Compensation of employees accounted for 29 per cent or R59.4 million of the overall programme expenditures, whilst goods and services accounted for 17 per cent of the overall expenditure. Operational costs and contractual obligations such as security services, mobile and telecommunication, canteen contract and IT services contributed to expenditure on goods and services. Also included in goods and services spending in members facilities, bursaries, training of staff and members and audit fees for political parties.

Transfers to political parties totalled R105.3 million and accounted for 52 per cent of the overall programme spending for the mid-year.

Payments for capital assets amounted to R4.6 million and relate to procurement of computer servers, audio-visual equipment and laptops for members.

Programme 4: Core Business:

The programme provides support to the House and its Committees to make laws for the Province, conduct oversight over the Executive and facilitate the involvement of the people of Gauteng in all GPL processes through its public participation initiatives. At mid-year assessment, the programme has spent R108.6 million in comparison to the R119.1 million that was spent in the same period of the 2018/19 financial year, representing a decrease of 9 per cent. Transitional processes from the 5th to the 6th Legislature led to delays in timeous implementation of activities.

The overall programme expenditure is largely driven by compensation of employees at 77 per cent or R83.4 million, followed by goods and services at 23 per cent or R25.2 million. Expenditure on goods and services is primarily on committees' activities and public education workshops, voter education, the hosting of sector parliaments such as the Youth Parliament, Children's Parliament, Women's Parliament as well as House sittings. Also contributing to goods and services expenditure is institutional events such as women's month, Vita Basadi Awards, Opening of the Legislature and the advertising and profiling of GPL events and activities to improve public participation in GPL activities.

Programme 5: Office of the CFO

An amount of R26.8 million was spent during the first half of the financial year as compared to R27.1 million that was spent in the same period of 2018/19, equating to a decrease of 1 per cent. Of the total expenditure for the period, compensation of employees accounted for R19 million or 71 per cent, goods and services for R6.8 million or 25 per cent and capital assets for R1 million or 4 per cent. Goods and services expenditure is mainly driven by internal and external audit fees, operating expenses such as maintenance and repairs, bank charges, cleaning materials, stationery, computer and photocopier consumables. Payments for capital assets relates the procurement of office furniture and equipment.

6. Departmental Receipts

TABLE 2.14: DEPARTMENTAL RECEIPTS

Department	2018/19				2019/20		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Tax receipts							

Department	2018/19				2019/20		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Sales of goods and services other than capital assets	2 923	1 534	2 137	(27%)	4 127	1 022	(33%)
Transfers received				0%			0%
Fines, penalties and forfeits				0%			0%
Interest, dividends and rent on land	13 998	7 792	15 746	12%	18 149	8 169	5%
Sales of capital assets				0%			0%
Financial transactions in assets and liabilities				0%			0%
Total	16 921	9 326	17 883	6%	22 276	9 192	(1%)

Revenue trends for the first half of 2019/20

The revenue for the GPL is mostly sourced from interest on investments, the hiring out of City Hall and parking space to Gauteng departments.

The GPL collected a total amount of R9.2 million for the first half of the financial year when compared to R9.3 million that was collected in the same period of 2018/19, representing a decrease of 1 per cent. The slight decline in revenue collection is evident in sales of goods and services. Of the total revenue collected, interest earned from investments accounted for R8.2 million and sales of goods and services for R1 million and include City hall bookings and the hiring out of parking space.

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

Changes to transfers and subsidies

No changes.

Changes to conditional grants

Not applicable.

Changes to infrastructure

Not applicable.

DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 581 240	1 638 292		56 052
of which:				
Current payments	483 315	451 171	(32 144)	
Transfers and subsidies	1 083 410	1 167 432		84 022
Payments for capital assets	14 515	19 689		5 174
Payment for financial assets				
Executive authority	MEC for Economic Development			
Accounting officer	Head of Department			

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 2019/20

TABLE 3.1: DEPARTMENT OF ECONOMIC DEVELOPMENT

R thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Administration	307 704		17 753	(9 617)			8 136	315 840
2. Integrated Economic Development Service	269 792			(24 021)			(24 021)	245 771
3. Trade and Sector Development	818 015			50 186			50 186	868 201
4. Business Regulation and Governance	68 406		944	1 314		33 391	35 649	104 055
5. Economic Planning	117 323		4 964	(17 862)			(12 898)	104 425
Total for Programmes	1 581 240		23 661			33 391	57 052	1 638 292

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	483 315		18 496	(50 640)			(32 144)	451 171
Compensation of employees	275 871			(35 000)			(35 000)	240 871
Salaries & wages	238 154			(30 142)			(30 142)	208 012
Social contribution	37 717			(4 858)			(4 858)	32 859
Goods and services	207 444		18 496	(15 640)			2 856	210 300
Transfers and subsidies	1 083 410			50 631		33 391	84 022	1 167 432
Departmental agencies and accounts	1 083 410			50 186		33 391	83 577	1 166 987
Households				445			445	445
Payments for capital assets	14 515		5 165	9			5 174	19 689
Machinery and equipment	14 515		5 165	9			5 174	19 689
Software and other intangible assets								
Payments for financial assets								
Total economic classification	1 581 240		23 661			33 391	57 052	1 638 292

The Department of Economic Development (GDED) makes funds available from compensation of employees and redirects them to projects and programmes that are informed by the 6th Administration priorities and departmental mandate. The funds are reprioritised through a budget shift and virement exercise to align the budget.

The department's adjustment budget is informed by the cost containment guideline, approved rollover of funds, insourcing of cleaning services, the revised organisational structure and early retirement for civil servants.

The table above illustrates the main appropriation of R1.6 billion and a net increase of R57 million due to an approved rollover of R 23.6 million which relates to accruals and commitments of the 2018/19 financial year as well as the additional funding for the Gauteng Gambling Board (GGB) business automation amounting to R33.3 million. The system will streamline processes within the organization in order to enhance accuracy of data collection, improve revenue collection and to close off any loopholes within the collection system.

The department will implement strict internal controls and measures to contain consumption expenditure and direct a greater share of resources towards economic interventions initiatives such as industrialisation and multi-tier SEZ; township and solidarity economy; investment facilitation and trade promotion; increase Foreign Direct Investment (FDI) and Domestic Direct Investment (DDI) attraction in Gauteng. A greater share of the budget is redirected towards departmental agencies who are implementing projects and programmes in accordance with the department's mandate of "Growing Gauteng Together".

The department reprioritised funds among and within programmes. Through virements and shifts, an amount of R35 million under compensation of employees is redirected to goods and services, and departmental transfers to fund the following projects some of which include:

- Township baseline study;
- Regional economic profile data subscriptions;
- Local Content Procurement Framework;
- SEZ capacity building;
- Special Economic Zone (SEZ) Framework;
- Professional services for Gateways in Cullinan;
- Professional services for the picnic sites ablution facilities and related services at Roodeplaat Dam ;
- Riverboat cruise at Roodeplaat Dam
- Feather Awards;
- Gauteng African Pride; and
- Meetings Africa.

4. Details of adjustments to estimates of departmental expenditure 2019/20

Programme 1: Administration

TABLE 3.2: PROGRAMME 1: ADMINISTRATION

R thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1.Office of the MEC	15 756			(6 887)			(6 887)	8 869
2.Office of the HOD	24 038		5 258	(1 830)			3 428	27 466
3.Financial Management	58 327		2 844	(1 503)			1 341	59 668
4.Corporate Services	209 583		9 651	603			10 254	219 837
Total for Programmes	307 704		17 753	(9 617)			8 136	315 840

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	293 189		12 588	(9 861)			2 727	295 916
Compensation of employees	146 029			(2 645)			(2 645)	143 384
Salaries & wages	125 300			(2 846)			(2 846)	122 454
Social contribution	20 729			201			201	20 930
Goods and services	147 160		12 588	(7 216)			5 372	152 532
Transfers and subsidies				235			235	235
Provinces and municipalities								
Households				235			235	235
Payments for capital assets	14 515		5 165	9			5 174	19 689
Buildings and other fixed structures								
Machinery and equipment	14 515		5 165	9			5 174	19 689
Software and other intangible assets								
Payments for financial assets								
Total economic classification	307 704		17 753	(9 617)			8 136	315 840

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

Economic classification	Motivation	From	Motivation	To
Current payments		(54 741)		44 880
Compensation of employees	Delays with the finalisation of the proposed organisational structure resulted in low rate of recruitment.	(27 070)	To fund the budget pressures in the Office of the HoD, CFO and Corporate Services.	24 425
Goods and services	Funds are made available under LiveLink software and Bi-Tool .Funds are redirected from Corporate Services to where the function is performed. The budget is also reprioritised due to the	(27 671)	Provision is made for consultant services used for departmental strategic session and qualification verification. In addition, funds will cater for the procurement of office stationery and security services.	20 455

Economic classification	Motivation	From	Motivation	To
	discontinuation of the Information Security and Integrated visitor register projects.			
Transfers and subsidies				235
Provinces and municipalities				
Households			Provision is made for leave gratuity payment.	235
Payments for capital assets		(4 091)		4 100
Buildings and other fixed structures				
Machinery and equipment	Reprioritisation of funds under security systems.	(4 091)	Budget made available for the purchase of laptops and desktops for new employees, and office equipment.	4 100
Payments for financial assets				
Total economic classification		(58 832)		49 215

Provincial roll-over: R17.7 million

An amount of R17.7 million is rolled over towards the payment of outstanding commitments and accruals for services rendered at the end of 2018/19 financial year. These include audit costs, fleet services, mega hubs, outreach campaigns, maintenance of software licenses LiveLink, LAN maintenance for 124 Main Street and 56 Eloff Street, utilities payment for 124 Main Street and 56 Eloff Street, fumigation services and the purchase of desktops and laptops.

Virements and shifts

A virement of R9.6 million is redirected to Programme 3 to fund projects that are aligned towards the advancement of the 6th Administration. Provision is made for the following projects: Meetings Africa, Feather Awards, and Gauteng African Pride under Gauteng Tourism Authority. Furthermore, funds are reprioritised towards infrastructure projects such as the river boat cruises and the professional services for gateway service in Cullinan under Gauteng Growth Development Agency (GGDA).

An amount of R49.2 million is shifted within the programme to augment the personnel budget and to make provision for the procurement of tools of trade such as laptops and desktops.

Programme 2: Integrated Economic Development Services

TABLE 3.4: PROGRAMME 2: INTEGRATED ECONOMIC DEVELOPMENT SERVICES

R thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1.Enterprise Development	251 017			(5 246)			(5 246)	245 771
2.Regional and Local Economic Development	1 225			(1 225)			(1 225)	
3.Economic Empowerment	17 550			(17 550)			(17 550)	
Total for Programmes	269 792			(24 021)			(24 021)	245 771

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	24 021			(24 021)			(24 021)	
Compensation of employees	24 021			(24 021)			(24 021)	
Salaries & wages	20 683			(20 683)			(20 683)	
Social contribution	3 338			(3 338)			(3 338)	
Goods and services								
Transfers and subsidies	245 771							245 771
Departmental agencies and accounts	245 771							245 771
Households								
Payments for capital assets								
Payments for financial assets								
Thefts & Losses								

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Total economic classification	269 792			(24 021)			(24 021)	245 771

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

Economic classification	Motivation	From	Motivation	To
Current payments				
Compensation of employees	Funds shift due to an increase in the vacancy rate and delays in the approval of the organisational structure.			
Goods and services				
Transfers and subsidies				
Payments for capital assets				
Payments for financial assets				
Total economic classification				

Virements and shifts

The budget declines from the main budget of R269.8 million to an adjusted budget of R245.8 million due to an increase in the vacancy rate and delays in the approval of the organisational structure. An amount of R24 million is reallocated to Programme 3 to fund the OR Tambo Special Economic Zone (Precinct 2 & 3) under Gauteng Growth and Development Agency and to fund compensation of employees in Ga-Rankuwa Hotel School within the Cradle of Humankind World Heritage Site.

Programme 3: Trade and Sector Development

TABLE 3.6: PROGRAMME 3: TRADE AND SECTOR DEVELOPMENT

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Trade and Investment Promotion	6 728							6 728
2. Sector Development	212 399			12 261			12 261	224 660
3. Strategic Initiatives	598 888			37 925			37 925	636 813
Total for Programmes	818 015			50 186			50 186	868 201

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	6 728							6 728
Compensation of employees	6 606							6 606
Salaries & wages	6 582			(400)			(400)	6 182
Social contribution	24			400			400	424
Goods and services	122							122
Transfers and subsidies	811 287			50 186			50 186	861 473
Departmental agencies and accounts	811 287			50 186			50 186	861 473
Non-profit institutions								
Households								
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Payments for financial assets								
Total economic classification	818 015			50 186			50 186	868 201

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

Economic classification	Motivation	From	Motivation	To
Current payments		(400)		400
Compensation of employees	Realignment of personnel budget due to delays in the finalisation of the organisational structure.	(400)	Realignment of personnel budget to where people are placed.	400
Goods and services				
Transfers and subsidies				50 186
Provinces and municipalities Departmental agencies and accounts			Funds allocated to fund the Feather Awards, Gauteng African Pride, Meetings Africa, OR Tambo SEZ (Precint 2&3), Ga-Rankuwa Hotel School's compensation of employees, River boat cruise at Roodeplaat Dam, Picnic site ablution facilities, professional services for Gateway service in Cullinan, SEZ capacity building (PMU), Cable theft security for OR Tambo SEZ, Session of bulk infrastructure and International Association of Science Park Africa.	50 186
Households				
Payments for capital assets				
Payments for financial assets				
Total economic classification		(400)		50 586

Virements and shifts

An amount of R50 million is allocated under this programme to fund the Gauteng African Pride, Meetings Africa and to augment the budget for the Feather Awards under GTA. Furthermore, funds are allocated towards funding of the OR Tambo SEZ (Precinct 2 & 3); river boat cruise at Roodeplaat Dam; picnic site ablution facilities; professional services for Gateway service in Cullinan; capacitation of the GGDA project management unit (PMU) and the International Association of Science Park Africa. The department also allocate funds to pay salaries for employees in Ga-Rankuwa Hotel School.

Programme 4: Business Regulation and Governance

TABLE 3.8: PROGRAMME 4: BUSINESS REGULATION AND GOVERNANCE

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Governance	10 132			(5 533)			(5 533)	4 599
2. Regulation Services	10 115			2 079			2 079	12 194
3. Consumer Protection	21 807		944	4 768			5 712	27 519
4. Liquor Regulation	26 352							26 352
5. Gauteng Gambling Board						33 391	33 391	33 391
Total for Programmes	68 406		944	1 314		33 391	35 649	104 055

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	42 054		944	1 254			2 198	44 252
Compensation of employees	33 924			3 189			3 189	37 113

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Salaries & wages	28 664			3 857			3 857	32 521
Social contribution	5 260			(668)			(668)	4 592
Goods and services	8 130		944	(1 935)			(991)	7 139
Transfers and subsidies	26 352			60		33 391	33 451	59 803
Departmental agencies and accounts	26 352					33 391	33 391	59 743
Households				60			60	60
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Payments for financial assets								
Total economic classification	68 406		944	1 314		33 391	35 649	104 055

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

Economic classification	Motivation	From	Motivation	To
Current payments		(17 639)		18 893
Compensation of employees	Realignment of personnel budget due to delays in the finalisation of the organisational structure.	(14 023)	Funds reprioritized to augment the budget on sub-programmes within Corporate Governance.	17 212
Goods and services	Funds are made available due to the reprioritisation of the Agencies oversight forum and the Audit of Performance Information Management Systems being revised. Savings were realised due to the implementation of cost containment under Travel and subsistence.	(3 616)	Provision made for Consumer protection forums, Education forums, Policy and Strategy committees meeting and commemorative month campaigns.	1 681
Transfers and subsidies				60
Households			Provision is made for leave gratuity.	60
Payments for capital assets				
Payments for financial assets				
Total economic classification		(17 639)		18 953

Through virements and shifts, an amount of R3.1 million is allocated to realign the budget for compensation of employee with the proposed organisational structure. In addition, R60 000 is allocated for leave gratuity payments under households.

Provincial rollover: R944 000

An amount of R944 000 is rolled over to fund previous year's commitment for resource material of the Consumer Buzz Update project. The project is aimed at addressing consumer education amongst learners in Gauteng schools. Booklets are printed and distributed to grade 6, 7 and 8 learners in schools.

Additional Funding: R33.3 million

An amount of R33.3 million is allocated as additional funding for business automation project which will be implemented by GGB. The system will streamline process within the organization in order to enhance accuracy of data collection, improve revenue collection and to close off any loopholes within the collection system.

Programme 5: Economic Planning

TABLE 3.10: PROGRAMME 5: ECONOMIC PLANNING

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Policy and Planning	23 358		352	710			1 062	24 420
2. Research and Development	6 073		204	3 827			4 031	10 104
3. Knowledge Management	2 000			140			140	2 140
4. Monitoring and Evaluation								
5. Economic Infrastructure Development	11 876			(11 876)			(11 876)	

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
6. Sector and Industry Development	59 508		3 900	(14 396)			(10 496)	49 012
7. Inclusive Economy	14 508		508	3 733			4 241	18 749
Total for Programmes	117 323		4 964	(17 862)			(12 898)	104 425

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	117 323		4 964	(18 012)			(13 048)	104 275
Compensation of employees	65 291			(11 523)			(11 523)	53 768
Salaries & wages	56 925			(10 070)			(10 070)	46 855
Social contribution	8 366			(1 453)			(1 453)	6 913
Goods and services	52 032		4 964	(6 489)			(1 525)	50 507
Administrative fees	163			16			16	179
Interest and rent on land								
Transfers and subsidies				150			150	150
Provinces and municipalities								
Departmental agencies and accounts								
Higher education institutions								
Non-profit institutions								
Households				150			150	150
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Software and other intangible assets								
Payments for financial assets								
Thefts & Losses								
Total economic classification	117 323		4 964	(17 862)			(12 898)	104 425

Economic classification	Motivation	From	Motivation	To
Current payments		(45 688)		27 676
Compensation of employees	Realignment of personnel budget due to delays in the finalisation of the organisational structure.	(27 217)	Funds reprioritized to augment the budget on compensation on sub-programmes within the programme.	15 694
Goods and services	Reprioritisation of funds due to the discontinuation of the State Owned Bank and Township Stock exchange projects.	(18 471)	Provision made for the extension of the township baseline study project which is aimed at gathering statistical data in different townships	11 982
Transfers and subsidies				150
Households			Provision is made for leave gratuity payments.	150
Payments for capital assets				
Payments for financial assets				
Total economic classification		(45 688)		27 826

Virements and shifts

The programme budget reflects a net decrease of R12.9 million. The decrease is attributable delays in the finalisation of the organisational structure and discontinuation of projects. Funds are redirected to GGDA towards capacitation of the project management unit (PMU). This will ensure the effective monitoring and management of the Spatial Economic Zone within the Gauteng Province as well as the International Association of Science Park Africa.

Furthermore, funds are reprioritised within the programme to fund the Aerotropolis feasibility study for Sedibeng Municipality, GEP reconfiguration, Creative arts (IP and Music Rights Roadshows), local content framework, accredited local

economic development technical training and capacity building, economic data subscriptions and the township baseline study.

Provincial roll-overs: R4.9 million

The roll-over amount of R4.9 million is approved for the payment of 2018/19 commitments and accruals which include Gauteng Economic Modelling; capacity building project; statistical software maintenance; township consumer cooperative project; and the mineral beneficiation project.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE3:12 EXPENDITURE 2016/17 AND PRELIMINARY EXPENDITURE 2018/19

Department	2018/19 Expenditure Outcome				2019/20 Preliminary expenditure		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 -March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
1.Administration	277 712	101 761	225 481	81%	315 840	112 892	11%
2.Integrated Economic Development Services	244 544	187 658	254 388	104%	245 771	155 446	(17%)
3.Trade and Sector Development	847 956	425 541	863 771	102%	868 201	490 848	15%
4.Business Regulation and Governance	61 619	32 120	58 239	95%	104 055	27 756	(14%)
5.Economic Planning	104 568	43 192	94 480	90%	104 425	32 287	(25%)
Total	1 536 399	790 272	1 496 359	97%	1 638 292	819 229	4%
Current payments	423 302	167 075	352 666	83%	451 171	163 602	(2%)
Compensation of employees	223 127	111 378	221 029	99%	240 871	111 751	0%
Goods and Services	200 175	55 697	131 637	66%	210 300	51 851	(7%)
Interest and rent on land							
Transfers and subsidies	1 101 603	620 037	1 127 248	102%	1 167 432	647 593	4%
Departmental agencies and accounts	1 100 975	619 565	1 126 560	102%	1 166 987	647 411	
Households	628	472	688	110%	445	182	(1)
Payments for capital assets	11 494	3 160	16 378	142%	19 689	8 034	154%
Buildings and other fixed structures							
Machinery and equipment	11 494	3 160	9 389	82%	19 689	8 034	154%
Software and other intangible assets			6 989				
Payments for financial assets			67				
Total	1 536 399	790 272	1 496 359	97%	1 638 292	819 229	4%

Expenditure trends for 2018/19

During the 2018/19 financial year, the department spent 97 per cent of the appropriated adjusted budget amount of R1.5 billion against the actual expenditure of R1.4 billion.

The underspending of R40 million (3 per cent) relates to the pre-payments on the bulk media project, cancellation of the second leg of the West Rand Summit, unused funds for the Mineral Beneficiation as a result of expired tax certificate, expired service level agreements awaiting approval and invoices which missed the final payment cut off run (commitments).

Preliminary expenditure trends for the first half of 2019/20

Programme 1: Administration

Programme 1 managed to spent R113 million (37 per cent) of its allocated budget of R308 million by the end of September 2019 which is 13 per cent below the quarterly expenditure norm. The underspending is attributed to tenders which are not yet awarded due to ongoing BAC processes as well as commitments on projects where delivery has not yet taken place. The high rate of vacant posts at SMS level also contributed to the underspending of compensation of employees.

Programme 2: Integrated Economic Development Services

The total expenditure for this programme as at end of September 2019 amounts to R155 million, which is R32 million less compared to the same period in 2018/19.

A total amount of R147 million has already been transferred to GEP at the end of the 2nd quarter and this constitutes 95 per cent of the total expenditure under this programme. The remaining expenditure relates to payment of compensation of employees. Disbursement of funds to GEP is scheduled to take place over a period of 10 months to avoid fiscal dumping and to allow the entity to spend their budget timeously. At the end of September 2019, 100 per cent of the targeted transfer has been achieved.

Programme 3: Trade and Sector Development

The expenditure under Programme 3 amounts to R490 million against the main budget of R818 million and it translates to 60 per cent spending rate to date. A total amount of R487 million has been transferred to GGDA, GTA, Cradle and Dinokeng and it accounts for 99 per cent of the expenditure in the second quarter. The remainder of the expenditure was spent towards payment of compensation of employees. Disbursement of funds to entities (i.e. GGDA, GTA, Cradle and Dinokeng) is scheduled to take place over a period of 10 months to avoid fiscal dumping and to allow the entities to spend their budget timeously. 100 per cent of the targeted transfers has been achieved in quarter two.

Programme 4: Business Regulation and Governance

Programme 4 has incurred expenditure amounting to R28 million against R68 million at the end of the second quarter. The underspending relates to delays in filling vacant positions and a lack of spending on IGR programmes.

Programme 5: Economic Planning

The spending as at end of September 2019 is R32 million compared to R43 million spent in the same period of 2018/19. At the end of quarter 2, Programme 5 has spent 25 per cent of its R117 million budget. The underspending relates to projects which are still undergoing different tender stages such as: Financial Literacy workshop; 4th Industrial Revolution on Digital strategy; evaluation of the Gauteng Innovation and Knowledge Economy Strategy; and the reconfiguration of GEP.

Furthermore, the signing of the service level agreement between Gauteng Technical Manufacturing Initiative (GTMI) and DED in September 2019 contributes to the underspending. A high vacancy rate also causes the underspending under this programme.

6. Departmental Receipts

TABLE 3.13 DEPARTMENTAL RECEIPTS

Department	2018/19				2019/20		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Tax receipts	1 039 864	462 622	1 044 632	(1%)	1 048 217	630 204	8
Casino taxes	1 000 864	443 693	1 006 149	1%	921 840	460 917	4%
Horse racing taxes	39 000	18 929	38 483	(1%)	126 377	169 287	794%
Sales of goods and services other than capital assets	433	41 214	481	11%	524	(49 572)	(220%)
Interest, dividends and rent on land	2 404	1 721	3 641	51%	3 901	2 206	28%
Sales of capital assets		89	89	#DIV/0!		-	0%
Financial transactions in assets and liabilities	324	388	485	50%	239	201	(48%)
Total	1 043 025	506 034	1 049 328	1%	1 052 881	583 039	15.2%

Revenue trends for the first half of the 2019/20 financial year

The table above shows the contribution of each revenue source towards the total revenue generated from April to September 2019. The revenue collected by the department as at the end of September 2019 is R583 million against the adjusted target revenue collection of R1 billion for the 2019/20 financial year. The over-collection of 5 per cent is credited to the growth in sport taxes and levies related to sporting activities as well as interest generated on the GGB trust account.

Tax receipts (Casino and Horse racing taxes) contributed the highest source of revenue, with the department collecting R630 million as at September 2019. The performance of the gambling industry is inextricably intertwined with the performance of the economy in general, as it is a form of entertainment funded from discretionary spend of the consumer and punters, hence better performance from casino and horse racing taxes as at the end of September 2019.

Sales of goods and services other than capital assets reflect a negative balance because of 8 per cent commission paid to the Gauteng Gambling Board for the revenue collected by the GGB. The other sources of revenue collected under this item are parking fees and commission from insurance and garnishees paid over to service providers via PERSAL deductions.

Interest dividends and rent on land, collected R2 million against the adjusted annual target of R3.9 million. The 6 per cent over-collection is derived from interest income earned by GGB on its favourable bank balance.

Under Financial transactions in assets and liabilities, the department collected R201 000, which consist of contractual debt emanating from the payment of leave without pay.

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

7.1 Changes to transfers to public and trading entities

TABLE 3.14 CHANGES TO TRANSFERS TO PUBLIC ENTITIES

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Programme 2	245 771							245 771
Gauteng Enterprise Propeller	245 771							245 771
Programme 3	811 287			52 030			52 030	863 317
Gauteng Tourism Authority	102 679			7 500			7 500	110 179
Dinokeng	37 658							37 658
Cradle of Humankind	72 062			4 761			4 761	76 823
Gauteng and Growth and Development Agency	598 888			39 769			39 769	638 657
Programme 4						33 391	33 391	59 743
Gauteng Liquor Board	26 352							26 352
Gauteng Gambling Board(GGB)						33 391	33 391	33 391
Total changes in conditional Name of transfer payments	1 057 058			52 030		33 391	85 421	1 168 831

Transfers and subsidies increased by a net amount of R85 million. The net increase is mainly due to the reprioritisation of funds from compensation of employees and goods and services and the additional funding of R33.3 million. The reprioritisation was informed by the savings realised mainly due to anticipated delays in the approval of the organisational structure and the implementation of austerity measures on non-core cost drivers.

Gauteng Tourism Authority

GTA's budget increases by R7.5 million. Funds are reprioritised from compensation of employees and goods and services to fund the Meetings Africa, Feather Awards and Gauteng African Pride. These events will contribute to the marketing and elevation of tourism development in the province.

Gauteng Growth and Development Agency

The budget for the GGDA is adjusted upwards by R39.7 million. Funds are allocated towards the following; SEZ capacity building, Special Economic Zone (SEZ) Framework, professional services for Gateways in Cullinan, professional services for the picnic sites ablution facilities and related services at Roodeplaat Dam and Riverboat Cruise at Roodeplaat.

Cradle of Humankind

An amount of R4.8 million is reprioritized towards the budget of Cradle of Humankind to pay salaries for staff in Garankuwa Hotel School.

Gauteng Gambling Board

An amount of R33.3 million was allocated as additional funding for Business Automation project which will be implemented by GGB. The system will streamline process within the organization in order to enhance accuracy of data collection, improve revenue collection and to close off any loopholes within the collection system.

7.2 Changes to infrastructure

Not applicable.

HEALTH

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	50 767 163	51 578 819		811 656
of which:				
Current payments	46 852 345	46 957 874		105 529
Transfers and subsidies	1 821 992	1 802 113	(19 879)	
Payments for capital assets	2 092 826	2 818 832		726 006
Payment for financial assets				
Executive authority	MEC for Health			
Accounting officer	Head of Department			

1. Vision and Mission

Vision

Daily we provide high-quality, efficient and accessible healthcare to transform people's lives.

Mission

Create an effective public health system in Gauteng by ensuring we have the right people, skills, systems and equipment to provide the care our patients need to live healthy, quality lives.

2. Changes to Programme Purpose, Objective and Measures

No changes.

3. Summary of Adjusted Estimates of Departmental Expenditure 2019/20

TABLE 4.1 DEPARTMENT OF HEALTH

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Administration	876 426			36 719		59 000	95 719	972 145
2. District Health Services	17 212 688		14 310	(273 586)	66 443		(192 833)	17 019 855
3. Emergency Medical Services	1 541 714							1 541 714
4. Provincial Hospital Services	9 536 383		15 571	(127 666)	27 692		(84 403)	9 451 980
5. Central Hospital services	18 263 481		269 873	341 533	38 564		649 970	18 913 451
6. Health Sciences & Training	1 248 743			3 000			3 000	1 251 743
7. Health Care Support Services	317 788			20 000			20 000	337 788
8. Health Facilities Management	1 769 940					320 203	320 203	2 090 143
Total for programmes	50 767 163		299 754		132 699	379 203	811 656	51 578 819

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	46 852 345		14 310	(97 480)	132 699	56 000	105 529	46 957 874
Compensation of employees	29 560 541			215 019	141 815		356 834	29 917 375
Salaries & wages	25 434 512			598 674	141 815		740 489	26 175 001
Social contribution	4 126 029			(383 655)			(383 655)	3 742 374
Goods and services	17 291 804		14 310	(312 499)	(9 116)	56 000	(251 305)	17 040 499
Transfers and subsidies	1 821 992			(19 879)			(19 879)	1 802 113
Provinces and municipalities	637 274			68 946			68 946	706 220
Departmental agencies and accounts	22 135							22 135
Higher education institutions	14 653							14 653
Non-profit institutions	809 961			(89 018)			(89 018)	720 943
Households	337 969			193			193	338 162
Payments for capital assets	2 092 826		285 444	117 359		323 203	726 006	2 818 832
Buildings and other fixed structures	580 803			34 791		315 793	350 584	931 387
Machinery and equipment	1 512 023		285 444	82 568		7 410	375 422	1 887 445
Payments for financial assets								
Total economic classification	50 767 163		299 754		132 699	379 203	811 656	51 578 819

The departmental main appropriation increases by R811.6 million to an adjusted appropriation of R51.5 billion. The increase is attributable to approved rollovers of R299.8 million, additional funding of R320.2 million for health infrastructure, R59 million for the Health Revenue Incentive Scheme and R132.7 million which are additions to conditional grants. Included in this R132.7 million is R88 million for posts funded through the Human Resource Capacitation grant and R53.7 million for health professions contracting funded through the National Health Insurance grant.

The department reprioritised its budget from goods and services to compensation of employees to accommodate and operationalise the last phase of the provincialisation process of the Johannesburg Emergency Medical Services. Furthermore, changes are made to pay EPWP participants from compensation of employees instead of non-profit institutions and excess spending on the HIV/AIDS programme is alleviated. The department also effected reprioritisation within goods and services to alleviate excess pressure experienced on non-negotiable items as a result of accrued liabilities and increased service needs from patients.

The transfers payments budget is reprioritised to provide for outstanding claims emanating from the Johannesburg EMS provincialisation process. Shifts and virement within payments for capital assets considered the roll-over approvals for medical and allied equipment funded through the National Tertiary Services and the Health Professions Training and Development grants.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 4.2 PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Office of The MEC	22 789			(3 000)			(3 000)	19 789
2. Management	853 637			39 719		59 000	98 719	952 356
Total for programme	876 426			36 719		59 000	95 719	972 145

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	860 675			36 739		56 000	92 739	953 414
Compensation of employees	460 525							460 525
Salaries & wages	410 713							410 713
Social contribution	49 812							49 812
Goods and services	400 150			36 739		56 000	92 739	492 889
Transfers and subsidies	2 587							2 587
Provinces and municipalities								
Households	2 587							2 587
Payments for capital assets	13 164			(20)		3 000	2 980	16 144
Buildings and other fixed structures								
Machinery and equipment	13 164			(20)		3 000	2 980	16 144
Payments for financial assets								
Total economic classification	876 426			36 719		59 000	95 719	972 145

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

Economic classification	Motivation	From	Motivation	To
Current payments		(41 495)		78 234
Compensation of employees	Realignment of compensation of employees' budget to align with expenditure.	(3 000)	Realignment of compensation of employees' budget to align with expenditure.	3 000
Goods and services	Realignment of budget due to slow spending to defray excess expenditure within programme.	(38 495)	Funds are shifted from Programme 2: District Health Services towards commitments made within the consultants: business and advisory item.	75 234
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets		(5 020)		5 000
Buildings and other fixed structures				
Machinery and equipment	Reclassification of budget to goods and services, operating leases item for the payment of GG vehicles.	(5 020)	Funds are shifted from Programme 2: District Health Services for commitments made and for the procurement of equipment for staff that where housed in the Bank of Lisbon building.	5 000
Payments for financial assets				
Total economic classification		(46 515)		83 234

Virements and shifts

The shifting of funds within the programme is informed by reprioritisation to align spending with budget within the compensation of employees' item within the Sub-programme Management. Funds are also shifted within the goods and services item as a result of the implementation of cost-containment measures, and a reduction was realised on travel and subsistence and stationery items. These funds are reallocated to enhance the departmental communication strategy thus ensuring adequate engagement with stakeholders and to pay other core commitments. A virement of R36.7 million is made

available from Programme 2: District Health Services towards commitments and accruals to be paid under the consultants: business and advisory services' item.

Additional funding provincial: R59 million

The department receives a total of R59 million for the Health Revenue Incentive Scheme, of which R56 million is for the payment of revenue collecting agencies and R3 million is for the procurement of computers and a network printer to be used by officials responsible for revenue management in the top 15 institutions.

Programme 2: District Health Services

TABLE 4.4 PROGRAMME 2: DISTRICT HEALTH SERVICES

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. District Management	591 354			53 833	53 758		107 591	698 945
2. Community Health Clinics	2 657 066			(13 120)			(13 120)	2 643 946
3. Community Health Centres	2 144 906			6 550			6 550	2 151 456
4. Community Based Services	2 433 174		5 359	27 792	(9 116)		24 035	2 457 209
5. HIV And AIDS	4 993 239		8 951				8 951	5 002 190
6. Nutrition	61 827							61 827
7. Coroner Services	260 627							260 627
8. District Hospitals	4 070 495			(348 641)	21 801		(326 840)	3 743 655
Total for programme	17 212 688		14 310	(273 586)	66 443		(192 833)	17 019 855

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	16 009 027		14 310	(247 828)	66 443		(167 075)	15 841 952
Compensation of employees	8 937 665			192 018	75 559		267 577	9 205 242
Salaries & wages	7 779 271			181 767	75 559		257 326	8 036 597
Social contribution	1 158 394			10 251			10 251	1 168 645
Goods and services	7 071 362		14 310	(439 846)	(9 116)		(434 652)	6 636 710
Transfers and subsidies	944 772			(89 018)			(89 018)	855 754
Provinces and municipalities	405 085							405 085
Non-profit institutions	509 961			(89 018)			(89 018)	420 943
Households	29 726							29 726
Payments for capital assets	258 889			63 260			63 260	322 149
Buildings and other fixed structures								
Machinery and equipment	258 889			63 260			63 260	322 149
Payments for financial assets								
Total economic classification	17 212 688		14 310	(273 586)	66 443		(192 833)	17 019 855

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

Economic classification	Motivation	From	Motivation	To
Current payments		(997 359)		749 531
Compensation of employees	Realignment of compensation of employees' budget to align with expenditure.	(231 854)	Realignment of compensation of employees' budget to align with expenditure.	423 872
Goods and services	Realignment of budget due to slow spending to defray excess expenditure within non-negotiable items and funds are shifted from laboratory and medicine items to defray excess expenditure in Programme 5: Central Hospital Services, laboratory and medical supplies items and to align to the HIV/AIDS conditional grant business plan.	(765 505)	Realignment of budget due to defray excess expenditure within sub-programmes mainly on medicine, laboratory services, contractors and operating leases items, further shifting were effected to align to the HIV/AIDS conditional grant business plan.	325 659
Interest and rent on land				

Economic classification	Motivation	From	Motivation	To
Transfers and subsidies		(90 026)		1 008
Non-profit institutions	Shifting of fund due to payment of community health workers that are now payed from compensation of employees.	(89 018)		
Households	Realignment of budget as funds are shifted within district management sub-programmes.	(1 008)	Realignment of budget as funds are shifted within district management sub-programmes.	1 008
Payments for capital assets		(58 240)		121 500
Machinery and equipment	Reclassification of budget to the goods and services, operating leases item for the payment of GG vehicle.	(58 240)	Funds are shifted within district management to make provision for accruals and commitments within the HIV/AIDS sub-programme to procure X-ray machines for the 25 Community Health Centres.	121 500
Software and other intangible assets				
Payments for financial assets				
Total economic classification		(1 145 625)		872 039

Virements and shifts

An amount of R273.6 million shifts from the programme due to slow spending within the sub-programmes and this virement will defray higher expenditure within central hospitals as a result of patients' service platform preference and will fund commitments within Programme 1: Administration under the consultants: business and advisory item.

Funds are also shifted within the programme to alleviate spending pressures in the District Management, Community Health Clinics and Community Health Centres sub-programmes. An amount of R192 million is shifted to compensation of employees to assist with the 24-hour service expansion and to alleviate excess spending pressure within community health centres. Further shifts are effected to align the budget with the business plan of the Comprehensive HIV/AIDS and TB conditional grant. This is to align budgets with delivery targets in line with the objectives of the grant and to make provision for the appointment of radiographers at 25 community health centres. Provision is also made for machinery and equipment specifically, mobile X-rays machines.

An additional R89 million shifts from transfers and subsidies and goods and services to compensation of employees to make provision for the payment of EPWP participants in line with the payment arrangement for this health professional's co-hort.

Further reprioritisation availed funds for the priority hospitals identified by the Premier in his 2019 State of the Province Address and the MEC for Health in his 2019/20 budget vote speech.

Roll-over: R14.3 million

An amount of R5.3 million of the Human Papillomavirus Vaccine grant is rolled over for the for the payment of invoices in relation to training, material, travel claims, and vaccines aimed at reducing the incidence of cervical cancer amongst the target group and R8.9 million of the Comprehensive HIV, AIDS and TB grant is rolled over to pay invoices for medicine procured in the last financial year.

National conditional grants additions and reductions: R66.4 million

The Human Papillomavirus Vaccine grant is reduced by R9.1 million due to a change in vaccination target group from grade 4 to grade 5 girls and since most of the 2019 grade 5 girls were vaccinated during 2018.

An additional R21.8 million is allocated towards to assist the department to meet salary obligations for health professional posts that have already been filled through utilisation of the Human Resource Capacitation Grant which is allocated to the District Hospitals sub-programme.

In addition, an amount of R53.7 million is made available through the National Health Insurance (NHI) grant to implement the health professionals contracting subcomponent. The health professionals contracting subcomponent is currently being administered at national level while, the contracting is done at provincial level with the requirement that the department submits claims for the funds. Funds for this subcomponent will now be transferred directly to the department as they are already implementing the function.

Programme 3: Emergency Medical Services

TABLE 4.6: PROGRAMME 3: EMERGENCY MEDICALS SERVICES

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Emergency Transport	1 351 803			(10 300)			(10 300)	1 341 503
2. Planned Patient Transport	189 911			10 300			10 300	200 211
Total for programme	1 541 714							1 541 714

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	1 069 625			(92 946)			(92 946)	976 679
Compensation of employees	625 787			23 000			23 000	648 787
Salaries & wages	531 919			23 000			23 000	554 919
Social contribution	93 868							93 868
Goods and services	443 838			(115 946)			(115 946)	327 892
Transfers and subsidies	235 044			68 946			68 946	303 990
Provinces and municipalities	232 189			68 946			68 946	301 135
Households	2 855							2 855
Payments for capital assets	237 045			24 000			24 000	261 045
Buildings and other fixed structures								
Machinery and equipment	237 045			24 000			24 000	261 045
Payments for financial assets								
Total economic classification	1 541 714							1 541 714

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

Economic classification	Motivation	From	Motivation	To
Current payments		(128 601)		35 655
Compensation of employees			Reclassification of budget to implement the provincialisation of the Johannesburg EMS services.	23 000
Goods and services	Funds are reallocated within the programme to make provision for the provincialisation of City of Johannesburg EMS.	(128 601)	Reclassification of budget to implement the provincialisation of the Johannesburg EMS services	12 655
Interest and rent on land				
Transfers and subsidies				68 946
Provinces and municipalities			Reallocation of budget to accommodate increased claims incurred due to delay in provincialisation of Johannesburg EMS.	68 946
Payments for capital assets				24 000
Machinery and equipment			Funds are shifted to machinery and equipment to procure fleet and make provision for payment of accruals.	24 000
Payments for financial assets				
Total economic classification		(128 601)		128 601

Virements and shifts.

An amount of R68.9 million is shifted from goods and services to provinces and municipalities, R23 million to compensation of employees to implement the provincialisation of the Johannesburg EMS. Furthermore, R24 million is shifted to machinery and equipment to procure Emergency Medical Services (EMS) fleet and to make provision for the payment of accruals.

The budget is also reprioritised within the programme to sustain and operationalise ambulance services.

Programme 4: Provincial Hospital Services

TABLE 4.8: PROGRAMME 4: PROVINCIAL HOSPITAL SERVICES

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. General Hospitals	6 929 361		14 299	(127 660)	27 692		(85 669)	6 843 692
2. Tuberculosis Hospitals	442 813			(17 059)			(17 059)	425 754
3. Psychiatric/Mental Hospitals	1 442 166		202	18 858			19 060	1 461 226
4. Dental Training Hospitals	625 495		1 070	(1 805)			(735)	624 760
5. Other Specialised Hospitals	96 548							96 548
Total for programme	9 536 383		15 571	(127 666)	27 692		(84 403)	9 451 980

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	9 392 870			(153 754)	27 692		(126 062)	9 266 808
Compensation of employees	6 983 470			(56 515)	27 692		(28 823)	6 954 647
Salaries & wages	6 045 721			(12 504)	27 692		15 188	6 060 909
Social contribution	937 749			(44 011)			(44 011)	893 738
Goods and services	2 409 400			(97 239)			(97 239)	2 312 161
Interest and rent on land								
Transfers and subsidies	15 725							15 725
Provinces and municipalities								
Departmental agencies and accounts								
Non-profit institutions								
Households	15 725							15 725
Payments for capital assets	127 788		15 571	26 088			41 659	169 447
Buildings and other fixed structures								
Machinery and equipment	127 788		15 571	26 088			41 659	169 447
Software and other intangible assets								
Payments for financial assets								
Thefts & Losses								
Total economic classification	9 536 383		15 571	(127 666)	27 692		(84 403)	9 451 980

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

Economic classification	Motivation	From	Motivation	To
Current payments		(417 094)		263 340
Compensation of employees	Realignment of compensation of employees' budget to align with expenditure and further shift to defray excess expenditure in programme 5: Central Hospital services compensation of employees.	(74 644)	Realignment of compensation of employees' budget to align with expenditure.	18 129
Goods and services	Realignment of budget due to slow spending on certain items within the programme and funds are shifted from laboratory and medicine items to defray excess expenditure in Programme 5 under the laboratory services and medical supplies items.	(342 450)	Realignment of budget due to slow spending to defray excess expenditure within sub-programmes on medical supplies, fuel oil and gas, other supplies and operating leases items.	245 211
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets		(7 712)		33 800
Machinery and equipment	Reclassification of budget to pay GG vehicle under the item operating leases within goods and services.	(7 712)	Funds are shifted towards the procurement of medical equipment for the priority hospitals identified by Premier and MEC.	33 800
Payments for financial assets				
Total economic classification		(424 806)		297 140

Virements and shifts

The programme budget decreases by R127.7 million due to slow spending mainly under the laboratory services and medicine line items and a virement is effected to Programme 5: Central Hospital Services to defray excess expenditure on medical supplies and laboratory services.

Further shifts are implemented to make increased provision for mental health care service providers. The department continues to apply shifting of funds within items to alleviate excess expenditure on non-negotiable items to ensure that healthcare service delivery is not negatively affected by lack of budgets. The budget line items affected include, but not limited to fuel, oil and gas, medical supplies, other inventory and property payment.

Further reprioritisation availed additional budget for the priority hospitals identified by the Premier in his 2019 State of the Province Address and the MEC for Health during his 2019/20 budget vote speech. .

Roll-over: R15.5 million

An amount of R14.5 million is rolled over from the Health Professionals Training and Development Grant for the payment of commitments on the procurement of medical and allied equipment in the previous financial year. In addition, R1 million of the National Tertiary Services Grant is rolled over to enable the department to pay invoices relating to the procurement of medical equipment for various institutions.

National conditional grants additions: R27.7 million

An amount of R27.7 million is allocated to the general hospitals' sub-programme to million to assist the department to meet their salary obligations for the posts that have already been filled through the Human Resource Capacitation Grant.

Programme 5: Central Hospital Services

TABLE 4.10 PROGRAMME 5: CENTRAL HOSPITAL SERVICES

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Central Hospitals	14 279 703		232 008	146 867	36 636		415 511	14 695 214
2. Provincial Tertiary Hospital Services	3 983 778		37 865	194 666	1 928		234 459	4 218 237
Total for programme	18 263 481		269 873	341 533	38 564		649 970	18 913 451

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	17 059 951			362 852	38 564		401 416	17 461 367
Compensation of employees	11 417 521			56 516	38 564		95 080	11 512 601
Salaries & wages	9 673 224			409 511	38 564		448 075	10 121 299
Social contribution	1 744 297			(352 995)			(352 995)	1 391 302
Goods and services	5 642 430			306 336			306 336	5 948 766
Interest and rent on land								
Transfers and subsidies	350 532							350 532
Provinces and municipalities								
Departmental agencies and accounts								
Non-profit institutions	300 000							300 000
Households	50 532							50 532
Payments for capital assets	852 998		269 873	(21 319)			248 554	1 101 552
Buildings and other fixed structures								
Machinery and equipment	852 998		269 873	(21 319)			248 554	1 101 552
Software and other intangible assets								
Payments for financial assets								
Thefts & Losses								

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Total economic classification	18 263 481		269 873	341 533	38 564		649 970	18 913 451

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

Economic classification	Motivation	From	Motivation	To
Current payments		(946 610)		1 309 462
Compensation of employees	Realignment of compensation of employees' budget to align with expenditure.	(352 995)	Realignment of compensation of employees' budget to align with expenditure and additional fund to close projected over-expenditure within programme.	409 511
Goods and services	Funds are shifted between sub-programmes within the medicine, food supply, fuel oil and gas items to defray excess expenditure in other non-negotiable items.	(593 615)	Funds are reprioritized to defray excess expenditure between sub-programmes on medical supplies, operating leases, laboratory services and stationery to make provision for accrual payment.	899 951
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets		(34 325)		13 006
Buildings and other fixed structures				
Machinery and equipment	Reclassification of budget to pay GG vehicle under operating leases within goods and services.	(34 325)	Funds are shifted towards the procurement of medical equipment for the priority hospitals identified by Premier and MEC.	13 006
Payments for financial assets				
Total economic classification		(980 935)		1 322 468

Virements and shifts

The programme budget increases by R341.5 million of which R234.4 million is allocated to the Sub-programmes: Central Hospitals and Provincial Tertiary Hospital Services in order to defray excess spending as a result of patient service preference and the payment of accruals.

In addition, shifting of budget within the sub-programmes is also effected to defray excess expenditure under laboratory services, medical supplies and medicine. Further reprioritisation was made to supplement the budget of priority hospitals identified by the Premier in his 2019 State of the Province address and the MEC for Health during his 2019/20 budget vote speech. .

Roll-over: R269.8 million

An amount of R269.8 million is allocated towards the payment of invoices for medical and allied equipment procured in the previous financial year, of which R18.7 million is from the Health Professionals Training and Development Grant and R251.1 million is from the National Tertiary Services Grant.

National conditional grants additions: R38.5 million

An amount of R38.5 million is added to the baseline to assist the department to meet the salary obligations for the health professional posts that have already been filled through utilisation of the Human Resource Capacitation grant.

Programme 6: Health Sciences and Training

TABLE 4.12 PROGRAMME 6: HEALTH SCIENCES AND TRAINING

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Nurse Training Colleges	905 282							905 282
2. EMS Training Colleges	39 954							39 954
3. Bursaries	212 500							212 500
4. Other Training	91 007			3 000			3 000	94 007
Total for programme	1 248 743			3 000			3 000	1 251 743

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	967 076			4 070			4 070	971 146
Compensation of employees	897 613							897 613
Salaries & wages	788 383			(3 100)			(3 100)	785 283
Social contribution	109 230			3 100			3 100	112 330
Goods and services	69 463			4 070			4 070	73 533
Interest and rent on land								
Transfers and subsidies	272 864							272 864
Provinces and municipalities								
Departmental agencies and accounts	22 135							22 135
Higher education institutions	14 653							14 653
Households	236 076							236 076
Payments for capital assets	8 803			(1 070)			(1 070)	7 733
Buildings and other fixed structures								
Machinery and equipment	8 803			(1 070)			(1 070)	7 733
Software and other intangible assets								
Payments for financial assets								
Thefts & Losses								
Total economic classification	1 248 743			3 000			3 000	1 251 743

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

Economic classification	Motivation	From	Motivation	To
Current payments		(6 244)		10 314
Compensation of employees	Realignment of compensation of employees' budget to align with expenditure.	(3 100)	Realignment of compensation of employees' budget to align with expenditure.	3 100
Goods and services	Shifting from slow spending items to defray overspending in other items within the sub-programmes.	(3 144)	Funds are shifted within sub-programmes to fund increased cost of maintenance and provision is made for the employee value proposition initiative which is aimed at improving employee wellness..	7 214
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets		(1 070)		
Machinery and equipment	Reclassification of budget to pay GG vehicle under operating leases within goods and services.	(1 070)		
Payments for financial assets				
Total economic classification		(7 314)		10 314

Virements and shifts

An amount of R3 million is made available within Sub-programme: Other training towards the employee value proposition programme aimed at employee wellness and further shifts within the programme are made to defray excess expenditure.

Programme 7: Health Care Support Services

TABLE 4.14 PROGRAMME 7: HEALTH CARE SUPPORT SERVICES

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Laundries	231 294			28 699			28 699	259 993
2. Food Supply Services	86 493			(8 699)			(8 699)	77 794
3. Medicine Trading Account	1							1
Total for programme	317 788			20 000			20 000	337 788

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	305 575			28 751			28 751	334 326
Compensation of employees	190 694							190 694
Salaries & wages	161 764							161 764
Social contribution	28 930							28 930
Goods and services	114 881			28 751			28 751	143 632
Interest and rent on land								
Transfers and subsidies	468							468
Non-profit institutions								
Households	468							468
Payments for capital assets	11 745			(8 751)			(8 751)	2 994
Buildings and other fixed structures								
Machinery and equipment	11 745			(8 751)			(8 751)	2 994
Software and other intangible assets								
Payments for financial assets								
Thefts & Losses								
Total economic classification	317 788			20 000			20 000	337 788

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

Economic classification	Motivation	From	Motivation	To
Current payments		(10 771)		39 522
Compensation of employees				
Goods and services	Shifting of funds since the item is estimated to be adequately funded within the Food Supply Services Sub-Programme.	(10 771)	Reclassification of budget to pay GG vehicle from finance lease to operating lease within goods and services. Further shifts are made to defray excess expenditure within the sub-programmes on the fuel, oil and gas and consumable supplies items.	39 522
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets		(8 751)		
Machinery and equipment	Reclassification of budget to pay GG vehicle under the item operating leases within goods and services.	(8 751)		
Payments for financial assets				
Total economic classification		(19 522)		39 522

Virements and shifts

The programme shifted R8.7 million from the Food supply services sub-programme to the Laundries sub-programme to defray excess expenditure incurred on fuel, oil and gas because of the rollout of the gas contract to laundries. Further shifting were made to defray excess expenditure within the programme. Furthermore a total of R20 million shifts to the Laundries sub-programmes to defray excess expenditure incurred as a result of high cost of gas and to the pay the external laundry service providers due to water access interruption at some of the laundries.

Programme 8: Health Facilities Management

ABLE 4.16: PROGRAMME: HEALTH FACILITIES MANAGEMENT

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Community Health Facilities	317 763			108 104		40 564	148 668	466 431
2. Emergency Medical Rescue Services	19 060			(12 260)			(12 260)	6 800
3. District Hospital Services	226 995			(17 423)		58 217	40 794	267 789
4. Provincial Hospital Services	228 819			(4 342)		99 481	95 139	323 958

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
5. Central Hospital Services	368 584			38 611		121 941	160 552	529 136
6. Other Facilities	608 719			(112 690)			(112 690)	496 029
Total for programme	1 769 940					320 203	320 203	2 090 143

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	1 187 546			(35 364)			(35 364)	1 152 182
Compensation of employees	47 266							47 266
Salaries & wages	43 517							43 517
Social contribution	3 749							3 749
Goods and services	1 140 280			(35 364)			(35 364)	1 104 916
Interest and rent on land								
Transfers and subsidies				193			193	193
Provinces and municipalities								
Higher education institutions								
Non-profit institutions								
Households				193			193	193
Payments for capital assets	582 394			35 171		320 203	355 374	937 768
Buildings and other fixed structures	580 803			34 791		315 793	350 584	931 387
Machinery and equipment	1 591			380		4 410	4 790	6 381
Software and other intangible assets								
Payments for financial assets								
Thefts & Losses								
Total economic classification	1 769 940					320 203	320 203	2 090 143

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

Economic classification	Motivation	From	Motivation	To
Current payments		(115 842)		80 478
Compensation of employees				
Goods and services	Funds are shifted from property payments to cover costs for the variation orders for Mandisa Shiceka, New Greenspark Clinic where additional scope for earthworks and ITC and the Randfontein Clinic Project where there is additional scope of work and the bulk electrical cable had to be added, increasing the cost of the project. New Sebokeng Zone 17 Clinic site issues were resolved and construction is progressing better than anticipated.	(115 842)	Funds are shifted to property payments to cover costs for the variation orders for Mandisa Shiceka, New Greenspark Clinic where additional scope for earthworks and ITC was required and Randfontein Clinic Project additional scope of work and the bulk electrical cable had to be added, increasing the cost of the project. New Sebokeng Zone 17 Clinic site issues were resolved and construction is progressing better than anticipated.	80 478
Interest and rent on land				
Transfers and subsidies				193
Households			Realignment of budget to spending.	193
Payments for capital assets		(32 476)		67 647
Buildings and other fixed structures	Funds are shifted within buildings and fixed structures to cover costs for the variation orders for Mandisa Shiceka, New Greenspark Clinic where additional scope for earthworks and ITC and the Randfontein Clinic Project where there is additional scope of work and the bulk electrical cable had to be added, increasing the cost of the project. New Sebokeng Zone 17 Clinic site issues were resolved and construction is progressing better than anticipated	(32 476)	Funds are shifted to cover costs for the variation orders for Mandisa Shiceka, New Greenspark Clinic where additional scope for earthworks and ITC and the Randfontein Clinic Project where there is additional scope of work and the bulk electrical cable had to be added, increasing the cost of the project. New Sebokeng Zone 17 Clinic site issues were resolved and construction is progressing better than anticipated	67 267
Machinery and equipment			Funds shifted to pay for accruals within machinery and equipment.	380

Economic classification	Motivation	From	Motivation	To
Payments for financial assets				
Total economic classification		(148 318)		148 318

Virements and shifts

Reprioritisation of budget at an item level to cover costs for the variation orders for Mandisa Shiceka, New Greenspark Clinic where additional scope for earthworks and ITC was required and the Randfontein Clinic Project where there is additional scope of work and the bulk electrical cable had to be added, increasing the cost of the project. New Sebokeng Zone 17 Clinic site issues were resolved and construction is progressing better than anticipated.

Additional funding provincial: R320.2 million

An amount of R320.2 million is allocated for the implementation of the Occupational Health and Safety (OHS) compliance Programme in 32 institutions.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE 4.18: EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20

Department	2018/19 Expenditure Outcome				2019/20 Preliminary Expenditure		
	Adjusted Appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of Adjusted Appropriation	Adjusted Appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
1. Administration	1 040 024	619 061	1 360 786	131%	972 145	922 365	49%
2. District Health Services	15 338 030	7 256 958	14 516 480	95%	17 019 855	7 598 673	5%
3. Emergency Medical Services	1 469 107	615 843	1 330 508	91%	1 541 714	635 440	3%
4. Provincial Hospital Services	8 988 532	4 406 790	8 686 653	97%	9 451 980	4 550 562	3%
5. Central Hospital Services	16 715 556	8 742 380	17 134 257	103%	18 913 451	9 786 052	12%
6. Health Sciences And Training	1 120 893	655 434	1 106 708	99%	1 251 743	569 486	(13%)
7. Health Care Support Services	310 255	171 549	339 048	109%	337 788	180 970	5%
8. Health Facilities Management	1 879 933	504 395	1 536 120	82%	2 090 143	792 086	57%
Total for programmes	46 862 330	22 972 410	46 010 560	98%	51 578 819	25 035 634	9%
Current payments	42 847 065	21 263 540	42 139 596	98%	46 957 874	23 026 459	18%
Compensation of employees	26 994 470	13 425 636	26 902 299	100%	29 917 375	14 264 372	6%
Goods and Services	15 852 595	7 837 904	15 229 503	96%	17 040 499	8 760 813	12%
Interest and rent on land			7 794			1 274	
Transfers and subsidies	1 669 968	1 165 999	2 293 095	137%	1 802 113	1 040 572	#DIV/0!
Provinces and municipalities	721 989	255 285	721 992	100%	706 220	129 172	(49%)
Departmental agencies and accounts	20 962		20 962	100%	22 135		#DIV/0!
Higher education institutions	13 681	10 057	13 421	98%	14 653	76	
Non-profit institutions	664 528	445 711	615 281	93%	720 943	373 604	(16%)
Households	248 808	454 946	921 439	370%	338 162	537 720	18%
Payments for capital assets	2 345 296	537 014	1 572 106	67%	2 818 832	966 228	80%
Buildings and other fixed structures	1 020 767	232 621	785 617	77%	931 387	254 324	9%
Machinery and equipment	1 324 529	304 393	786 489	59%	1 887 445	711 904	134%
Software and other intangible assets							
Payments for financial assets		2 440	5 763			2 375	
Total economic classification	46 862 329	22 968 993	46 010 560	98%	51 578 819	25 035 634	9%

Expenditure trends for 2018/19

The department's total expenditure for the 2018/19 financial year amounted to R46 billion which translates to 98 per cent of the total budget of R46.9 billion. Total expenditure for the first quarter of 2019/20 is 9% more than the first quarter of 2018/19.

Increased expenditure on compensation of employees was due to higher health care wage bill caused by increased personnel headcount and payment of community health care workers.

The overall overspending on goods and services was as a result of increased costs incurred towards payment of medical supplies, legal services and consultants and business advisory items in relation to mental health care service providers.

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

The reduction in transfers to non-profit institutions is due to the reclassification of payment for community health care workers to the item, compensation of employees.

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 procurement processes.

Expenditure trends for the first half of 2019/20

The department spent R25 billion in the first half of 2019/2020 compared to R22.9 billion in the first half of 2018/2019. This is mainly due to the payment of previous financial year's accruals, increased payment of medico-legal claims as well as the payment of the health care personnel bill.

Programme 1: Administration

The total amount spent at the end of 2019/20 first quarter is R922.3 million which is comparatively more than the R619.0 million spent in the 2018/19 financial year is mainly due to payment of medico-legal claims that has been centralised to the programme.

Programme 2: District Health Services

Spending under this programme is R7.5 billion at the end of the first quarter which is slightly higher than the R7.2 billion spent in the first half of the 2018/2019 financial year due to the payment of accruals.

Programme 3: Emergency Medical Services

The total expenditure for the first six months of the current financial year amounts to R636.4 million which is slightly higher than the R615 0 million spent in the same period of 2018/19 financial year due to the payment of accruals.

Programme 4: Provincial Hospital Services

During the period under review, the spending in this programme has increased with an amount of R144 million as compared to the same period during 2018/19 financial year. The increased spending is due to payment of accruals and an increase in services rendered to mental health care patients.

Programme 5: Central Hospital Services

When comparing the same period in the previous financial year, the overall change in expenditure for the first six months of the financial year has increased from R8.7 billion in 2018/19 to R9.7 billion. The increase in spending is due to the payment of accruals from the previous financial year and the increased transfer tranche payment to the Nelson Mandela Children's hospital.

Programme 6: Health Sciences and Training

The mid-term expenditure for this programme amounted to R569.4 million which is less when compared to the same period for the previous financial year which amounted to R655.4 million. The decrease in expenditure is due to the late payment of the South African Cuban Doctor programme, payment for tuition fees and stipends paid to student nurses that will be paid in January 2020 and February 2020.

Programme 7: Health Care Support

The 2019/20 second quarter expenditure in this programme is at R180.9 million which is slightly higher than the R171.5 million spent in the 2018/19 financial year due to payment of accruals and increased cost on fuel, oil and gas as a result of the roll-out of the gas contract to laundries.

Programme 8: Health Facilities Management

Expenditure in this programme is more by R288 000 when compared to the second quarter of the previous financial year due projects that are progressing better than anticipated.

6. Departmental Receipts

TABLE 4.19: DEPARTMENTAL RECEIPTS

Department	2018/19 Audited Outcome				2019/20 Actual Receipts		
	Adjusted Appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of Adjusted Appropriation	Adjusted Appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Tax receipts							
Sales of goods and services other than capital assets	475 335	270 130	648 656	36.5%	502 355	266 215	(1.45%)
Of which Health patient fees	391 365	220 491	545 776	0.0%	415 039	218 126	(1.07%)
Transfers received				0.0%			0.00%
Fines, penalties and forfeits	58	25	95	63.8%	62	(45)	(280.00%)
Interest, dividends and rent on land	1 422	368	764	(46.3%)	1 502	368	0.00%
Sales of capital assets			1	0.0%		4 300	0.00%
Financial transactions in assets and liabilities	31 134	114 320	131 286	321.7%	32 877	29 123	(74.53%)
Total receipts	507 949	384 843	780 802	375.7%	536 796	299 961	(22.06%)

Revenue trends for the first half of the 2019/20 financial year

The estimated actual revenue to be collected by the end of the 2019/20 financial year amount to R536.7 million, this remain the same as the main appropriation for own revenue. Thus, there are no adjustments of the revenue budget.

The amount collected as the end of September 2019 amounted to R299.9 million which is a decreased by R84. 8 million when compared to 2018/19 collection of R384.8 million. The reason for decrease is the reduced payments received from Road Accident Fund due to cash flow challenges experienced by this entity.

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

Changes to transfers and subsidies

TABLE 4.20: CHANGES TO TRANSFERS AND SUBSIDIES

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Administration	2 587							2 587
Households	2 587							2 587
Programme 2	944 772			(89 018)			(89 018)	855 754
Provinces and municipalities	405 085							405 085
Departmental agencies and accounts								
Non-profit institutions	509 961			(89 018)			(89 018)	420 943
Households	29 726							29 726
Programme 3	235 044			68 946			68 946	303 990
Provincial and Local Governments	232 189			68 946			68 946	301 135
Households (HH)								
Programme 4	15 725							15 725
Households (HH)	15 725							15 725
Programme 5	350 532							350 532
Non-profit institutions	300 000							300 000
Households	50 532							50 532
Programme 6	272 864							272 864
Departmental agencies and accounts	22 135							22 135
Higher education institutions	14 653							14 653
Households	236 076							236 076

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Programme 7	468							468
Households	468							468
Programme 8				193			193	193
Households				193			193	193
Total changes in transfers and subsidies payments	1 821 992			(19 879)			(19 879)	1 802 113

Virements and shifts

Overall, transfer payments decline by a net amount of R19.9 million due to the reclassification of budget. A total amount of R68.9 million is shifts to Programme 3: Emergency Medical Services to pay outstanding claims due to delays in the provincialisation of the Johannesburg EMS. A total of R89 million shifts from non-profit institutions in Programme 2: District Health Services to compensation of employees due to the reclassification of the budget allocated towards t of EPWP participants after a change in the payment method for this health professionals co-hort.

7.3 Changes to conditional grants

TABLE 4.21: CHANGES TO CONDITIONAL GRANTS

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Programme 2	4 889 873		14 310		66 443		80 753	4 970 626
COMPREHENSIVE HIV, AIDS&TB GRANT	4 766 734		8 951				8 951	4 775 685
HUMAN PAPILLVIRUS VACCINE GRANT	28 841		5 359		(9 116)		(3 757)	25 084
HUMAN RESOURCE CAPACITATN GRANT	68 101				21 801		21 801	89 902
NATIONAL HEALTH INSURANCE GRANT								53 758
SOC SEC EPWP INCENTIV GRANT PROV	26 197							26 197
Programme 4	305 829		15 571		27 692		43 263	349 092
HEALTH PROFES TRAINING&DEV GRANT	237 276		14 501				14 501	251 777
HUMAN RESOURCE CAPACITATN GRANT	37 278				27 692		27 692	64 970
NATIONAL TERTIARY SERVICES GRANT	31 275		1 070				1 070	32 345
Programme 5	5 513 388		269 873		38 564		308 437	5 821 825
HEALTH PROFES TRAINING&DEV GRANT	789 964		18 738				18 738	808 702
HUMAN RESOURCE CAPACITATN GRANT	29 856				38 564		38 564	68 420
NATIONAL TERTIARY SERVICES GRANT	4 693 568		251 135				251 135	4 944 703
Programme 8	861 215							861 215
EPWP INTEGRATED GRANT FOR PROV	2 187							2 187
HEALTH FACILITY REVITALIST GRANT	859 028							859 028
Total changes in conditional grants	11 570 305		299 754		132 699		432 453	12 002 758

Roll-overs: R299.7 million

Of this total amount of R299.8 million, R9.0 million is rolled over to fund commitments made on HIV/AIDS for ARV procured during March 2019. The R5.4 million for HPV is allocated to District Health Services for accruals related to procurement of

vaccine. The remaining amount of R285.4 million for NTSG and HPTDG is allocated to Programmes 4 and 5 to pay for commitments made towards medical and allied equipment in the previous financial year.

National conditional grants additions: R132.6

An amount of R132.6 of which R88 million is provided for human resource capacitation grant and R53.7 million is for health professions contracting through national health insurance grant.

7.4 Changes to infrastructure

Refer to 2019 Adjusted Estimates of Capital Expenditure (AECE).

GAUTENG DEPARTMENT OF EDUCATION

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	49 809 551	49 605 751	(203 800)	
of which:				
Current payments	43 646 932	43 173 615	(473 317)	
Transfers and subsidies	4 291 669	4 879 310		587 641
Payments for capital assets	1 870 950	1 546 826	(324 124)	
Payment for financial assets		6 000		6 000
Executive authority	MEC for Education			
Accounting officer	Head of Department			

1. Vision and Mission

Vision

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 2019/20

Table 5.1 DEPARTMENT OF EDUCATION

R thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Administration	3 838 461			33 031			33 031	3 871 492
2. Public Ordinary School Education	37 327 531		46 200	188 260			234 460	37 561 991
3. Independent School Subsidies	854 194							854 194
4. Public Special School Education	3 467 614			(87 029)			(87 029)	3 380 585
5. Early Childhood Development	856 825			32 000			32 000	888 825
6. Infrastructure Development	1 949 536	(250 000)					(250 000)	1 699 536
7. Examination and Education Related Services	1 515 390			(166 262)			(166 262)	1 349 128
Total for Programmes	49 809 551	(250 000)	46 200				(203 800)	49 605 751

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	43 646 932		46 200	(519 517)			(473 317)	43 173 615
Compensation of employees	37 372 099			(613 686)			(613 686)	36 758 413
Salaries & wages	32 337 703			(614 532)			(614 532)	31 723 171
Social contributions	5 034 396			846			846	5 035 242
Goods and services	6 274 833		46 200	94 111			140 311	6 415 144
Interest and rent on land				58			58	58
Transfers and subsidies	4 291 669			587 641			587 641	4 879 310
Departmental agencies and accounts	105 143							105 143
Non-profit institutions	3 776 357			572 737			572 737	4 349 094
Households	410 169			14 904			14 904	425 073
Payments for capital assets	1 870 950	(250 000)		(74 124)			(324 124)	1 546 826
Buildings and other fixed structures	1 686 472	(250 000)		(326 177)			(576 177)	1 110 295
Machinery and equipment	178 610			120 753			120 753	299 363
Land and sub-soil assets	5 868			125 000			125 000	130 868
Software and other intangible assets				6 300			6 300	6 300
Payments for financial assets				6 000			6 000	6 000
Total economic classification	49 809 551	(250 000)	46 200				(203 800)	49 605 751

An adjustment to the budget of the Gauteng Department of Education is effected to surrender funds to the PRF, to appropriate funds rolled over from the previous financial year and to effect the shifting and virements of funds between and within programmes to fund emerging spending pressures.

The 2019/20 main appropriation of the department decreases by a net amount of R203.8 million from R49.8 billion to R49.6 billion. An amount of R250 million is surrendered from the infrastructure budget due to underperforming projects whilst recovery measures are being put in place and R46.2 million is rolled over to settle outstanding invoices relating to municipal services and school furniture.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 5.2: PROGRAMME ADMINISTRATION

R thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Office of the MEC	4 970							4 970
2. Corporate Services	2 236 047			93 638			93 638	2 329 685
3. Education Management	1 509 740			(60 439)			(60 439)	1 449 301
4. Human Resource Development	64 533			(87)			(87)	64 446
5. Edu Management Information System (Emis)	23 171			(81)			(81)	23 090
Total for Programmes	3 838 461			33 031			33 031	3 871 492

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	3 789 144			(118 228)			(118 228)	3 670 916
Compensation of employees	3 096 897			(293 581)			(293 581)	2 803 316
Salaries & wages	2 656 194			(292 181)			(292 181)	2 364 013
Social contributions	440 703			(1 400)			(1 400)	439 303
Goods and services	692 247			175 295			175 295	867 542
Transfers and subsidies	6 171			13 400			13 400	19 571
Provinces and municipalities								
Higher education institutions								
Households	6 171			13 400			13 400	19 571
Payments for capital assets	43 146			131 859			131 859	175 005
Machinery and equipment	43 146			126 859			126 859	170 005
Software and other intangible assets				5 000			5 000	5 000
Payments for financial assets				6 000			6 000	6 000
Total economic classification	3 838 461			33 031			33 031	3 871 492

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

Economic classification	Motivation	From	Motivation	To
Current payments		(346 385)		228 157
Compensation of employees	Underspending on personnel as a result of posts that are in the process of being filled.	(293 581)		
Goods and services	Budget for microsoft licenses was overestimated, the rand dollar exchange rate is lesser than what the department estimated. The Data Quality Audit (DQA) will not be done by an external service provider, the Gauteng Audit Services (GAS) will provide the service at no cost and South African School Administration and Management Systems (SA SAMS) training will be freely conducted by Mathew Goniwe School of leadership (MGSL). Therefore budgeted funds for these projects are moved to cover other areas of pressure.	(52 804)	Provision to supplement the budget for rental of office building, to cover municipal costs and to bring the building to comply with health and safety requirements. Furthermore funds are also allocated for the procurement of office furniture and for the development of a business continuity plan which will be outsourced as the department has no expertise and capacity to develop the plan internally.	228 099
Interest and rent on land			Provision made for unforeseen interest expenditure.	58
Transfers and subsidies				13 400
Households			Provision made to settle litigation matters and for settlement of medical bills for learners who were injured at the Driehoek Hoërskool tragedy; and for payment of injury on duty and leave gratuity.	13 400

Economic classification	Motivation	From	Motivation	To
Payments for capital assets		(124)		131 983
Machinery and equipment	There is expected underspending due to expired contracts for the rental of labour saving devices. The department is in the process of entering into a transversal contract.	(124)	The department has conducted an age analysis on the laptops in the environment and have noted that there is a need for replacement of old, damaged, lost and obsolete laptops and other IT equipment.	126 983
Software and other intangible assets			Provision made to procure a system which will enable the department to access live data relating to curriculum matters.	5 000
Payments for financial assets			Provision to cover expenditure for lost items and bad debts written off.	6 000
Total economic classification		(346 509)		379 540

Virements and shifts

The programme receives R33 million to supplement the budget for rental of office building. Shifts within the programme amounts to R346 million of which the bulk shifts from compensation of employees due to delays in filling vacant posts. An amount of R121 million is allocated to supplement the budget for rental of office building which brings the total allocated budget to R154 million, R100 million for the replacement of old, damaged, lost and obsolete laptops, R40 million for the procurement of office furniture and R12 million for the settlement of litigations and medical bills for learners injured at the Driehoek Hoerskool tragedy.

Programme 2: Public Ordinary School Education

TABLE 5.4: PROGRAMME 2: PUBLIC ORDINARY SCHOOL

R thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Public Primary Schools	20 398 977		27 720	196 426			224 146	20 623 123
Public Secondary School	15 765 811		18 480	(6 669)			11 811	15 777 622
Human Resource Development	184 136			(1 091)			(1 091)	183 045
School Sport, Culture and Media Services	35 583			(406)			(406)	35 177
Conditional Grants	943 024							943 024
Total for Programmes	37 327 531		46 200	188 260			234 460	37 561 991

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	35 059 567		46 200	(313 528)			(267 328)	34 792 239
Compensation of employees	30 449 770			(212 209)			(212 209)	30 237 561
Salaries & wages	26 235 694			(215 959)			(215 959)	26 019 735
Social contributions	4 214 076			3 750			3 750	4 217 826
Goods and services	4 609 797		46 200	(101 319)			(55 119)	4 554 678
Interest and rent on land								
Transfers and subsidies	2 260 836			500 047			500 047	2 760 883
Non-profit institutions	2 136 912			500 047			500 047	2 636 959
Households	123 924							123 924
Payments for capital assets	7 128			1 741			1 741	8 869
Buildings and other fixed structures								
Machinery and equipment	7 128			441			441	7 569
Software and other intangible assets				1 300			1 300	1 300
Payments for financial assets								
Total economic classification	37 327 531		46 200	188 260			234 460	37 561 991

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

Economic classification	Motivation	From	Motivation	To
Current payments		(732 419)		418 891
Compensation of employees	Compensation of employees is reduced due to vacant posts at schools which are in the process of being filled.	(219 135)	Provision made for additional monitors and food handlers of the school nutrition programme due to an increase in the number of learners.	6 926
Goods and services	A review of transactions with Mathew Goniwe and Sci-Bono was undertaken by the department which indicated that the department is funding the mandate of the entity and not paying for services rendered on their behalf. This according to Classification circular 21 of 2018 meets the requirement of a transfer and therefore funds for teacher development, curriculum interventions and interventions funded by the MST grant are reclassified back to transfers and subsidies. Budget for procurement of tablets was erroneously allocated on the item inventory other supplies instead of LTSM, budget shifted to the correct item. Budget for school nutrition grant aligned to the business plan.	(513 284)	Provision made for curriculum requirements which include coding and robotics resources; grade 1-3 maths kits, grade 1-7 classroom charts, support of technical and vocational schools etc. Correct allocation of funds to LTSM for the procurement of tablets and loading of content relating to implementation of ICT strategy and funds are allocated for the distribution of broadband connectivity at public ordinary schools. Furthermore, provision is made for the procurement of mobile classrooms to cater for the increase in enrollment.	411 965
Interest and rent on land			0	
Transfers and subsidies		(2 065)		502 112
Non-profit institutions	Funds shifted from transfers to goods and services as youth and culture events such as the Carnival, Debate competitions, Indigenous games and spelling BEE items will be procured by head office instead of schools.	(2 065)	A review of transactions with Mathew Goniwe and Sci-Bono was undertaken by the department which indicated that the department is funding the mandate of the entity and not paying for services rendered on their behalf. This according to Classification circular 21 of 2018 meets the requirement of a transfer and therefore funds for teacher development, curriculum interventions and interventions funded by the MST grant are reclassified back to transfers and subsidies. Furthermore, additional funds allocated to supplement the budget for school subsidies due to increase in learner number.	502 112
Households				
Payments for capital assets		(55)		1 796
Buildings and other fixed structures				
Machinery and equipment	The budget for labour saving devices reduced in line with the new contract.	(55)	Budget allocated to cater for procuring of laptops for officials monitoring the School nutrition and HIV and Aids grant.	496
Software and other intangible assets			Provision made to cover for the resource management system relating to procurement of LTSM	1 300
Payments for financial assets				
Total economic classification		(734 539)		922 799

Provincial rollovers: R46.2 million

A total amount of R46.2 million is rolled over from the previous financial year to settle outstanding invoices relating to municipal services and school furniture.

Virements and shifts

The programme receives a total of R188 million of which R108 million is allocated towards curriculum interventions requirements such as Grade R coding and robotics, grade 1-3 maths kits, African language readers, MST enhancement for grade 8-9, heritage books for primary and secondary schools, specialised LTSM and LSEN autism sensory resources. The balance of R80 million is allocated for the procurement of mobile classrooms to cater for the increase in learner enrolment.

Shifts within the programme amounts to R734 million of which the bulk shifts from compensation of employees due delays in filling vacant posts which are in the process of being filled. In addition, the budget also shifts from various goods and services items due to the reclassification of the budget for teacher development and curriculum interventions provided by Matthew Goniwe School of Leadership and Sci-Bono Discovery Centre. Furthermore, shifts are done to correct the budget for the procurement of tablets and the loading of content which was incorrectly allocated to the item inventory: other supplies and to provide for the distribution of broadband connectivity at public ordinary schools.

Programme 3: Independent School Subsidies

TABLE 5.6: PROGRAMME 3: INDEPENDENT SCHOOL SUBSIDIES

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Primary Phase	509 395							509 395
2. Secondary Phase	344 799							344 799
Total for Programmes	854 194							854 194

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	20 000							20 000
Compensation of employees								
Goods and services	20 000							20 000
Interest and rent on land								
Transfers and subsidies	834 194							834 194
Provinces and municipalities								
Non-profit institutions	834 194							834 194
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Payments for financial assets								
Total economic classification	854 194							854 194

Virements and Shifts

There are no adjustments in this programme in the current financial year.

Programme 4: Public Special Education

TABLE 5.8: PROGRAMME 4: PUBLIC SPECIAL SCHOOL EDUCATION

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Schools	3 432 595			(87 029)			(87 029)	3 345 566
2. Human Resource Development	2 290							2 290
3. School Sport, Culture and Media Services	1 470							1 470
4. Conditional Grants	31 259							31 259
Total for Programmes	3 467 614			(87 029)			(87 029)	3 380 585

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	2 843 530			(89 999)			(89 999)	2 753 531
Compensation of employees	2 811 746			(88 360)			(88 360)	2 723 386
Salaries & wages	2 435 910			(86 860)			(86 860)	2 349 050
Social contributions	375 836			(1 500)			(1 500)	374 336

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Goods and services	31 784			(1 639)			(1 639)	30 145
Transfers and subsidies	624 084			2 800			2 800	626 884
Non-profit institutions	621 070			1 300			1 300	622 370
Households	3 014			1 500			1 500	4 514
Payments for capital assets				170			170	170
Buildings and other fixed structures								
Machinery and equipment				170			170	170
Payments for financial assets								
Total economic classification	3 467 614			(87 029)			(87 029)	3 380 585

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

Economic classification	Motivation	From	Motivation	To
Current payments		(94 483)		4 484
Compensation of employees	Compensation of employees is reduced due to vacant posts at schools which are in the process of being filled.	(88 529)	Provision made for the appointment of additional official in the LSPID grant.	169
Goods and services	A review of transactions with Mathew Goniwe and Sci-Bono was undertaken by the department which indicated that the department is funding the mandate of the entity and not paying for services rendered on their behalf. This according to Classification circular 21 of 2018 meets the requirement of a transfer and therefore funds are reclassified back to transfers and subsidies. Funds for teacher development training shifted from goods and services to transfers to align with the above. Realignment of budget for the spending plan for Magaliesburg Secondary School	(5 954)	Provision is made to cover LTSM Management handling fee and for feeding scheme and LTSM at Magaliesburg Secondary school. Additional budget for travelling expense due to increase number of invitees for DBE training in Limpopo.	4 315
Interest and rent on land				
Transfers and subsidies		(990)		3 790
Non-profit institutions	Realignment of budget for the spending plan for Magaliesburg Secondary School	(990)	A review of transactions with Mathew Goniwe and Sci-Bono was undertaken by the department which indicated that the department is funding the mandate of the entity and not paying for services rendered on their behalf. This according to Classification circular 21 of 2018 meets the requirement of a transfer and therefore funds are reclassified back to transfers and subsidies. Funds for teacher development training shifted from goods and services to transfers to align with the above.	2 290
Households			Provision made for payment of injury on duty and leave gratuity.	1 500
Payments for capital assets				170
Machinery and equipment			Provision of procuring laptop for curriculum field workers.	170
Payments for financial assets				
Total economic classification		(95 473)		8 444

Virements and shifts

The programme budget decreases by R87 million due to delays in filling vacant posts at schools which are in the process of being filled. Budget is shifted to other programmes to fund pressure areas.

Shifts within the programme amounts to R8.4 million which is mainly to reclassify the budget for teacher development by Matthew Goniwe School of Leadership from goods and services to transfers and subsidies and to realign the budget for Magaliesburg Secondary School in line with their spending plans. Funds are also shifted within the Learners with Profound Intellectual disability grant (LPIDG) to align with the conditional grant business plan.

Programme 5: Early Childhood Development

5.10: PROGRAMME 5: EARLY CHILDHOOD DEVELOPMENT

R thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Grade R In Public Schools	792 549			32 000			32 000	824 549
2. Grade R In Community Centres	20 481							20 481
3. Pre-Grade R Training	25 863							25 863
4. Human Resource Development	17 932							17 932
Total for Programmes	856 825			32 000			32 000	888 825

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	681 611			1 767			1 767	683 378
Compensation of employees	549 147			31 996			31 996	581 143
Salaries & wages	548 671			32 000			32 000	580 671
Social contributions	476			(4)			(4)	472
Goods and services	132 464			(30 229)			(30 229)	102 235
Transfers and subsidies	174 675			30 273			30 273	204 948
Non-profit institutions	174 675			30 269			30 269	204 944
Households				4			4	4
Payments for capital assets	539			(40)			(40)	499
Buildings and other fixed structures								
Machinery and equipment	539			(40)			(40)	499
Payments for financial assets								
Total economic classification	856 825			32 000			32 000	888 825

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

Economic classification	Motivation	From	Motivation	To
Current payments		(42 113)		43 880
Compensation of employees	Funds shifted to make provision for injury on duty which is a personnel related costs.	(4)	Provision made to cover an increase in salaries for Grade R practitioners who obtained NQF level 6 qualification.	32 000
Goods and services	A review of transactions with Mathew Goniwe and Sci-Bono was undertaken by the department which indicated that the department is funding the mandate of the entity and not paying for services rendered on behalf of the department. This according to Classification circular 21 of 2018 meets the requirement of a transfer and therefore funds are reclassified back to transfers and subsidies. Funds for training of Pre-Grade R practitioners shifted from goods and services to transfers to align with the above.	(42 109)	Procurement of LTSM for some schools will be done centrally by the department and provision is made for management handling fees of LTSM.	11 880
Interest and rent on land				
Transfers and subsidies		(9 800)		40 073
Non-profit institutions	Funds shifted to make provision for procurement of LTSM relating to Grade R in Public Schools which will be procured centrally by the department.	(9 800)	A review of transactions with Mathew Goniwe and Sci-Bono was undertaken by the department which indicated that the department is funding the mandate of the entity and not paying for services rendered on behalf of the department. This according to Classification circular 21 of 2018 meets the requirement of a transfer and therefore funds are reclassified back to transfers and subsidies. Funds for training of Pre-Grade R practitioners shifted from goods and services to transfers to align with the above.	40 069
Households			Funds are shifted for Injury on duty.	4

Economic classification	Motivation	From	Motivation	To
Payments for capital assets		(40)		
Machinery and equipment	Savings on the procurement of machinery and equipment due to the continuous cost containment measures.	(40)		
Payments for financial assets				
Total economic classification		(51 953)		83 953

Virements and shifts

The programme receives R32 million through virement which is allocated to cover an increase in salaries for Grade R practitioners who obtained an NQF level 6 qualification.

Shifts within the programme amounts to R51.9 million which is mainly due to the reclassification of training and development budget for Grade R practitioners from goods and services to transfers and subsidies and to shift the budget for the procurement of LTSM which will no longer be transferred to schools as the department will procure centrally.

Programme 6: Infrastructure Development

TABLE 5.12: PROGRAMME 6: INFRASTRUCTURE DEVELOPMENT

R thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Administration	46 600			8 844			8 844	55 444
2. Public Ordinary Schools	1 687 803	(250 000)		91 479			(158 521)	1 529 282
3. Special Schools	156 804			(62 268)			(62 268)	94 536
Early Childhood Development	58 329			(38 055)			(38 055)	20 274
Total for Programmes	1 949 536	(250 000)					(250 000)	1 699 536

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	257 196			201 177			201 177	458 373
Compensation of employees	43 319			1 369			1 369	44 688
Salaries & wages	40 014			1 369			1 369	41 383
Social contributions	3 305							3 305
Goods and services	213 877			199 808			199 808	413 685
Transfers and subsidies								
Payments for capital assets	1 692 340	(250 000)		(201 177)			(451 177)	1 241 163
Buildings and other fixed structures	1 686 472	(250 000)		(326 177)			(576 177)	1 110 295
Land and sub-soil assets	5 868			125 000			125 000	130 868
Payments for financial assets								
Total economic classification	1 949 536	(250 000)					(250 000)	1 699 536

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

Economic classification	Motivation	From	Motivation	To
Current payments				201 177
Compensation of employees			Budget allocated for appointment of built environment specialists and finance personnel to improve its planning and monitoring capacity.	1 369
Goods and services			Aging of school infrastructure need more frequent maintenance than initially anticipated, hence the the budget increase.	199 808
Interest and rent on land				

Economic classification	Motivation	From	Motivation	To
Transfers and subsidies				
Payments for capital assets		(326 177)		125 000
Buildings and other fixed structures	Delays in municipal processes to approve building plans resulted in delays in projects implementation. Slower on-site progress on the Renovations & Rehabilitation projects resulted in lower spending.	(326 177)		
Land and sub-soil assets	0		Due to shortage of sites, the current identified sites are priced at prime due to the limited supply on the property market, hence the need to increase the budget for land acquisition.	125 000
Payments for financial assets				
Total economic classification		(326 177)		326 177

Surrenders: R250 million

An amount of R250 million is surrendered back to the provincial revenue fund due to projects that are underperforming whilst recovery measures are being put in place. Factors that resulted in underperformance include the effect of community and business forum disruptions in schools under construction, professional service provider and contractor underperformance, delays in the procurement processes for new Alternate Construction Technology programme and delays in the approval of town planning applications and related activities.

Virements and shifts

Shifts of funds within the programme is to make provision for aging school infrastructure which requires frequent maintenance, to supplement the budget for land due to the limited supply in the market which resulted in an increase in prices. Furthermore, provision is made for the appointment of built environment specialists and finance personnel to improve its planning and monitoring capacity.

Programme 7: Examination and Education Related Services

TABLE 5.14: PROGRAMME 7: EXAMINATION AND EDUCATION RELATED SERVICES

R thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Payments to Seta	105 143							105 143
2. Professional Services	403 822			(135 776)			(135 776)	268 046
3. Special Projects	520 788			(70 000)			(70 000)	450 788
4. External Examinations	480 563			39 514			39 514	520 077
5. Conditional Grants	5 074							5 074
Total for Programmes	1 515 390			(166 262)			(166 262)	1 349 128

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	995 884			(200 706)			(200 706)	795 178
Compensation of employees	421 220			(52 901)			(52 901)	368 319
Salaries & wages	421 220			(52 901)			(52 901)	368 319
Goods and services	574 664			(147 805)			(147 805)	426 859
Transfers and subsidies	391 709			41 121			41 121	432 830
Departmental agencies and accounts	105 143							105 143
Non-profit institutions	9 506			41 121			41 121	50 627
Households	277 060							277 060
Payments for capital assets	127 797			(6 677)			(6 677)	121 120
Buildings and other fixed structures								
Machinery and equipment	127 797			(6 677)			(6 677)	121 120

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Payments for financial assets								
Total economic classification	1 515 390			(166 262)			(166 262)	1 349 128

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

Economic classification	Motivation	From	Motivation	To
Current payments		(260 996)		60 290
Compensation of employees	Funds for security and school safety employees reprioritised to other areas due to a legal matter with Private Security Industry Regulation Act (PSIRA).	(70 901)	Budget allocated for markers and invigilators' in the examination sub-programme.	18 000
Goods and services	A review of transactions with Mathew Goniwe and Sci-Bono was undertaken by the department which indicated that the department is funding the mandate of the entity and not paying for services rendered on their behalf. This according to Classification circular 21 of 2018 meets the requirement of a transfer and therefore funds are reclassified back to transfers and subsidies. Reclassification of funds for training of SGB, moderators and schools on school development plan. The budget to procure dignity packs for vulnerable girl learners will not be spent as the process between GDE and The Department of Social Development is not finalized	(190 095)	The budget for examination services increased to make provision for compensation of markers and invigilators, travelling costs and security services for the safeguarding of Grade 12 question papers. Provision is further made for the rental of GG vehicles which was inadequately budgeted for and for the launch of the K53 learner implementation model.	42 290
Interest and rent on land				
Transfers and subsidies				41 121
Non-profit institutions			A review of transactions with Mathew Goniwe and Sci-Bono was undertaken by the department which indicated that the department is funding the mandate of the entity and not paying for services rendered on their behalf. This according to Classification circular 21 of 2018 meets the requirement of a transfer and therefore funds are reclassified back to transfers and subsidies. Reclassification of funds for training of SGB, moderators and schools on school development plan	41 121
Households				
Payments for capital assets		(12 766)		6 089
Buildings and other fixed structures				
Machinery and equipment	The reduction of budget is due to revised SLA for monthly rental relating to printing of the common paper examination for Grade 3,6,9,10 & 11.	(12 766)	Realignment of the budget to make provision for circuit management officials laptops as part of examinations services automation process.	6 089
Payments for financial assets				
Total economic classification		(273 762)		107 500

Virements and shifts

The programme released a total of R166.3 million to address budget deficits in other programmes. Funds are released from the Gauteng City Region Academy (GCRA) as a result of business process re-engineering, termination of parental support programme since the impact thereof is not realised. Budget is also reprioritised from school safety due to the suspension of the patroller programme after a labour relations dispute arose with the Private Security Industry Regulatory Authority (PSIRA), the issue has since been resolved.

Shifting within the programme amount to R107 million which is mainly to reclassify the budget for training of SGB and parents from goods and services to non-profit Institutions and to supplement the budget for compensation of markers and invigilators, related travelling costs and for security services to safeguard examination question papers. Furthermore, funds are shifted to align with the revised spending plans of different cost centres.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE 5.16: EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20: EDUCATION

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
1. Administration	3 437 212	1 634 673	3 226 177	94%	3 871 492	1 683 940	3%
2. Public Ordinary School Education	34 817 754	16 783 438	34 443 171	99%	37 561 991	17 354 934	3%
3. Independent School Subsidies	731 752	554 646	731 719	100%	854 194	575 765	4%
4. Public Special School Education	2 807 577	1 424 370	2 792 271	99%	3 380 585	1 736 784	22%
5. Early Childhood Development	809 855	387 480	719 709	89%	888 825	389 574	1%
6. Infrastructure Development	1 696 137	761 540	1 643 340	97%	1 699 536	476 773	(37%)
7. Examination and Education Related Services	1 411 619	559 014	1 167 682	83%	1 349 128	359 166	(36%)
Total	45 711 906	22 105 161	44 724 069	98%	49 605 751	22 576 936	2%
Current payments	40 176 141	19 151 586	39 061 217	97%	43 173 615	19 666 894	3%
Compensation of employees	34 138 539	16 633 234	33 713 896	99%	36 758 413	17 931 433	8%
Goods and Services	6 037 585	2 518 326	5 347 254	89%	6 415 144	1 735 403	(31%)
Interest and rent on land	17	26	67	394%	58	58	123%
Transfers and subsidies	3 952 278	2 291 584	4 131 015	105%	4 879 310	2 513 402	10%
Provinces and municipalities							
Departmental agencies and accounts	95 317	94 747	95 312	100%	105 143	105 038	11%
Non-profit institutions	3 434 775	2 011 391	3 659 602	107%	4 349 094	2 307 353	15%
Households	422 186	185 446	376 101	89%	425 073	101 011	(46%)
Payments for capital assets	1 583 487	658 645	1 512 859	96%	1 546 826	391 987	(40%)
Buildings and other fixed structures	1 372 257	558 557	1 316 746	96%	1 110 295	340 509	(39%)
Machinery and equipment	174 196	76 660	143 874	83%	299 363	45 084	(41%)
Land and sub-soil assets	36 984	23 428	44 263	120%	130 868	5 105	
Software and other intangible assets	50		7 976	15952%	6 300	1 289	
Payments for financial assets		3 346	18 978		6 000	4 653	39%
Total	45 711 906	22 105 161	44 724 069	98%	49 605 751	22 576 936	2%

Expenditure trends for 2018/19

The department spent R44.7 billion in 2018/19 against a budget of R45.7 billion, which translates to 98% spending. The department underspent on compensation of employees due to vacant posts which could not be filled by the end of the financial year, the suspension of the patrollers programme and moratorium on filling of posts. Underspending on goods and services is due to delays in the procurement of ICT related projects and cost containment measures which were intensified by the department. Underspending on payments for capital assets is due to underperformance on some infrastructure projects and the cost containment measures implemented on machinery and equipment.

Preliminary expenditure trends for the first half of 2019/20

Programme 1: Administration

Total expenditure for the first six months of 2019/20 financial year amounts to R1.7 billion. This spending is 3 per cent more than the comparative figure from the 2018/19 financial year. The increase is attributable to higher rental of office building, municipal services and on compensation of employees.

Programme 2: Public Ordinary Schools

The department spent R16.7 billion as at the end of September 2018 compared to R17.3 billion in the same period of 2019/20. The increase of 3.4 per cent due to accruals relating to Maths, Science and Technology grant; increase in school nutrition programme, Learner and Teacher Support Material, scholar transport costs, and compensation of employees, which is driven, by an annual increase in learner numbers.

Programme 3: Independent Schools

An increase in Provincial Allocation per Learner (PAEPL) resulted in an increase of 3.9 per cent in the expenditure of the first half of 2019/20 as compared to 2018/19 financial year.

Programme 4: Public Special Schools

Expenditure in this programme is R1.7 billion in 2019/20 compared to R1.4 billion in 2018/19 due to increase in learner numbers which resulted in increase on compensation of employees and improved spending on the Learner with Profound Intellectual Disabilities grant.

Programme 5: Early Childhood Development

The department spent R390 million as at the end of September 2019. This is an increase of 0.5 per cent compared to the same period in 2018/19. The minor increase is on compensation of employees due to hiring of Grade R practitioners at schools.

Programme 6: Infrastructure Development

Expenditure as at the end of September 2019 amounts to R477 million compared to R762 million spent in the same period of 2018/19. The 37 per cent decrease in expenditure in 2019/20 is mainly attributable to underperformance by contractors, inclement weather conditions and community disruptions related to local economic beneficiation in relation to infrastructure projects being undertaken.

Programme 7: Examination and Education Related Services

The department spent R559 million in this programme by the end of second quarter of 2018/19 compared to R359.2 million spent in the same period in 2019/20, which resulted in a decrease of 36 per cent. The decrease is mainly on the ESSP programme which has been scaled down.

6. Departmental Receipts

TABLE 5.17 : DEPARTMENTAL RECEIPTS

Department	2018/19				2019/20		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Tax receipts							
Sales of goods and services other than capital assets	27 330	14 071	30 510	12%	28 013	15 416	10%
Of which Health patient fees				0%			0%
Transfers received				0%	0		0%
Fines, penalties and forfeits	41	186	244	495%	42	37	(80%)
Interest, dividends and rent on land	197	253	576	192%	202	283	12%
Sales of capital assets				0%	0	40	0%
Financial transactions in assets and liabilities	4 403	6 281	7 651	74%	4 513	3 645	(42%)
Total Receipts	31 971	20 791	38 981	22%	32 770	19 421	(7%)

Revenue trends for the first half of 2019/20

The table above shows the contribution of each revenue source towards the total revenue generated at the end of second quarter of the 2019/20 financial year. The estimated actual revenue to be collected by the end of the 2019/20 financial year amount to R32.3 million. This remain the same as the main appropriation, thus there are no adjustments.

The total revenue collected for the first half of 2019/20 amounts to R 19.4 million or 59.26 percent of the expected collection for the 2019/20 financial year. There is a decrease of R1.4 million when comparing the first half of 2019/20 and 2018/19 financial year. This is attributed to the low collection under financial transactions in assets and liabilities. Revenue generated from this source cannot be estimated as it is dependent on non-contractual departmental debts and once-off collection from

stale cheques, amongst others. There was a once off sale of equipment's by the department as recorded under sale of capital assets.

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

Changes to transfers and subsidies

TABLE 5.18: SUMMARY OF CHANGES TO TRANSFER AND SUBSIDIES

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Administration	6 171			13 400			13 400	19 571
Households	6 171			13 400			13 400	19 571
2. Public Ordinary School Education	2 260 836			500 047			500 047	2 760 883
Households	123 924							123 924
Sci Bono	21 873			185 379			185 379	207 252
Matthew Goniwe School of Leadership				171 881			171 881	171 881
Public Ordinary Schools	2 115 039			142 787			142 787	2 257 826
Name of transfer payment 7								
3. Independent Schools Subsidies	834 194							834 194
Independent Schools	834 194							834 194
4. Public Special School Education	624 084			2 800			2 800	626 884
Households	3 014			1 500			1 500	4 514
Matthew Goniwe School of Leadership				2 290			2 290	2 290
Special Schools	621 070			(990)			(990)	620 080
5. Early Childhood Development	174 675			30 273			30 273	204 948
Households				4			4	4
Matthew Goniwe School of Leadership				40 069			40 069	40 069
Grade R sites	174 675			(9 800)			(9 800)	164 875
7. Examination And Education Related Services	391 709			41 121			41 121	432 830
Households	277 060							277 060
SETA	105 143							105 143
Matthew Goniwe School of Leadership	9 506			41 121			41 121	50 627
Total changes in transfers and subsidies payments	4 291 669			587 641			587 641	4 879 310

Transfers and subsidies is increasing by a net amount of R587.6 million. The net increase is mainly due to the reclassification of transfers to related parties.

Transfers to Sci-Bono Discovery Centre is reclassified from goods and services to transfers in response to Classification Circular 21 of 2018. This includes the budget allocation to resource intervention such as MST Resource, MST Learner Achievement, and the Secondary School Improvement Programme (SSIP). The reclassification resulted in a net increase of R185.4 million.

Transfers to Matthew Goniwe School of Leadership and Governance increases by R255.3 million due to reclassification of budget from goods and services to transfers in line with Classification Circular 21 of 2018. This includes funds set aside for teacher development, youth and culture programmes and assessment development.

Transfers to Public Ordinary Schools increases by R142.7 million mainly due to reprioritization of funds to cover the budget shortfall in school subsidies caused by an increase and the number of learners.

Public Special Schools decreases by R990 000 resulted from the realignment of budget in line with spending plan for Magaliesburg Secondary School.

Transfers to Grade R in public schools decreases by R9.8 million due to the provision made for procurement of LTSM relating to Grade R in public schools which will be procured centrally by the department.

Households increases by a total of R14.9 million of which R2.9 million is to make provision for payment of injury on duty and leave gratuity and R12 million for the settlement of litigations and medical bills for learners injured at the Driehoek Hoerskool tragedy.

Changes to conditional grants

TABLE5.19: SUMMARY OF CHANGES TO CONDITONAL GRANTS

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
2. Public Ordinary School Education	943 024							943 024
HIV and AIDS (Life Skills Education) Grant	37 907							37 907
National School Nutrition Programme Grant	849 075							849 075
Maths, Science & Technolgy Grant	56 042							56 042
4. Public Special School Education	31 259							31 259
Learners with Profound Intellectual Disabilities Grant	31 259							31 259
Programme 6	1 474 715							1 474 715
Educationj Infrastructure Grant	1 474 715							1 474 715
7. Examination And Education Related Services	5 074							5 074
Expanded Public Works Programme Incentive Grant for Province	2 089							2 089
Expanded Public Works Programme Intergrated Grant for Provinces	2 985							2 985
Total changes in conditional grants	2 454 072							2 454 072

No changes to conditional grants

Changes to infrastructure

Refer to Adjusted Estimates of Capital Expenditure

SOCIAL DEVELOPMENT

R thousand	2019/20			
	Main Appropriation	Adjusted Appropriation	Decrease	Increase
Amount to be appropriated	5 516 852	5 442 951	(73 901)	
of which:				
Current payments	3 028 302	3 008 741	(19 561)	
Transfers and subsidies	2 354 411	2 289 328	(65 083)	
Payments for capital assets	134 139	144 731		10 592
Payment for financial assets		151		151
Executive authority	MEC for Social Development			
Accounting officer	Head of Department			

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 2019/20

TABLE 6.1: DEPARTMENT OF SOCIAL DEVELOPMENT

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Administration	773 484	(28 000)		(39 178)		10 942	(56 236)	717 248
2. Social Welfare Services	915 374	(2 300)		2 239		3 707	3 646	919 020
3. Children and Families	2 345 936	(84 664)		69 433		35 289	20 058	2 365 994
4. Restorative Services	734 239	(11 886)		2 113		3 011	(6 762)	727 477
5. Development and Research	747 819			(34 607)			(34 607)	713 212
Total for programmes	5 516 852	(126 850)				52 949	(73 901)	5 442 951

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	3 028 302	(61 386)		9 937		31 888	(19 561)	3 008 741
Compensation of employees	1 823 545	(17 000)		(1 300)			(18 300)	1 805 245
Salaries & wages	1 541 547	(13 600)		(3 607)			(17 207)	1 524 340
Social contribution	281 998	(3 400)		2 307			(1 093)	280 905
Goods and services	1 204 757	(44 386)		11 237		31 888	(1 261)	1 203 496
Transfers and subsidies	2 354 411	(49 164)		(15 919)			(65 083)	2 289 328
Departmental agencies and accounts	89			(21)			(21)	68
Non-profit institutions	2 346 274	(49 164)		(19 123)			(68 287)	2 277 987
Households	8 048			3 225			3 225	11 273
Payments for capital assets	134 139	(16 300)		5 831		21 061	10 592	144 731
Buildings and other fixed structures	93 458					21 061	21 061	114 519
Machinery and equipment	40 531	(16 300)		420			(15 880)	24 651
Software and other intangible assets	150			5 411			5 411	5 561
Payments for financial assets				151			151	151
Thefts & Losses				151			151	151
Total economic classification	5 516 852	(126 850)				52 949	(73 901)	5 442 951

The overall budget of the Department of Social Development for the 2019/20 financial year is reduced from R5.5 billion to R5.4 billion in the adjustment budget because an amount of R127 is surrendered back to Provincial Revenue Fund.

The allocated budget for compensation of employees is reduced by R18.3 million. R1.3 is reprioritised for the procurement of tools of trade, infrastructure software licenses for drafting building drawings and bills of quantities and rates for Infrastructure Delivery Management System (IDMS) unit. An amount of R17 million is surrendered to PRF because there were delays experienced with the filling of some vacant posts.

Funds are reprioritised within goods and services to cover spending pressure on some items. The total shift of 19.1 million from non-profit institutions (NPI) to goods and services is to fund the Initiation and Circumcision programme in collaboration with Cultural, Religious and Linguistic (CRL) Communities Rights Commission and Women Empowerment Programmes. Funds are also reprioritised to cover the budget shortfall on the procurement of SAP upgrade services and departmental branding and communication for public awareness.

The budget allocated to NPIs is reprioritised to cover areas with spending pressure such as Old Age Homes, NGO Protective Workshops and the implementation of NAWONGO court judgement. An amount of R49.1 million allocated to NPIs is surrendered to PRF because the nutrition programme was discontinued as the Early Childhood Development centres are funded in line with the norms and standards.

Funds are shifted to households mainly to offset expenditure incurred as a result of post-retirement gratuity benefits. The gratuities were also paid to the former Member of Executive Council in line with the gazette that outlines that Public Office Bearers should be paid four months' salary for every five years of service.

An amount of R5.4 million is reprioritised in order to procure new SAP Supatsela user software licenses ,IDMS software license and to cover the shortfall on OrgPlus software for HR Organisational Development.

An amount of R151 000 is shifted from goods and services to offset expenditure incurred relating to bad debts written-off which are uneconomical to recover.

The department receives an additional amount of R52.9 million to implement infrastructure projects. An amount of R31.8 million is allocated towards the repair and maintenance of the institutions, regional offices, service points and head office. The department undertook assessments to determine what needs to be repaired at facilities to ensure that all facilities and institutions are aligned with Occupational Health and Safety (OHS) norms and standards.

An amount of R9.6 million is allocated to the capital works programme that has registered significant progress in the 2019/20 financial year with a number of projects that are currently at construction stage such as Bekkersdal Social Integrated Facility.

An amount of R11.4 million is allocated to upgrades, refurbishment and rehabilitation of infrastructure. The infrastructure programme focusses on the provision of social facilities, upgrading and rehabilitation of existing social facilities. The social infrastructure portfolio includes early childhood development centres, community facility for older persons, child and youth care centres, inpatient and outpatient substance rehabilitation centres and secure care centres to enable the department to achieve its strategic goals.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 6.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Office of the MEC	11 381			1 099			1 099	12 480
2. Corporate Management Services	412 583	(14 000)		(9 032)			(23 032)	389 551
3. District Management	349 520	(14 000)		(31 245)		10 942	(34 303)	315 217
Total for programme	773 484	(28 000)		(39 178)		10 942	(56 236)	717 248

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	731 252	(14 000)		(44 025)		10 942	(47 083)	684 169
Compensation of employees	364 090			(24 236)			(24 236)	339 854
Salaries & wages	317 512			(22 667)			(22 667)	294 845
Social contribution	46 578			(1 569)			(1 569)	45 009
Goods and services	367 162	(14 000)		(19 789)		10 942	(22 847)	344 315
Transfers and subsidies	5 824			2 825			2 825	8 649
Departmental agencies and accounts	89			(21)			(21)	68
Households	5 735			2 846			2 846	8 581
Payments for capital assets	36 408	(14 000)		1 952			(12 048)	24 360
Machinery and equipment	36 258	(14 000)		(3 459)			(17 459)	18 799
Software and other intangible assets	150			5 411			5 411	5 561
Payments for financial assets				70			70	70
Thefts & Losses				70			70	70
Total economic classification	773 484	(28 000)		(39 178)		10 942	(56 236)	717 248

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

Economic classification	Motivation	From	Motivation	To
Current payments		(61 654)		17 629
Compensation of employees	Funds are shifted to align compensation of employees budget to expenditure	(24 689)	Shifting of funds is done to align compensation of employees budget to expenditure	453
Goods and services	Funds allocated to fleet services were not spent as anticipated as the RT57 contract has not yet been finalised by National Treasury. The department also realised savings on the allocated budget for telephones since the landlines were migrated to the Gauteng Broad-based Network (GBN).	(36 965)	Funds is shifted to cover expenditure on SAP upgrades. Budget is also reprioritised to cater for the branding of regions (including service points), institutions and communication of departmental programmes to the public.	17 176
Transfers and subsidies		(56)		2 881
Households	Funds are shifted to cover expenditure incurred as a result of post retirement gratuity benefits	(35)	Funds shifts to cover expenditure incurred as a result of post-retirement gratuity benefits.	2 881
Payments for capital assets		(6 390)		8 342
Buildings and other fixed structures	Funds shifts within the programmes to offset expenditure incurred on the procurement of assets. The budget for the procurement of assets is centralised within the Corporate Management sub-programme as a cost control measure.	(6 390)	Funds shifts to Administration from other programmes to offset expenditure incurred on the procurement of assets. The budget has been centralised to Corporate Management as a cost control measure.	2 931
Machinery and equipment				
Software and other intangible assets				5 411
Payments for financial assets			Funds to cover expenditure relating to bad debts written-off as irrecoverable.	70
Total economic classification		(68 100)		28 922

Virements and shifts

Funds are reprioritised within compensation of employees to align the budget to the expenditure. Furthermore, funds are reprioritised from compensation of employees to cover the budget shortfall on the procurement of tools of trade and software licence for infrastructure drafting of building drawings and bills of quantities and rates.

The overall budget for goods and services decreases as a result of the department migrating telephone lines to the GBN which reduced telephone expenditure. The RT57 contract to procure GG vehicles has not been finalised by end of the second quarter, therefore resulting in underspending. These funds are redirected to offset expenditure incurred on the payment of post-retirement gratuity benefits. In addition, funds are also reprioritised from Programme 3: Children and Families to provide for the branding and communication for public awareness programmes and for the upgrade of Social Care Solution (Supatsela system from SAP 5 to SAP7).

Funds are also reprioritised across the programme from machinery and equipment to cover the expenditure incurred on the procurement of assets as a result of the absorption of social work graduates and newly appointed staff. . In addition, funds are allocated to the maintenance of servers and the procurement of new user Social Care Solution software licences.

Additional Funding: Provincial: R10.9 million

An additional amount of R10.9 million is allocated towards the repair and maintenance of regional offices, satellite offices and head office.

Surrenders: R28 million

A total amount of R28 million is surrendered to provincial revenue funds which was allocated for installation of CCTV cameras, leases of government garage vehicles and leases of office buildings. The funds will not be spent due to delays in the finalisation of specifications.

Programme 2: Social Welfare Services

TABLE 6.4: PROGRAMME 2: SOCIAL WELFARE SERVICES

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Management And Support	6 996			(194)			(194)	6 802
2. Care And Services To Older Persons	322 813	(2 300)		10 256		3 307	11 263	334 076
3. Services To Persons With Disabilities	157 666			(1 117)		400	(717)	156 949

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
4. HIV And AIDS	427 899			(6 706)			(6 706)	421 193
Total for programme	915 374	(2 300)		2 239		3 707	3 646	919 020

Economic classification	Main Appropriation	2019/20 Adjustments				Total Adjustments	Adjusted Appropriation	
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts			Additional Funding: Provincial
R thousand								
Current payments	149 339			(12 022)		3 016	(9 006)	140 333
Compensation of employees	85 528			(11 847)			(11 847)	73 681
Salaries & wages	71 817			(11 474)			(11 474)	60 343
Social contribution	13 711			(373)			(373)	13 338
Goods and services	63 811			(175)		3 016	2 841	66 652
Transfers and subsidies	762 150			13 167			13 167	775 317
Non-profit institutions	761 380			13 167			13 167	774 547
Households	770							770
Payments for capital assets	3 885	(2 300)		1 090		691	(519)	3 366
Buildings and other fixed structures	1 585			95		691	786	2 371
Machinery and equipment	2 300	(2 300)		995			(1 305)	995
Software and other intangible assets								
Payments for financial assets				4			4	4
Thefts & Losses				4			4	4
Total economic classification	915 374	(2 300)		2 239		3 707	3 646	919 020

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

Economic classification	Motivation	From	Motivation	To
Current payments		(23 653)		11 631
Compensation of employees	Shift of funds to align compensation of employees' budget to expenditure	(11 989)	Shift of funds to align compensation of employees' budget to expenditure	142
Goods and services	Catering services for beneficiaries at the institutions is adequately funded. Funds allocated for the procurement of fuel at the institution will not fully spent and shifts to areas where there are spending pressures. Funds for training of Child Youth Care Workers shifts to Programme 3 to align budget to expenditure.	(11 664)	Funds allocated to purchase linen and toiletries for frail elderly beneficiaries and persons with disabilities. Funds is also allocated to supplement the budget for contractual obligations such as laundry, security and cleaning services and to cover the Annual Golden Games event.	11 489
Transfers and subsidies		(320)		13 487
Non-profit institutions		(320)	Funds allocated to supplement the protective workshop and Old Age programmes.	13 487
Households				
Payments for capital assets				1 090
Buildings and other fixed structures				95
Machinery and equipment			Budget shifts to cover expenditure on the procurement of assets because funds are centralised in Programme 1: Administration as a cost control measure.	995
Payments for financial assets			Funds to cover expenditure relating to bad debts written-off as irrecoverable.	4
Total economic classification		(23 973)		26 212

Virements and shifts

An additional R2.1 million is allocated to this programme to offset expenditure incurred on the procurement of assets. The budget for the procurement of assets is centralised to Programme 1: Administration as a cost control measure.

The reprioritisation of funds was effected within compensation of employees to align the budget to the expenditure.

Funds are reprioritised from goods and services to other programmes to fund spending pressures on outsourced services and the Annual Golden Games event. Allocation for training of Child and Youth Care Workers (CYCW) is also shifted to align budget to expenditure.

An amount of R5.5 million is shifted from goods and services to infrastructure maintenance. This is driven by the need to upkeep residential facilities and conduct minor renovations.

The protective workshop and old age programmes under non-profit institutions is allocated an amount of R13.5 million from Programme 3: Children and Families to cover the budget shortfall.

Funds are shifted from the EPWP Incentive Grant and redirected to the procurement of tools of trade for EPWP coordinators in the regions.

Additional Funds: Provincial: R 3.7 million

An additional amount of R3 million is allocated towards the repair and maintenance of the departmental institutions and R 691 000 towards the upgrading of older persons' residential facility and frail care facility. This is ensuring that the institutions will be able to operate with efficacy and in compliance to Occupational Health and Safety (OHS) standards.

Surrenders: R2.3 million

An amount of R2.3 million is surrendered as the funds allocated for procurement of gym equipment will not be spent in full due to delays in the finalisation of specifications.

Programme 3: Children and Families

TABLE 6.6: PROGRAMME 3: CHILDREN AND FAMILIES

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Management And Support	11 040			(938)			(938)	10 102
2. Care And Services To Families	152 948	(2 500)		1 778			(722)	152 226
3. Child Care And Protection	658 201	(17 000)		67 233		3 137	53 370	711 571
4. ECD And Patial Care	508 785	(14 000)		2 200		10 637	(1 163)	507 622
5. Child And Youth Care Centres	664 878	(2 000)		32 026		21 515	51 541	716 419
6. Community-Based Care Services For Children	350 084	(49 164)		(32 866)			(82 030)	268 054
Total for programme	2 345 936	(84 664)		69 433		35 289	20 058	2 365 994

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	1 298 406	(35 500)		93 831		15 419	73 750	1 372 156
Compensation of employees	933 768	(17 000)		51 943			34 943	968 711
Salaries & wages	785 204	(13 600)		44 956			31 356	816 560
Social contribution	148 564	(3 400)		6 987			3 587	152 151
Goods and services	364 638	(18 500)		41 888		15 419	38 807	403 445
Interest and rent on land								
Transfers and subsidies	980 954	(49 164)		(27 900)			(77 064)	903 890
Provinces and municipalities								
Non-profit institutions	979 860	(49 164)		(28 127)			(77 291)	902 569
Households	1 094			227			227	1 321
Payments for capital assets	66 576			3 430		19 870	23 300	89 876
Buildings and other fixed structures	64 603			1 304		19 870	21 174	85 777
Machinery and equipment	1 973			2 126			2 126	4 099
Software and other intangible assets								
Payments for financial assets				72			72	72
Thefts & Losses				72			72	72

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Total economic classification	2 345 936	(84 664)		69 433		35 289	20 058	2 365 994

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

Economic classification	Motivation	From	Motivation	To
Current payments		(17 291)		111 122
Compensation of employees	Funds shifts to align compensation of employee' budget to expenditure.	(11 815)	Funds shifts to align compensation of employees' budget to expenditure.	63 758
Goods and services	Funds are reprioritised to address anticipated expenditure on the newly acquired catering service at the department's institution.	(5 476)	Funds are shifted to address anticipated expenditure on the newly acquired catering services at the department's institution. Funds are also shifted to address spending on the newspaper advertising of missing people in an effort to unite families. Additional budget allocated to cover the water bill at one of the departmental institutions.	47 364
Transfers and subsidies		(37 137)		9 237
Non-profit institutions	The nutrition programme under the Community Care Services sub-programme has been ceased and the unspent funds are shifted to areas with spending pressure and other priorities.	(37 066)	Funds shifts to cover potential NPI overspending in other sub-programmes	8 939
Households	Reprioritisation was done and realised savings were shifted to areas of spending pressure	(71)	Reprioritisation is effected realised savings shifts to areas where there are spending pressures.	298
Payments for capital assets		(2 942)		6 372
Buildings and other fixed structures		(1 229)		2 533
Machinery and equipment	Funds are shifted within the programmes to defray expenditure incurred in certain sub-programmes	(1 713)	Budget for assets is centralised within Programme 1: Administration and funds shifts to cover expenditure incurred by the regions and institutions	3 839
Payments for financial assets			Funds to cover expenditure relating to bad debts written-off as irrecoverable.	72
Total economic classification		(57 370)		126 803

Virements and Shifts

The budget for compensation of employees is reprioritised to align the personnel budget with the expenditure. An amount of R51.9 million is received to supplement the compensation of employees' budget and cater for the absorption of social work graduates and the filling of critical posts.

The budget for goods and services increases by R41.9 million to fund municipalities' utility bills, training of Child Youth Care Workers and outsource services such as catering for beneficiaries, gardening, cleaning and security services. Funds are reprioritised from non-profit institutions to other programmes because the nutrition programme was discontinued and the department took a resolution to prioritise funds to cover the shortfall on the implementation of NAWONGO court case judgement.

The programme receives an amount of R2.1 million to offset expenditure incurred for the procurement of capital assets. The budget for procuring assets is centralised to Administration programme as part of control measures.

Additional Funding: Provincial: R35.3 million

The programme receives an additional amount of R35.3 million. Included in this amount is R9.6 million which is allocated to capital works programme that registered significant progress in the 2019/20 financial year on projects that are currently at construction stage such as the Bekkersdal Social Integrated Facility. An amount of R25.6 million is also allocated to address the day to day maintenance of office accommodations and institutions including payment for emergency work done.

Surrenders: R84.6 million

An amount of R84.6 million is surrendered to provincial revenue funds from compensation of employees, goods and services and non-profit institutions as the funds will not be spent in full by the end of the financial year. This is due to delays in the filling of posts and infrastructure processes for ECD renovations. Some of the uncommitted funds for nutrition programme are also surrendered because not all funds were reprioritised and committed as the programme was discontinued.

Programme 4: Restorative Services

TABLE 6.8: PROGRAMME 4: RESTORATIVE SERVICES

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Management And Support	1 414			642			642	2 056
2. Crime Prevention And Support	205 651	(11 886)		(3 470)		1 050	(14 306)	191 345
3. Victim Empowerment	111 786			(749)			(749)	111 037
4. Substance Abuse, Prevention And Rehabilitation	415 388			5 690		1 961	7 651	423 039
Total for programme	734 239	(11 886)		2 113		3 011	(6 762)	727 477

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	297 133	(11 886)		3 583		2 511	(5 792)	291 341
Compensation of employees	136 120			(3 000)			(3 000)	133 120
Salaries & wages	114 269			(2 219)			(2 219)	112 050
Social contribution	21 851			(781)			(781)	21 070
Goods and services	161 013	(11 886)		6 583		2 511	(2 792)	158 221
Transfers and subsidies	409 836			(603)			(603)	409 233
Provinces and municipalities								
Non-profit institutions	409 661			(595)			(595)	409 066
Households	175			(8)			(8)	167
Payments for capital assets	27 270			(868)		500	(368)	26 902
Buildings and other fixed structures	27 270			(1 399)		500	(899)	26 371
Machinery and equipment				531			531	531
Payments for financial assets				1			1	1
Thefts & Losses				1			1	1
Total economic classification	734 239	(11 886)		2 113		3 011	(6 762)	727 477

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

Economic classification	Motivation	From	Motivation	To
Current payments		(10 671)		14 254
Compensation of employees	Funds shifts to align compensation of employees' budget to expenditure	(4 016)	Funds shifts to align compensation of employees' budget to expenditure	1 016
Goods and services	Savings identified as a result of the implementation of telephone usage control measures.	(6 655)	Funds are shifted to cover price increases on catering contractual obligations. Funds are also shifted to supplement the budget for household requirements for beneficiaries at the institutions.	13 238
Transfers and subsidies		(609)		6
Non-profit institutions	Reprioritisation and funds shifts to cater for Quality Assurance Panel and Mentorship programme.	(595)		
Households	Funds are shifted to align budget to expenditure.	(14)	Funds are shifted to align budget to expenditure	6
Payments for capital assets		(2 457)		1 589
Buildings and other fixed structures		(2 457)		1 058
Machinery and equipment			Funds are shifted to cover expenditure incurred on assets. The budget for assets is centralised in Programme 1: Administration as a cost control measure.	531
Payments for financial assets			Funds to cover expenditure relating to bad debts written-off as irrecoverable.	1
Total economic classification		(13 737)		15 850

Virements and shifts

The programme budget decreases from R734 million to R727 million due to surrender of some funds. Funds are prioritised within the compensation of employees' budget to align the budget to the expenditure since the costing for personnel was revised on the basis of the actual expenditure.

Costing for contractual obligations was revised and funds are reprioritised to areas with spending pressures such as municipality bills, catering at the departmental institutions and laundry services. Funds are also shifted as a result of the implementation of cost containment measures. The goods and services budget was also increased to offset expenditure incurred on the procurement of minor assets and to cover the estimated shortfall on the Quality and Assurance Panel and Mentorship Programmes.

An amount of R531 000 is allocated to machinery and equipment to offset expenditure on the procurement of assets in this programme. The budget for the procurement of assets is centralised to Programme1: Administration as part of cost control measures implemented in the department.

Additional Funding: Provincial: R3.01 million

The programme receives R3.01 million. Included in this amount is R 2.5 million for the maintenance of the substance abuse centres and secure care facility. The remaining R500 000 is allocated towards the refurbishment of the Soshanguve Secure Care Centre.

Surrenders: R11.8 million

An amount of R11.8 million is surrendered to provincial revenue fund. The allocated budget for the outsourced secure care facility was reduced as the department implemented a system of paying based on the number of beneficiaries admitted and not based on the allocated budget. There was also a price reduction on the secure care centre contract as there was price negotiations when the tender was awarded.

Programme 5: Development and Research

TABLE 6.10: PROGRAMME 5: DEVELOPMENT AND RESEARCH

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Management And Support	5 822			203			203	6 025
2. Community Mobilisation	15 758			441			441	16 199
3. Institutional Capacity And Support For NPOs	234 526			(29 870)			(29 870)	204 656
4. Poverty Alleviation And Sustainable Livelihoods	436 729			(6 374)			(6 374)	430 355
5. Community Based Research And Planning	5 764			2 245			2 245	8 009
6. Youth Development	28 926			1 245			1 245	30 171
7. Woman Development	16 022			(3 468)			(3 468)	12 554
8. Population Policy Promotion	4 272			971			971	5 243
Total for programme	747 819			(34 607)			(34 607)	713 212

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	552 172			(31 430)			(31 430)	520 742
Compensation of employees	304 039			(14 160)			(14 160)	289 879
Salaries & wages	252 745			(12 203)			(12 203)	240 542
Social contribution	51 294			(1 957)			(1 957)	49 337
Goods and services	248 133			(17 270)			(17 270)	230 863
Interest and rent on land								
Transfers and subsidies	195 647			(3 408)			(3 408)	192 239
Provinces and municipalities								
Departmental agencies and accounts								

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Non-profit institutions	195 373			(3 568)			(3 568)	191 805
Households	274			160			160	434
Payments for capital assets				227			227	227
Buildings and other fixed structures								
Machinery and equipment				227			227	227
Software and other intangible assets								
Payments for financial assets				4			4	4
Thefts & Losses				4			4	4
Total economic classification	747 819			(34 607)			(34 607)	713 212

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

Economic classification	Motivation	From	Motivation	To
Current payments		(45 862)		14 432
Compensation of employees	Funds shifts to align compensation of employees' budget to expenditure.	(22 020)	Funds shifts to align compensation of employees' budget to expenditure.	7 860
Goods and services	Funds reprioritised from slow spending items to settle long outstanding water bill at Father Smangalisso Mkhathshwa CYCC..	(23 842)	Funds are shifted to cover expenditure on the acquisition of minor assets. The budget for assets is centralised to Administration. Funds were shifted to cover expenditure in relation to Excellence Awards.	6 572
Interest and rent on land				
Transfers and subsidies		(3 568)		160
Departmental agencies and accounts				
Non-profit institutions	Funds are reclassified as a result of the woman empowerment programme that is expensed under goods and services.	(3 568)		
Households			Funds are shifted to align budget to expenditure	160
Payments for capital assets				227
Machinery and equipment			Funds are shifted to cover expenses incurred on the acquisition of assets. The budget for assets is centralised to Programme 1: Administration as a cost control measure.	227
Payments for financial assets			Funds to cover expenditure relating to bad debts written-off as irrecoverable.	4
Total economic classification		(49 430)		14 823

Virements and Shifts

This programme shifts funds within compensation of employees to align the personnel budget with the expenditure. Funds are reprioritised Programme3: Children and Families to align budget to expenditure.

Funds are reprioritised within goods and services to fund the advertisements for NPO's funding, ambulances services for the duration of the youth camp and blankets for households provided during disaster relief. Additional funds is allocated for research on customer satisfaction in relation to the accessibility of services provided to youth headed homes and the implication of absent fathers on families and boy children.

The programme receives an amount of R227 000 to offset expenditure incurred on the procurement of assets. The budget for the procurement of assets is centralised to Administration programme as part of cost control measures.

The allocated budget for non-profit institution decreases by R3.6 million because of the projects that will be expensed under goods and services such as summits and incubation of cooperatives.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE 6.12: EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20: SOCIAL DEVELOPMENT

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary Expenditure		
R thousand	Adjusted Appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 -March 2019 as a % of Adjusted Appropriation	Adjusted Appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
1. Administration	650 730	292 476	638 919	98%	717 248	301 244	3%
2. Social Welfare Services	824 314	372 893	802 661	97%	919 020	416 508	12%
3. Children and Families	2 218 331	867 424	1 843 995	83%	2 365 994	1 010 831	17%
4. Restorative Services	675 193	235 114	523 530	78%	727 477	308 480	31%
5. Development And Research	640 861	166 482	433 218	68%	713 212	242 587	46%
Total for programmes	5 009 429	1 934 389	4 242 323	85%	5 442 951	2 279 650	18%
Current payments	2 690 781	1 005 257	2 224 960	83%	3 008 741	1 216 616	21%
Compensation of employees	1 570 342	753 101	1 549 882	99%	1 805 245	844 529	12%
Goods and Services	1 120 439	252 156	675 078	60%	1 203 496	372 087	48%
Interest and rent on land							
Transfers and subsidies	2 195 029	890 389	1 838 529	84%	2 289 328	1 016 428	5%
Provinces and municipalities							
Departmental agencies and accounts	116	100	145	125%	68	68	(32%)
Higher education institutions							
Foreign governments & international organisations							
Public corporations & private enterprises							
Non-profit institutions	2 184 782	885 058	1 828 758	84%	2 277 987	1 009 906	14%
Households	10 131	5 231	9 626	95%	11 273	6 454	23%
Payments for capital assets	123 218	38 342	178 128	145%	144 731	46 466	21%
Buildings and other fixed structures	94 660	31 463	102 180	108%	114 519	33 305	6%
Machinery and equipment	28 408	6 879	75 948	267%	24 651	12 800	86%
Heritage assets							
Software and other intangible assets	150				5 561	361	
Payments for financial assets	401	401	706	176%	151	140	(65%)
Total economic classification	5 009 429	1 934 389	4 242 323	85%	5 442 951	2 279 650	18%

Expenditure trends for 2018/19

The department spent 85 per cent of the overall budget in the 2018/19 financial year. Compensation of employees underspent by 1.3 per cent due to delay in the filling of vacant posts because of the realignment of the organisational structure.

Goods and Services underspent the appropriated allocation by 40 per cent as at 31 March 2019. The department changed the operating model on procurement of some of the services and this necessitated change in business processes. Programmes that were previously implemented through transfers to non-profit organisations are expensed through departmental supply chain management processes. The updating of departmental supply chain management processes resulted in most of the procurement processes commencing in the third quarter of the financial year. Some of the procurement processes were not finalised by the end of the financial year.

Non-profit institutions underspent by 16 per cent due to delays in the signing of some service-level agreements with NPIs for some programmes. Household underspent by 4.7 per cent because of delays experienced with the creation of a purchase order for a learnership programme due to a change in service provider appointed to render the service.

Preliminary expenditure trends for the first half of 2019/20

The department spent R2.3 billion in the second quarter of the 2019/20 financial year as compared to R1.9 billion in the second quarter of the 2018/19 financial year. The higher expenditure is due transfers in relation to the payment of the Randfontein Treatment Centre and ECD's Place of Care. The increase in subsidies to ECD's Place of Care is due an increase in the number of applications received that are in compliance with the funding requirements.

Programme 1: Administration

The programme expenditure increase by 3 per cent compared to the 2018/19 financial year. The increase in expenditure is due to vacant posts filled since the beginning of the 2018/19 financial year and payments of leave gratuity paid in the first six months of the financial year. Expenditure on assets in this programme also higher as compared to 2018/19 financial year.

Programme 2: Social Welfare Services

The programme expenditure increases to R416.5 million in the 2019/20 financial year. The increase is due expenditure on food parcels for Anti -Retroviral Treatment (ART) clinics and transfer payments for the Expanded Public Works Programme (EPWP) conditional grant in the HIV and AIDS: Sub-Programme. The budget for EPWP conditional grant for 2019/20 financial year is R23.1 million as compared to the allocation of R1.4 million in 2018/19 financial year.

Programme 3: Children and Families

The programme percentage in expenditure is 5 per cent when compared to the 2018/19 financial year. The increase is due to absorption of Social Work graduates and filling of some critical posts at Institutions since the beginning of the 2019/20 financial year. The expenditure also increased on goods and services because of municipal bill.

The increase in ECD and Partial Care is due to number of applications received that are in compliance with funding requirement. In addition, the increase is due to courts referrals on the number of children to be placed at the Children homes.

Programme 4: Restorative Services

The programme expenditure increased by 4 per cent, when compared to the 2018/19 second quarter spending. The department transferred funds to the Randfontein Treatment Centre for the first two quarters of the 2019/20 financial year as compared to the 2018/19 financial year. In 2018/19 financial year, the department did not transfer funds for the same period due to challenges experienced with the registration of the centre.

Programme 5: Development and Research

The expenditure in this programme increase by R76.1 million in the 2019/20 financial year when compared to the 2018/19 financial year. The expenditure on food parcels and Dignity Packs were incurred during the first two quarters of the 2019/20 financial year as compared as opposed to the last two quarters in the 2018/19 financial year. In addition, the programme expenditure increases as a result of transfer to the Welfare to Work programme and food banks.

6. Departmental Receipts

TABLE 6.13: DEPARTMENTAL RECEIPTS

Department	2018/19				2019/20		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted Appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of Adjusted Appropriation	Adjusted Appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Motor vehicle licences							
Sales of goods and services other than capital assets	2 798	1 393	2 865	2.4%	2 956	1 484	6.5%
Transfers received							
Fines, penalties and forfeits		2	2	0.0%		2	0.0%
Interest, dividends and rent on land	28	23	33	17.9%	29	15	(34.8%)
Sales of capital assets							
Financial transactions in assets and liabilities	583	753	3 153	440.8%	6 560	5 998	696.5%
Total receipts	3 409	2 171	6 053	77.6%	9 545	7 499	245.4%

Revenue trends for the first half of the 2019/20 financial year

The table above shows the contribution of each revenue source towards the total revenue generated at the end of the second quarter of the 2019/20 financial year. The revenue estimates have increased from R3.4 million in the previous financial year to R9.5 million in the current financial year. The Department adjusted its revenue projection in 2019/20 financial year from

R3.6 million to R9.5 million due to unutilised funds received from non-profit organisations in the current financial year, this increase in receipts made the revenue collection to surpass the projections of R3.6 million.

Revenue collection in the current financial year as at September 2019 is R7.4 million and this represent a significant increase of 245 per cent as compared to the 2018/19 financial year in the same period.

The amount collected for the sales of goods and services is R1.4 million, which includes 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 R5.9 million to the revenue collected as at September 2019, this is due to recoveries of unspent funds from non-profit organisations.

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

Changes in transfers and subsidies

TABLE 6.14: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R thousand	Main Appropriation	2019/20 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts		
Administration	5 824			2 825		2 825	8 649
Departmental agencies and accounts	89			(21)		(21)	68
Households	5 735			2 846		2 846	8 581
Social Welfare Services	762 150			13 167		13 167	775 317
Non-profit institutions	761 380			13 167		13 167	774 547
Households	770						770
Children and Families	980 954	(49 164)		(27 900)		(77 064)	903 890
Non-profit institutions	979 860	(49 164)		(28 127)		(77 291)	902 569
Households	1 094			227		227	1 321
Restorative Services	409 836			(603)		(603)	409 233
Non-profit institutions	409 661			(595)		(595)	409 066
Households	175			(8)		(8)	167
Development and Research	195 647			(3 408)		(3 408)	192 239
Non-profit institutions	195 373			(3 568)		(3 568)	191 805
Households	274			160		160	434
Name of transfer payment 3							
Total changes in transfers and subsidies payments	2 354 411	(49 164)		(15 919)		(65 083)	2 289 328

Virements and shifts

The departmental transfer and subsidies allocated budget diminish by R65.1 million due to the following reasons:

An amount of R49.2 million is surrendered to Provincial Revenue Fund (PRF) as some of the uncommitted funds for nutrition programme were not all reprioritised and committed because the programme was discontinued.

The department reprioritised R15.9 million to goods and services to fund mainly the procurement of SAP software licenses, branding and communication and procurement of blankets for household during disasters and summit and incubation for cooperatives.

In addition, funds shifted within the same category to cover mainly the estimated shortfall on Old Age Homes and NGO Protective Workshop in Social Welfare Services Programme

Household category received an amount of R3.2 million to offset the expenditure incurred for post-retirement gratuity and payment for settlement out of court to the NGO that rendered a service in the department.

Changes in Conditional Grants

No changes.

Changes in Infrastructure

Refer to 2019 Adjusted Estimates of Capital Expenditure (AECE)

COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	562 282	562 282		
of which:				
Current payments	488 886	467 776	(21 110)	
Transfers and subsidies	53 104	74 214		21 110
Payments for capital assets	20 292	20 292		
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 2019/20

TABLE 7.1: DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Administration	145 792							145 792
2. Local Governance	230 532			3 860			3 860	234 392
3. Development and Planning	168 062			(3 860)			(3 860)	164 202
4. Traditional Institutional Development	17 896							17 896
Total for Programmes	562 282							562 282

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	488 886			(21 110)			(21 110)	467 776
Compensation of employees	341 648							341 648
Salaries & wages	295 971			(100)			(100)	295 871
Social contribution	45 677			100			100	45 777
Goods and services	147 238			(21 110)			(21 110)	126 128
Transfers and subsidies	53 104			21 110			21 110	74 214
Provinces and municipalities	52 004			20 000			20 000	72 004
Households	1 100			1 110			1 110	2 210
Payments for capital assets	20 292							20 292
Buildings and other fixed structures								
Machinery and equipment	20 292							20 292
Payments for financial assets								
Thefts & Losses								
Total economic classification	562 282							562 282

The 2019/20 main appropriation amount to R562 million, comprises of R560 million of equitable share and R2 million of conditional grant earmarked for the Expanded Public Works Programme (EPWP) to contribute to job creation across all municipalities in the province.

The reprioritisation of funds is made within the department's programmes which increases the budget for transfers and subsidies and decreases goods and services. The allocation for transfers to Municipalities is adjusted upwards by R20 million to an adjusted appropriation of R72 million, for the provision of financial assistance to the Emfuleni Local Municipality for the replacement and refurbishment of civil, mechanical, electrical and security components of the Waste Water Pumps and Treatment identified as contributing to the pollution of the Vaal River System. The implementation of the project will be undertaken by Ekurhuleni Water Care Company (ERWAT), an entity of Ekurhuleni Metro Municipality, appointed by Department Water and Sanitation as the implementing agent for the intervention.

Households budget increases by R1.1 million mainly for the provision of leave gratuity paid to the former MEC. Slow progress in finalizing some of the projects resulted in the re-allocation of unutilized funds towards other departmental priorities. The department experienced delays mainly on the implementation of some disaster management projects due to probity audit processes. Hence, a virements amounting to R3.9 million is made within goods and services from Programme 3: Development and Planning to Programme 2: Local Governance to augment pressure on the expenditure incurred for the Voter Education Registration Campaign in support of the 6th National and Provincial Elections.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 7.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Office of the Mec	5 497			(1 110)			(1 110)	4 387
Corporate Services	140 295			1 110			1 110	141 405
Total for Programmes	145 792							145 792

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	138 468			(1 110)			(1 110)	137 358
Compensation of employees	93 825							93 825
Salaries & wages	84 706							84 706
Social contribution	9 119							9 119
Goods and services	44 643			(1 110)			(1 110)	43 533
Transfers and subsidies	1 100			1 110			1 110	2 210
Provinces and municipalities								
Households	1 100			1 110			1 110	2 210
Payments for capital assets	6 224							6 224
Machinery and equipment	6 224							6 224
Payments for financial assets								
Thefts & Losses								
Total economic classification	145 792							145 792

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

Economic classification	Motivation	From	Motivation	To
Current payments		(4 827)		3 717
Compensation of employees				
Goods and services	Reduced use of consultants, low intake of training and development, strict measures implemented on purchases of groceries and toiletry, low payment of bank charges and registration fees and non availability of office building.	(4 827)	Funds are made available for Fleet services for staff transportation to the temporary office accommodation, for the Gauteng Provincial Government Youth Exhibition 2019, development of the departmental strategic plan, records management in Human resource and the joint COGTA and Human Settlement IGR Forum Meetings.	3 717
Interest and rent on land				
Transfers and subsidies				1 110
Households			Provision for the leave gratuity paid to the former MEC.	1 110
Payments for capital assets				
Payments for financial assets				
Total economic classification		(4 827)		4 827

Virements and shifts

Shifts within the programme amount to R4.8 million to make funds available for Fleet services for staff transportation to the temporary office accommodation due to unavailability of permanent office building, for the Gauteng Provincial Government Youth Exhibition 2019, development of the departmental strategic plan, records management in Human Resource and the joint COGTA and Human Settlement IGR Forum meetings.

Included in the funds shift, is an amount of R1.1 million re-allocated from goods and services to households mainly to make provision for the leave gratuity paid to the former MEC. Unutilized funds in goods and services resulted from reduced use of

consulting services, low intake of training and developments and the unavailability of departmental office building which reduces spending on property payments and office space maintenance.

Programme 2: Local Governance

TABLE 7.4: PROGRAMME 2: LOCAL GOVERNANCE

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Municipal Administration	14 913			700			700	15 613
Municipal Finance	12 366			(1 000)			(1 000)	11 366
Public Participation	166 102			4 860			4 860	170 962
Capacity Development	18 881							18 881
Municipal Performance Monitoring, Reporting And Evaluation	18 270			(700)			(700)	17 570
Total for Programmes	230 532			3 860			3 860	234 392

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

Economic classification	Motivation	From	Motivation	To
Current payments		(8 636)		12 496
Compensation of employees	Funds are reprioritised to align expenditure with the compensation of employees budget within the programme.	(4 606)	Funds are reprioritised to align expenditure with the compensation of employees budget within the programme.	4 606
Goods and services	Saving on tools of trade due to delays on appointments of staff including CDWs, on promotional corporate branding for Community Development and meetings being held at the PDMC facilities.	(4 030)	Funds are made available to relase pressure on xpenditure incurred for the Voter Education registration Campaign.	7 890
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				
Payments for financial assets				
Total economic classification		(8 636)		12 496

Virements and shifts

Through a virement, an amount of R3.9 million is redirected from Programme 3: Development Planning sub-programme: Disaster Management to Programme 2: Local Governance to augment pressure on the expenditure incurred for the Voter Education registration campaign for 2019 National and provincial elections.

Through shifts, an amount of R2.5 million is redirected within the programme to also address Voter Education campaign. Funds amounting to R4.6 million are redirected within the compensation of employees, to align expenditure with the compensation of employees' budget between the sub-programmes.

Saving of funds in this programme amounting to R4 million resulted from reduced use of consulting services, saving on tools of trade due to delays on appointments of staff including CDWs, promotional corporate branding for Community Development and meetings being held at the PDMC facilities.

Programme 3: Development Planning

TABLE 7.6: PROGRAMME 3: DEVELOPMENT PLANNING

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Idp Coordination	11 085							11 085
Disaster Management	114 297			(3 860)			(3 860)	110 437
Municipal Infrastructure	42 680							42 680

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Total for Programmes	168 062			(3 860)			(3 860)	164 202

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	106 990			(23 860)			(23 860)	83 130
Compensation of employees	42 537							42 537
Salaries & wages	37 352							37 352
Social contribution	5 185							5 185
Goods and services	64 453			(23 860)			(23 860)	40 593
Transfers and subsidies	47 004			20 000			20 000	67 004
Provinces and municipalities	47 004			20 000			20 000	67 004
Households								
Payments for capital assets	14 068							14 068
Buildings and other fixed structures								
Machinery and equipment	14 068							14 068
Payments for financial assets								
Total economic classification	168 062			(3 860)			(3 860)	164 202

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

PROGRAMME				
Economic classification	Motivation	From	Motivation	To
Current payments		(26 907)		3 047
Compensation of employees				
Goods and services	Funds are re-allocated for the replacement and refurbishment of Waste Water Pumps and Treatment in Emfuleni. Minimal use of consultants, saving on purchases of tools of trade for officials due to delays in appointments, promotional corporate tools for the launch of the PDMC and projects delayed due to probity audit processes.	(26 907)	Funding is made available for the procurement of project management for PDMC, catering services for launch of the PDMC and for the construction of internal offices at the PDMC.	3 047
Interest and rent on land				
Transfers and subsidies				20 000
Provinces and municipalities			Funds are re-allocated for the replacement and refurbishment of Waste Water Pumps and Treatment in Emfuleni.	20 000
Payments for capital assets				
Payments for financial assets				
Total economic classification		(26 907)		23 047

Virements and shifts

Through virements, the programme is adjusted downwards by R3.9 million to an adjusted appropriation of R164 million, as a result of virements to Programme 2: Local Governance to augment pressure on the expenditure incurred for the Voter Education Registration campaign.

Through shifts, an amount of R20 million is redirected from goods and services to transfers and subsidies within the programme, for the provision of financial assistance to the Emfuleni Local Municipality for the replacement and refurbishment of civil, mechanical, electrical and security components of the Waste Water Pumps and Treatment identified as contributing to the pollution of the Vaal River System. Funds are also redirected within goods and services as a result of the procurement of project management services for PDMC, services required for launch of the PDMC and for the construction of internal offices at the PDMC.

Unutilized funds in goods and services resulting from reduced use of consulting services, saving on purchases of tools of trade for officials due to delays in appointments, promotional corporate tools for the launch of the PDMC and projects delayed due to probity audit processes.

Programme 4: Traditional Institutional Management

TABLE 7.8: PROGRAMME 4: TRADITIONAL INSTITUTIONAL MANAGEMENT

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Traditional Institutional Administration	5 835			500			500	6 335
2. Traditional Resource Administration	9 061			(200)			(200)	8 861
3. Rural Development Facilitation	500							500
4. Traditional Land Administration	2 500			(300)			(300)	2 200
Total for Programmes	17 896							17 896

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	17 896							17 896
Compensation of employees	13 094							13 094
Salaries & wages	10 877							10 877
Social contribution	2 217							2 217
Goods and services	4 802							4 802
Transfers and subsidies								
Payments for capital assets								
Payments for financial assets								
Total economic classification	17 896							17 896

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

Economic classification	Motivation	From	Motivation	To
Current payments				
Compensation of employees				
Goods and services	Saving on printing of application for the proclamation of by-election in wards in municipalities, meetings being held within PDMC facility and strict measures implemented on procurement for catering services.	(1 225)	Funds required to hold the Annual General Meetings for Traditional councils, Kwasimkhulu Annual Commemoration, IGR Forums with Municipalities and relevant stakeholders, the Gauteng Initiation schools workshop and the Premier's engagement with Traditional communities in the province.	1 225
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				
Payments for financial assets				
Total economic classification				

Virements and shifts

An amount of R1.2 million is redirected within goods and services to address the funds required to hold the Annual General Meetings for Traditional councils, Kwasimkhulu Annual Commemoration, IGR Forums with Municipalities and relevant stakeholders, the Gauteng Initiation schools' workshop and the Premier's engagement with Traditional communities in the province. Slow progress in finalizing some of the projects resulted in the re-allocation of unutilized funds towards other departmental priorities.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE 7.10: EXPENDITURE 2016/17 AND PRELIMINARY EXPENDITURE 2018/19: COOPERATE GOVERNANCE AND TRADITIONAL AFFAIRS

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
1. Administration	137 284	54 612	111 824	81%	145 792	62 188	14%
2. Local Governance	221 389	96 243	204 818	93%	234 392	113 389	18%
3. Development and Planning	158 483	96 777	171 324	108%	164 202	82 552	(15%)
4. Traditional Institutional Development	16 079	6 249	13 405	83%	17 896	7 270	16%
Total	533 235	253 881	501 371	94%	562 282	265 399	5%
Current payments	471 596	202 384	408 655	87%	467 776	209 411	3%
Compensation of employees	319 895	147 648	303 405	95%	341 648	157 326	7%
Goods and Services	151 701	54 736	105 250	69%	126 128	52 085	(5%)
Interest and rent on land							
Transfers and subsidies	50 713	50 077	85 481	169%	74 214	54 014	8%
Provinces and municipalities	49 500	49 500	84 500	171%	72 004	52 004	5%
Households	1 213	577	981	81%	2 210	2 010	248%
Payments for capital assets	10 894	1 388	7 201	66%	20 292	1 974	42%
Machinery and equipment	10 894	1 388	7 201	66%	20 292	1 974	42%
Software and other intangible assets							
Payments for financial assets	32	32	34	106%			(100%)
Total	533 235	253 881	501 371	94%	562 282	265 399	5%

Expenditure trends 2018/19

The department spent R501 million or 94 per cent in the 2018/19 financial year against a total budget of R533 million. The department under spent by R32 million mainly due to the compensation of employees as a result of fire at the Bank of Lisbon where files for the appointment of senior managers were burnt and the processes were halted, late receipt of invoices for Microsoft licence, the slow implementation of other projects and procurement of furniture had to be suspended due to unavailability of office accommodation building after the fire instance.

Expenditure for the financial year was mainly driven by the following factors: transfers to Merafong Local Municipality for water infrastructure pipe repairs; refurbishment of the water pump station in Emfuleni Local Municipality; transfers to West Rand District Municipality to provide support for improvement of Fire & Rescue Services response capabilities in line with South African National Standard on community protection against fire code SANS:10090; and continuous support for municipalities concerning GRAP 17 (Asset management), Performance Management System (PMS), and EPWP. In addition, expenditure incurred for Voter Education awareness programmes, finalization of some of the projects for the PDMC, implementation of the energy strategy and the settlement of the lease for fire fighter's engines.

Expenditure trends in the first half of 2019/20

The department spent 47 per cent of the allocated budget during the first half of the financial year, which is 5 per cent more than expenditure at this time of the year in 2018/19 financial year. The department transferred a total amount of R52 million to municipalities, comprising a once-off allocation of R45 million for operational requirements for the disaster management in WestRand and R7 million for continuous support for municipalities concerning GRAP 17 (Asset management), Performance Management System (PMS) and EPWP. The expenditure was also driven by the following factors: payment of Voter Education registration Campaign; Disaster management projects, provision of efficient services to Traditional Leaders and councils, fleet services, Audit and IT license fees, and Training for CDWs. Only critical key personnel posts were filled due to unavailability of office space.

Programme 1: Administration

The expenditure of the programme amounts to R62 million or 43 per cent in the first half of the 2019/20 financial year. The expenditure is mainly attributed to payments for fleet services for staff transportation to the temporary office

accommodation due to unavailability of permanent office building, Microsoft software licence fees, bursaries for employees, Audit fees, transportation of departmental movable assets to a storage facility after the fire incident and leasing of a storage facility, and the leave gratuity paid to the former MEC.

Programme 2: Local Governance

The programme spent an amount of R113 million or 48 per cent of the total adjusted allocation of R234 million. The expenditure is mainly emanating from payment for Voter Education registration Campaign in support of the 6TH National and Provincial elections, operation clean Audit coordinating committee workshop, training and technical support for the design and setup of an asset-based community development initiative in municipalities, CDW collaborative model workshop, and women counsellors gender mainstreaming Training programme. In addition, the department supported 8 Municipalities to maintain functional ward committees, and 9 Municipalities to respond to community concerns. A Stakeholder engagement session was held in preparation for the roll out of the ID Awareness campaign.

The department transferred total amount of R5 million to municipalities in respect of the following projects: GRAP 17 (asset register); and Performance Management System (PMS).

Programme 3: Development and Planning

The programme expenditure amounts to R83 million or 50 per cent of the total adjusted budget in the 2019/20 financial year. The expenditure is mainly due to the once-off transfer of R47 million to municipalities to support the following projects: Functional fire and rescue services, Disaster management support services and EPWP to broaden job creation initiatives. The department supported Ekurhuleni Municipality to maintain functional Disaster Management Centres and functionality assessment was conducted in City of Johannesburg. Disaster management awareness campaigns and Micro-disaster risk assessments were conducted.

The programme incurred expenditure for the contractual obligations at PDMC (such as security, cleaning, and municipal services), Disaster management projects, office signage and branding for PDMC, launching of the pre-winter awareness week in the Lesedi multi-purpose centre, improving disaster management, fire and rescue services response capabilities, international firefighter's day (IFFD) and international fire fighter's day commemoration. In addition, the department monitored 6 Local municipalities on the implementation of infrastructure service delivery programmes.

Programme 4: Traditional Institutional Development

The programme spent an amount of R7 million or 41 per cent of the total budget. The expenditure is mainly emanating from Gauteng Premier's engagement with traditional communities in the province, His Majesty King Zwelithini visit to Gauteng Province, to host the substance abuse and gender-based violence programme for two traditional councils, Gauteng Initiation schools' workshop and a continuous support for cultural events commemoration. In addition, the department held IGR forum with municipalities and relevant stakeholders, and four Statutory IGR Structures are functional (District Forum, MEC/Mayors/MMC, one HOD/MM Forum, MinMEC and PCF meeting).

6. Departmental Receipts

TABLE 7.11: DEPARTMENTAL RECEIPTS

Department	2018/19 Audited Outcome				2019/20 Actual Receipts		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Tax receipts							
Sales of goods and services other than capital assets	306	141	289	(6%)	234	150	6%
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	30			(100%)	72	62	
Sales of capital assets							
Financial transactions in assets and liabilities	227	92	118	(48%)	288	22	(76%)
Total	563	233	407	(28%)	594	234	

Revenue trends for the first half of 2019/20

The Gauteng CoGTA's main sources of revenue are parking fees; sale of tender documents; and third-party commission. The revenue collection as at 2nd quarter of current financial year shows improvement with R234 000 as compared to collection of R233 000 for the previous financial year in same period.

Based on the below reasons the department adjusted estimates within revenue items. The department is collecting more revenue on commission than anticipated, due to the recent appointment of officials in the department. Sales of goods and services other than capitals revenue source already reported collection amounting to R150 000 or 86 per cent against initial estimates of R174 000. Interest revenue source is already over collected with R62 000 or 194 per cent against original target of R32 000, due to interest on staff debt collecting more than anticipated. The department is experiencing challenges in collection of outstanding debtors. Hence, the financial transactions in assets and liabilities item reported very slow collection of R22 000 or 6 per cent against initial target of R388 000.

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

Changes to transfers and subsidies

TABLE 7.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Programme 1	1 100			1 110			1 110	2 210
Households	1 100			1 110			1 110	2 210
Programme 2	5 000							5 000
GRAP 17 Compliance	3 000							3 000
Performance Management System	2 000							2 000
Programme 3	47 004			20 000			20 000	67 004
Functional Fire and Rescue Services	35 000							35 000
Disaster Management Support Service	10 000							10 000
Municipal Infrastructure support				20 000			20 000	20 000
Expanded Public Works Programme	2 004							2 004
Total changes in conditional Name of transfer payments	53 104			21 110			21 110	74 214

Virements and shifts

Transfers and subsidies are adjusted upwards by a net amount of R21.1 million, due to funds re-allocated from goods and services for the Ekurhuleni Water Care Company, aimed for financial assistance to the Emfuleni Local Municipality for the replacement and refurbishment of Waste Water Pumps and Treatment identified as contributing to the pollution of the Vaal River System. Included in the funds shift, is an amount of R1.1 million re-allocated from goods and services to households mainly to make provision for the leave gratuity paid to the former MEC.

Changes to conditional grants

No changes.

Changes to infrastructure

No changes.

DEPARTMENT OF HUMAN SETTLEMENTS

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	6 216 526	6 296 542		80 016
of which:				
Current payments	847 640	863 718		16 078
Transfers and subsidies	5 348 830	5 403 372		54 542
Payments for capital assets	20 056	29 410		9 354
Payment for financial assets		42		42
Executive authority	MEC for Human Settlements			
Accounting officer	Head of Department			

1. Vision and Mission

Vision

Integrated sustainable human settlements and improved quality of household life.

Mission

To provide relevant differentiated, quality housing opportunities to qualifying beneficiaries in partnership with various stakeholders.

2. Changes to Programme Purpose, Objective and Measures

No changes.

3. Summary of Adjusted Estimates of Departmental Expenditure 2019/20

TABLE 8.1 DEPARTMENT OF HUMAN SETTLEMENTS

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Administration	659 810		26 300	(50 042)			(23 742)	636 068
2. Housing, Needs, Research & Planning	44 126			(3 200)			(3 200)	40 926
3. Housing Development	5 288 804		49 371	26 400			75 771	5 364 575
4. Housing Assets Property Management	223 786		4 345	26 842			31 187	254 973
Total for Programmes	6 216 526		80 016				80 016	6 296 542

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	847 640		8 900	7 178			16 078	863 718
Compensation of employees	472 830							472 830
Salaries & wages	395 569			(3 500)			(3 500)	392 069
Social contributions	77 261			3 500			3 500	80 761
Goods and services	374 810		8 900	7 178			16 078	390 888
Transfers and subsidies	5 348 830		53 716	826			54 542	5 403 372
Provinces and municipalities								
Households	5 348 830		53 716	826			54 542	5 403 372
Payments for capital assets	20 056		17 400	(8 046)			9 354	29 410
Buildings and other fixed structures								
Machinery and equipment	11 010		12 000				12 000	23 010
Software and other intangible assets	9 046		5 400	(8 046)			(2 646)	6 400
Payments for financial assets				42			42	42
Total economic classification	6 216 526		80 016				80 016	6 296 542

The Department's adjustment budget process is informed by the reviewing and revising of its budget operations by identifying cost saving while implementing cost containment measures and redirecting resources towards essential services. The 2019/20 Adjusted Appropriation of the Department of Human Settlements amounts to R6.3 billion which is disaggregated into R5.2 billion in the form of conditional grant (Human Settlements development grant) HSDG; R160 million (Title Deeds Restoration Grant) TDRG; R10.4 million EPWP integrated grant and R911 million in the form of the equitable share.

The departmental budget is adjusted upwards by R80 million from R6.2 billion to an adjusted appropriation of R6.3 billion. The increase in the department's budget relates to roll-overs amounting to R80 million.

The roll-over of R80 million is made of the conditional grant and equitable share which will assist the department in ensuring that the creation of sustainable and integrated human settlements is achieved and towards payment of committed obligations that were not paid for by the end of the 2018/19 financial year. The total equitable share rollover amount of R26.3 million from Provincial Treasury will be utilised for the acquisition of capital assets, tools of trade for officials of the department, payment for property rates & taxes for non-transferred RDP stock, five provincial hostels and for the migration and testing application development system admin services database administration.

An amount of R53.7 million from the conditional grant is approved to assist the department in honouring the commitments already made on the conditional grant in the previous financial year where the services were rendered but the department was not invoiced as at end of the financial year. The total amount of R53.7 million is provincial roll-over for conditional grants and is located within the transfers and subsidies budget of the department within both programme 3: Housing Development and programme 4: Housing Assets Property Management. An amount of R49.3 million is allocated for Human Settlements development grant (HSDG) and R4.3 million for Title Deeds Restoration Grant.

The Department reprioritised funds between and within the programmes. Through virements, an amount of R55 million is reprioritised from programme 1: Administration's compensation of employees and programme 2: Housing Needs, Research and Planning respectively and have been split between programme 3: Housing Development and programme 4: Housing Assets Property Management to avail funding for spending pressures under the compensation of employees for both sub-programmes in Administration, whilst an amount of R4.9 million is redirected from programme 3 to programme 4 due to the reprioritisation of the business plan relating to the HSDG.

Through shifts, the budget for goods and services increases by R8 million due to the reallocation of funds from software and other intangible assets under capital assets to legal services and operating leases to provide eviction orders; labour relations matters; special investigations matters; contingent liabilities; and rental for buildings.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 8.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Corporate Services	659 810		26 300	(50 042)			(23 742)	636 068
Total for Programmes	659 810		26 300	(50 042)			(23 742)	636 068

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	638 384		8 900	(42 038)			(33 138)	605 246
Compensation of employees	281 559			(52 000)			(52 000)	229 559
Salaries & wages	229 467			(47 000)			(47 000)	182 467
Social contributions	52 092			(5 000)			(5 000)	47 092
Goods and services	356 825		8 900	9 962			18 862	375 687
Transfers and subsidies	1 370							1 370
Provinces and municipalities								
Households	1 370							1 370
Payments for capital assets	20 056		17 400	(8 046)			9 354	29 410
Machinery and equipment	11 010		12 000				12 000	23 010
Software and other intangible assets	9 046		5 400	(8 046)			(2 646)	6 400
Payments for financial assets				42			42	42
Thefts & Losses				42			42	42
Total economic classification	659 810		26 300	(50 042)			(23 742)	636 068

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

Economic classification	Motivation	From	Motivation	To
Current payments		(60 142)		18 104
Compensation of employees	Misalignment between the approved departmental structure and the Persal system.	(52 000)		
Goods and services	Lack of office space causes delays in procurement processes, cost containment measures implemented due to budgetary constraints and BOL disaster delayed the procurement of the Integrated Delivery Management System(IDMS).	(8 142)	To provide for eviction orders, labour relations matters, special investigations, contingency liabilities, increased expenditure in G-Fleet due to the Bank of Lisbon building disaster, rental of buildings, insurance for the sub-cars, community meetings, handover of title deeds and for expenditure already incurred.	18 104
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets		(8 046)		
Software and other intangible assets	BOL disaster delayed the procurement of the Integrated Delivery Management System(IDMS).	(8 046)		

Economic classification	Motivation	From	Motivation	To
Payments for financial assets			To provide for expenditure incurred.	42
Total economic classification		(68 188)		18 146

Provincial roll overs: R26.3 million

The programme receives the total equitable share rollover amount of R26.3 million from Provincial Treasury and the funds will be utilised for the acquisition of capital assets, tools of trade for officials of the department, payment for property rates & taxes for non-transferred RDP stock, five provincial hostels and for the migration and testing application development system admin services database administration.

Virements and shifts

The programme budget reflects a decrease of R52 million, and the amount have been redirected from the programme's compensation of employees as a virements, and have been split between programme 3 and programme 4 sub-programme Administration to prevent the programmes from overspending. An amount of R1.9 million, R1.7m and R238 thousands was received by this program from program 3 and program 4 respectively as a virements to cater for the high volume of kilometres usage to shuttle official to different offices (Fleet services).

An amount of R16.1 million was shifted within this programme. An amount of R8 million shifted from the machinery and equipment to cater for buildings rental as well as the MEC's community outreach programmes. R8.1 million to cater for legal fees for a blanket order for eviction of the illegal occupation of the RDPs, labour relations and special investigation matters and the contingency liabilities matters by the State Attorney as well as to cater for the department's contractual commitments. Programme 2: Housing Needs, Research and Planning

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

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Administration	15 905			(798)			(798)	15 107
2. Policy	15 807			(300)			(300)	15 507
3. Planning	12 414			(2 102)			(2 102)	10 312
Total for Programmes	44 126			(3 200)			(3 200)	40 926

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	44 126			(3 200)			(3 200)	40 926
Compensation of employees	38 371			(3 500)			(3 500)	34 871
Salaries & wages	29 949			(3 500)			(3 500)	26 449
Social contributions	8 422							8 422
Goods and services	5 755			300			300	6 055
Rental and hiring								
Transfers and subsidies								
Payments for capital assets								
Payments for financial assets								
Total economic classification	44 126			(3 200)			(3 200)	40 926

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

Economic classification	Motivation	From	Motivation	To
Current payments		(1 198)		1 498
Compensation of employees	Misalignment between the approved departmental structure and the Persal system.			
Goods and services	Deliverables with longer implementation leg to be realised in the next financial year, travels to forums envisaged to take place in the 3rd and 4th quarters, meetings to take place in the Departmental entities venues and cost containment implemented.	(1 198)	To provide for forums that seeks to instil accountability and validation of deliverables and POE to fast track performance, invoices for work already undertaken by contracted consultants and Lack of office accommodation that pushes planning and consultations sessions to outside venues.	1 498

Economic classification	Motivation	From	Motivation	To
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets				
Payments for financial assets				
Total economic classification		(1 198)		1 498

Virements and shifts

The budget for the programme is adjusted downwards by R3.5 million from compensation of employee's economic classification as a virements, and this amount has been redirected from this programme to programme 3 to prevent the programme from over spending. An amount of R300 000 was received by this program from programme 4 to cater for goods and services under strategic planning consultations and deliverables.

An amount of R1.1 million from goods and service allocation was shifted within this programme to cater for the reporting forums as well as strategic planning consultations and deliverables.

Programme 3: Housing Development

TABLE 8.6: PROGRAMME 3: HOUSING DEVELOPMENT

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Administration	157 548			31 280			31 280	188 828
2. Financial Intervention	775 633			(63 340)			(63 340)	443 974
3. Incremental Interventions	4 126 611		49 371	193 825			243 196	4 731 773
4. Social And Rental Intervention	225 012			(133 365)			(133 365)	
5. Rural Intervention	4 000			(2 000)			(2 000)	
Total for Programmes	5 288 804		49 371	26 400			75 771	5 364 575

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	157 548			30 780			30 780	188 328
Compensation of employees	146 440			33 000			33 000	179 440
Salaries & wages	130 702			27 000			27 000	157 702
Social contributions	15 738			6 000			6 000	21 738
Goods and services	11 108			(2 220)			(2 220)	8 888
Transfers and subsidies	5 131 256		49 371	(4 380)			44 991	5 176 247
Provinces and municipalities								
Households	5 131 256		49 371	(4 380)			44 991	5 176 247
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Payments for financial assets								
Total economic classification	5 288 804		49 371	26 400			75 771	5 364 575

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

Economic classification	Motivation	From	Motivation	To
Current payments		(2 220)		33 000
Compensation of employees			Misalignment between the approved departmental structure and the Persal system.	33 000
Goods and services	Budget and expenditure centralised to programme 1 and cost containment measure implement.	(2 220)		
Interest and rent on land				

Economic classification	Motivation	From	Motivation	To
Transfers and subsidies		(2 395 673)		2 391 293
Households	Departmental business plan relating to the Human Settlements Development Grant reprioritised.	(2 395 673)	Departmental business plan relating to the Human Settlements Development Grant reprioritised.	2 391 293
Payments for capital assets				
Payments for financial assets				
Total economic classification		(2 397 893)		2 424 293

Provincial roll-overs: R49.3 million

An amount of R49.3 million from the conditional grant is approved to assist the department in honouring the commitments already made on the conditional grant in the previous financial year where services were rendered but the department was not billed as at end of the financial year. The approved roll-over amount can be located in the transfers and subsidies budget under programme 3: Housing Development and is spread across various sub programmes within the programme. Over and above that, the roll-over amount will assist the department with the creation of sustainable and integrated human settlements.

Virements and shifts

Through virements, the programme's budget increases by R44.4 million. An amount of R33 million is redirected from programme 1: Administration to this programme's compensation of employee's budget as a virement under sub-programme Administration to prevent the programme from overspending. R13.1 million is received by the programme from programme 4: Housing Assets and Property Management due to the departmental business plan relating to the Human Settlements Development Grant being reprioritised. An amount of R1.7 million is redirected from this programme to programme 1: Administration under the fleet services (including government motor transport) item under goods and services to augment the increase in expenditure on (G-Fleet) leased vehicles due to shuttle services as a result of Bank of Lisbon building disaster. In addition, an amount of R4.9 million is redirected from the programme to programme 4: Housing Asset Property Management due to the reprioritisation of the departmental business plan relating to the HSDG.

Savings that were realised from the programme's good and services budget under the following items: Minor assets; catering services and travel and subsistence as a result of cost containment measures being implemented by the department and Budget and expenditure centralised to programme 1: Administration.

Through shifts, a total amount of R2.2 billion is reallocated within the programme as a result of the departmental business plan relating to the Human Settlements Development Grant being reprioritised. These funds are aimed at supporting the department's new strategic and priorities.

During the latter part of the past financial year, the Department made a decision when it announced the introduction of Rapid Land Release Programme (RLRP) and Upgrading Support Programme (USP) for the upgrading of informal settlement programme. The Adjustment saw the Mega projects, being transferred to municipalities and urban renewal programmes remaining the same whilst the remaining budget will then be reallocated to RLRP and upgrading of informal settlement support programme (usp). The total amount of R1.6 billion is to be made available from Adjusted budget during 2019/20 financial year to cater and ensure that the RLRP and USP are functional. The strategic acquisition of rapid land release programme will amount to R863.7 million and an upgrading of informal settlements amounting to R800 million and are both included in the budget for the programme. The main purpose is to deliver on the department's upscaling on mega projects, eradication of informal settlements and completing all abandoned/ Incomplete block projects. The programmes aimed at benefiting those households/individuals that can demonstrate the ability to build their own housing structures. The total amount of R133.3 million was redirected from Social and Rental Intervention to Incremental Intervention within Housing Development programme, the sub-programme, social and rental intervention will no longer exist is phased out. The department is aiming at building RDP Walk Ups.

Lastly, an amount of R500 000 of goods and services allocation was shifted within this programme to cater for Transfer and Subsidies under households for social benefits to ensure that the leave gratuity is paid for officials who retire or resign from the public sector and to offset pension liability payment to Government Employees Pension Fund (GEPF) respectively.

Programme 4: Housing Assets and Property Management

TABLE 8.8: PROGRAMME 4: HOUSING ASSETS AND PROPERTY MANAGEMENT

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Administration	7 582			21 962			21 962	29 544

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
2. Sales And Transfer Of Housing Properties	156 204		4 345				4 345	160 549
3. Housing Properties Maintenance	60 000			4 880			4 880	64 880
Total for Programmes	223 786		4 345	26 842			31 187	254 973

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	7 582			21 636			21 636	29 218
Compensation of employees	6 460			22 500			22 500	28 960
Salaries & wages	5 451			20 000			20 000	25 451
Social contributions	1 009			2 500			2 500	3 509
Goods and services	1 122			(864)			(864)	258
Transfers and subsidies	216 204		4 345	5 206			9 551	225 755
Households	216 204		4 345	5 206			9 551	225 755
Payments for capital assets								
Buildings and other fixed structures								
Payments for financial assets								
Total economic classification	223 786		4 345	26 842			31 187	254 973

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

Economic classification	Motivation	From	Motivation	To
Current payments		(864)		22 500
Compensation of employees			Misalignment between the approved departmental structure and the Persal system.	22 500
Goods and services	Budget and expenditure centralised to programme 1, cost containment measures implemented, lack of office space and meetings held internally.	(864)		
Interest and rent on land				
Transfers and subsidies				5 206
Households			Departmental business plan relating to the Human Settlements Development Grant reprioritised and payment of benefits to former employees and to write off bad debt.	5 206
Payments for capital assets				
Payments for financial assets				
Total economic classification		(864)		27 706

Provincial roll-overs: R4.3 million

An amount of R4.3 million from the conditional grant for Title Deeds Restoration Grant (TDRG) is approved to facilitate the eradicating of the title deeds backlog and ensuring that title deeds are issued upon handover of houses to beneficiaries, and furthermore assisting the department in fast tracking the distribution of title deeds.

Virements and shifts

In view of this programme, virements amounting to R22.5 million are received by this programme from programme 1: Administration for compensation of employees to prevent over expenditure. An amount of R538 000 for goods and services was redirected from this programme, R300 000 to programme 2: Housing Needs, Research and Planning to cater for strategic planning consultations and deliverables and R238 000 to programme 1: Administration to cater for fleet services. In addition, an amount of R4.9 million is received by the programme from programme 3: Housing Development after the reprioritisation of the departmental business plan relating to the Human Settlements Development Grant (HSDG).

An amount of R326 000 of the goods and services allocation was shifted within this programme to cater for transfer to households and social benefits to pay leave gratuity for officials who retire or resign from the public sector and to offset pension liability payment to Government Employees Pension Fund (GEPF) respectively.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE7.10 EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2018/19: DEPARTMENT OF HUMAN SETTLEMENTS

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
1. Administration	562 510	244 973	474 752	84%	636 068	282 364	15%
2. Housing Needs, Research and Planning	41 478	9 418	17 029	41%	40 926	7 525	(20%)
3. Housing Development	5 287 775	1 389 626	4 990 996	94%	5 364 575	2 144 043	54%
4. Housing Assets Management Property Management	170 279	85 684	313 596	184%	254 973	92 166	8%
Total	6 062 042	1 729 701	5 796 373	96%	6 296 542	2 526 098	46%
Current payments	733 167	407 540	714 351	97%	863 718	386 994	(5%)
Compensation of employees	448 432	217 332	439 799	98%	472 830	220 409	1%
Goods and Services	284 735	190 208	274 552	96%	390 888	166 585	(12%)
Interest and rent on land							
Transfers and subsidies	5 304 204	33 387	5 081 379	96%	5 403 372	2 123 277	6260%
Provinces and municipalities							
Households	5 304 204	33 387	5 081 379	96%	5 403 372	2 123 277	6260%
Payments for capital assets	24 583	1 288 686	431	2%	29 410	15 785	(99%)
Buildings and other fixed structures	2 715	1 288 254				(338)	
Machinery and equipment	12 815	432	431	3%	23 010	16 123	3632%
Software and other intangible assets	9 053				6 400		
Payments for financial assets	88	88	212	2	42	42	
Total	6 062 042	1 729 701	5 796 373	96%	6 296 542	2 526 098	46%

Expenditure trend for 2018/19

The total appropriation for the financial year 2018/19 amounted to R6 billion. As at the end of the financial year, total expenditure amounted to R5.8 billion or 96 per cent of the total adjusted budget. The main driver of expenditure was Programme 3 which spent R5 billion or 94 per cent of the adjusted budget. Goods and services spent 96 per cent or R274.5 million of the total goods and services allocated budget. Compensation of employee's expenditure amounted to R439.7 million or 98 per cent of the total allocation whilst transfers and subsidies spent a total of R5 billion or 96 per cent of the total allocation for the conditional grants.

Expenditure trends for the first half of 2019/20

As at the end of September 2019, the department's spending amounted to R2.5 billion or 46 per cent of the R6.2 billion main appropriation. The slow spending is attributed to the late approval of the business plan by the National Department of Human Settlements (NDHS) and the late receipt of the conditional grant disbursement.

Programme 1: Administration

As at 30 September 2019, spending on this programme amounts to R282.4 million or 43 per cent of the total main budget of R660 million. The main drivers of expenditure is compensation of employees; property payments for the payment of rates and taxes for non-transferred RDP stock and five provincial hostels; operating leases for payment of rentals for departmental office buildings; contractors to provide for security services for the department; and legal fees to counter land invasions and illegal occupation of housing before they are transferred to beneficiaries.

Programme 2: Housing Needs, Research and Planning

For the period under review, the programme spent R7.5 million or 17 per cent of the total main budget of R44 million. The spending on this programme relates to compensation of employees; venues and facilities, travelling and subsistence and use of consultants under goods and services. The programme expenditure is projected to increase significantly due to studies which were concluded for the period under review.

Programme 3: Housing Development

Expenditure for the programme amounts to R2.1 billion or 40 per cent against the total main budget of R5.3 billion in the first half of 2019/20. The slow spending on the programme is attributed to the late approval of the departmental business plan by the NDHS and the late disbursement of the conditional grant funding.

Programme 4: Housing Assets and Property Management

The programme expenditure amounted to R92.1 million or 41 per cent against the total main budget of R224 million as at the end of September 2018. The spending on this programme relates to transfers and subsidies in respect of maintenance of state assets; Enhanced Extended Discount Benefit Scheme (EEDBS); and the fast tracking of the distribution of title deeds across all corridors.

6. Departmental Receipts

Table 8.11 DEPARTMENTAL RECEIPTS

Department	2018/19 Audited Outcome				2019/20 Actual Receipts		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Tax receipts							
Sales of goods and services other than capital assets	460	228	456	(1%)	485	228	0%
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	402	304	367	(9%)	425	2 893	852%
Sales of capital assets							
Financial transactions in assets and liabilities	4 319	(19)	(14)	(100%)	4 561	914	(4911%)
Total	5 181	513	809	(84%)	5 471	4 035	687%

Revenue trends for the first half of 2019/20

The revenue sources for the department are parking fees, sale of tender documents, income from servitude rights and sale of assets valued under R5 000. Income from servitude rights is higher because of increase in the number of lines installed on the land of the department. The department is currently over collecting on revenue and the current collection rate is at 687 per cent as at the end of the first half of the financial year. The over collection by the department relates to interest accrued and refunded to the department from a purchase of land that did not materialised (Evaton West).

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

Changes to transfers and subsidies

TABLE 8.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Administration	1 370							1 370
HOUSEHOLDS	1 370							1 370
Housing Development	5 131 256		49 371	(4 880)			44 491	5 175 747
HOUSEHOLDS	5 131 256		49 371	(4 880)			44 491	5 175 747

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Housing Assets Management	216 204		4 345	5 206			9 551	225 755
Property Management	216 204		4 345	5 206			9 551	225 755
HOUSEHOLDS								
Total changes in conditional	5 348 830		53 716	326			54 042	5 402 872
Name of transfer payments								

The total budget for transfers and subsidies increases by an amount of R54.5 million. An amount of R49.4 million from the conditional grant (HSDG) is approved to assist the department in honouring the contractual commitments already made on the conditional grant in the previous financial year where the services were rendered but the department was not invoiced as at the end of the financial year. The amount is located within the transfers and subsidies budget of the department within programme 3: Housing Development. Included in the total provincial roll over is an amount of R4.3 million from the conditional grant for Title Deeds Restoration Grant (TDRG) which is approved to facilitate the eradicating of title deeds backlog and ensuring that title deeds are issued upon handover of houses to beneficiaries, and furthermore assisting the department in fast tracking the distribution of title deeds. An amount of R826 000 is shifted within programme 3: Housing development and programme 4: Housing Assets Property Management to cater for benefits to former employees and to write off bad debt. The amount for transfers and subsidies will also assist the department with the Rapid Land Release Programme amongst other things. This programme seeks to expedite the provision of housing through the issuance of services stands/sites to beneficiaries who meet the set qualifying criteria for the programme.

Changes to conditional grants

TABLE 8.13: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Programme 3	5 114 867		49 371	(4 880)			44 491	5 159 358
Human Settlements Development Grant	5 104 409		49 371	(4 880)			44 491	5 148 900
EPWP Intergrated Grant	10 458							10 458
Programme 4	216 204		4 345	4 880			9 225	225 429
Human Settlements Development Grant	60 000			4 880			4 880	64 880
Title Deeds Restoration Grant	156 204							160 549
Total changes in conditional grants	5 331 071		53 716				53 716	5 384 787

The conditional grants increases by R53.7 million from the main allocation of R5.3 billion to an adjusted allocation of R5.4 billion. This is mainly due to an amount of R49.4 million from the conditional grant (HSDG) which is approved to assist the department in honouring the contractual commitments already made on the conditional grant in the previous financial year where the services were rendered but the department was not invoiced as at end of the financial year and an amount of R4.3 million from the conditional grant (TDRG) which is approved to facilitate the eradicating of the title deeds backlog and ensuring that title deeds are issued upon handover of houses to beneficiaries, and furthermore assisting the department in fast tracking the distribution of title deeds. The conditional grant amount will assist the department with the creation of sustainable and integrated human settlements and the Rapid Land Release Programme amongst other things.

Changes to infrastructure

Not applicable

DEPARTMENT OF ROADS AND TRANSPORT

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	7 708 630	7 800 020		91 390
of which:				
Current payments	2 252 028	2 401 583		149 555
Transfers and subsidies	4 779 504	4 781 062		1 558
Payments for capital assets	677 098	617 375	(59 723)	
Payment for financial assets				
Executive authority	MEC Roads and Transport			
Accounting officer	Head of the Department			

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

No changes

3. Summary of Adjusted Estimates of Departmental Expenditure 2019/20

TABLE 9.1: ROADS AND TRANSPORT

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Administration	370 347			12 932			12 932	383 279
2. Transport Infrastructure	2 155 661			(6 228)		91 390	85 162	2 240 823
3. Transport Operations	2 688 745			1 250			1 250	2 689 995
4. Transport Regulation	340 563			(7 954)			(7 954)	332 609
5. Gautrain Rapid Rail Link	2 153 314							2 153 314
Total for Programmes	7 708 630					91 390	91 390	7 800 020

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	2 252 028			58 165		91 390	149 555	2 401 583
Compensation of employees	750 285							750 285
Salaries & wages	633 220			(675)			(675)	632 545
Social contribution	117 065			675			675	117 740
Goods and services	1 501 483			58 225		91 390	149 615	1 651 098
Interest and rent on land	260			(60)			(60)	200
Transfers and subsidies	4 779 504			1 558			1 558	4 781 062
Provinces and municipalities	2 500			(200)			(200)	2 300
Departmental agencies and accounts	2 153 314							2 153 314
Public corporations and private enterprises	2 615 700							2 615 700
Households	7 990			1 758			1 758	9 748
Payments for capital assets	677 098			(59 723)			(59 723)	617 375
Buildings and other fixed structures	656 518			(59 653)			(59 653)	596 865
Machinery and equipment	19 020			(70)			(70)	18 950
Software and other intangible assets	1 560							1 560
Payments for financial assets								
Thefts & Losses								
Total economic classification	7 708 630					91 390	91 390	7 800 020

The Department embarked on a process of reviewing and realigning the budget to the departmental priorities to ensure that the mandate of the 6th administration is prioritised. The process included reprioritisation that resulted in savings being identified in some areas whilst others indicated budgetary pressures. The savings are directed to emerging priorities and areas experiencing spending pressures in programmes, based on the priorities and capability to utilise the resources.

The budget is shifted within the infrastructure portfolio, in a bid to ensure that the provincial ten pillar programme of radical economic transformation, modernization and reindustrialization and the GGT2030 programmes are prioritised and implemented.

The information contained in the tables above indicates that the budget increased from R7.7 billion by R91 million to R7.8 billion. The increase is due to an additional budget allocation that augments the infrastructure budget to ensure that projects ready for implementation are funded.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 9.2: ADMINISTRATION

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Office of the Mec	9 780			3 639			3 639	13 419
2. Management Of The Department	18 750			15 948			15 948	34 698
3. Corporate Support	338 269			(6 655)			(6 655)	331 614
4. Departmental Strategy	3 548							3 548
Total for Programmes	370 347			12 932			12 932	383 279

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	357 067			10 800			10 800	367 867
Compensation of employees	202 514							202 514
Salaries & wages	172 424							172 424
Social contribution	30 090							30 090
Goods and services	154 493			10 800			10 800	165 293
Interest and rent on land	60							60
Transfers and subsidies	550			1 932			1 932	2 482
Provinces and municipalities								
Households	550			1 932			1 932	2 482
Payments for capital assets	12 730			200			200	12 930
Buildings and other fixed structures								
Machinery and equipment	12 170			200			200	12 370
Software and other intangible assets	560							560
Payments for financial assets								
Thefts & Losses								
Total economic classification	370 347			12 932			12 932	383 279

TABLE 9.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(9 431)		20 231
Compensation of employees	Realignment of the CoE budget between Social Contribution and Salaries and Wages.	(1 707)	Realignment of the CoE budget between Social Contribution and Salaries and Wages.	1 707
Goods and services	Saving realised from computer services, advertising and contractors due to the implementation of cost containment measures.	(7 724)	The shift is to cover for the anticipated over spending on business and advisory services and consumable supplies.	18 524
Interest and rent on land				
Transfers and subsidies		(70)		2 002
Households	Fewer personnel-related claims within the Corporate Support sub-programme.	(70)	Funds are shifted to cover the anticipated over expenditure in Management of the Department	2 002
Payments for capital assets				200
Machinery and equipment			Funds are shifted to procure machinery and equipment.	200
Payments for financial assets				
Total economic classification		(9 501)		22 433

Virements and Shifts

An amount of R1.7 million is shifted within salaries and wages from sub-programme Corporate Services to MEC's Office to fund the overspending in the programme. Savings have been identified from Corporate Services due to the delay in filling of vacant posts.

An amount of R9.4 million is shifted within current payments in the main from sub-programme Corporate Services between various items to cater for anticipated over expenditure already incurred. Furthermore, an amount of R10 million is transferred from Programme 4 to consultants and professional services: business and advisory services to ensure that the Commission of Inquiry into Taxi Violence is partly funded, and R2 million overall to households to settle the retirement benefits of the previous employees in the programme.

A further R200 000 is shifted from computer services to other machinery and equipment to augment the capital portion of software license payments.

Programme 2: Transport Infrastructure

TABLE 9.4: PROGRAMME 2: TRANSPORT INFRASTRUCTURE

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Infrastructure Planning	70 007			(2 749)			(2 749)	67 258
2. Infrastructure Design	120 661			36 489			36 489	157 150
3. Construction	664 797			(103 307)			(103 307)	561 490
4. Maintenance	1 264 676			65 612		91 390	157 002	1 421 678
5. Programme Support Infrastructure	35 520			(2 273)			(2 273)	33 247
Total for Programmes	2 155 661			(6 228)		91 390	85 162	2 240 823

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	1 484 943			58 025		91 390	149 415	1 634 358
Compensation of employees	310 800							310 800
Salaries & wages	260 300							260 300
Social contribution	50 500							50 500
Goods and services	1 174 093			58 025		91 390	149 415	1 323 508
Interest and rent on land	50							50
Transfers and subsidies	9 110			(504)			(504)	8 606
Provinces and municipalities	2 500			(200)			(200)	2 300
Households	6 610			(304)			(304)	6 306
Payments for capital assets	661 608			(63 749)			(63 749)	597 859
Buildings and other fixed structures	656 218			(63 819)			(63 819)	592 399
Machinery and equipment	5 390			70			70	5 460
Payments for financial assets								
Thefts & Losses								
Total economic classification	2 155 661			(6 228)		91 390	85 162	2 240 823

TABLE 9.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: TRANSPORT INFRASTRUCTURE

Economic classification	Motivation	From	Motivation	To
Current payments		(113 513)		171 538
Compensation of employees	Realignment of the CoE budget between Social Contribution and Salaries and Wages.	(1 300)	Realignment of the CoE budget between Social Contribution and Salaries and Wages.	1 300
Goods and services	Projects delay due to readiness of implementation.	(112 213)	Reclassification of infrastructure budget allocation. The shift to this item is to cover for unfunded infrastructure projects	170 238
Interest and rent on land				

Economic classification	Motivation	From	Motivation	To
Transfers and subsidies		(2 473)		1 969
Provinces and municipalities	Saving on the payment of license on the fleet.	(200)		
Households	Funds realigned to the unit where people are placed on the organisational structure.	(2 273)	Funds realigned to the unit where people are placed on the organisational structure.	1 969
Payments for capital assets		(186 567)		122 818
Buildings and other fixed structures	Projects delay due to readiness of implementation.	(186 477)	Reclassification of infrastructure budget allocation. The shift to this item is to cover for unfunded infrastructure projects	122 658
Machinery and equipment	Savings identified and funds redirected to operating lease.	(90)	Funds are shifted to procure machinery and equipment's	160
Payments for financial assets				
Total economic classification		(302 553)		296 325

Virements and Shifts

The shifts made within the goods and services, provinces and municipalities as well as the payments for capital assets items relates to the infrastructure projects that are experiencing pressures and that are ready for implementation. The projects from which budget has been shifted are not ready to spend the budget allocated because of a range of reasons, such as delays in finalising and issuing the tenders, delays in implementation due to projects stoppages.

In addition, a virement of R2.4 million is made to construction of new DLTC in Kagiso for which an invoice was received in the current financial year after the contractor and the Department of Infrastructure Development (DID) finalised engaging on the matter

The shifts within the household items are to realign the budget to the correct items and to partly fund the over-spending within the Management sub-programme in the Administration programme.

Additional provincial funding: R91 million

The department is allocated an additional amount of R91 million within the Maintenance sub-programme to augment the infrastructure budget for the outsourced routine maintenance class 1&2 for the settlement of the contract price adjustment (CPA) that was approved by the Provincial Treasury.

Programme 3: Transport Operations

TABLE 9.6: PROGRAMME 3: TRANSPORT OPERATIONS

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Public Transport Services	2 680 190			2 517			2 517	2 682 707
2. Programme Support Operations	8 555			(1 267)			(1 267)	7 288
Total for Programmes	2 688 745			1 250			1 250	2 689 995

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	72 835							72 835
Compensation of employees	27 975							27 975
Salaries & wages	24 500			(675)			(675)	23 825
Social contribution	3 475			675			675	4 150
Goods and services	44 860							44 860
Interest and rent on land								
Transfers and subsidies	2 615 830							2 615 830
Provinces and municipalities								
Public corporations and private enterprises	2 615 700							2 615 700
Households	130							130

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Payments for capital assets	80			1 250			1 250	1 330
Buildings and other fixed structures				1 250			1 250	1 250
Machinery and equipment	80							80
Payments for financial assets								
Thefts & Losses								
Total economic classification	2 688 745			1 250			1 250	2 689 995

TABLE 9.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: TRANSPORT OPERATIONS

Economic classification	Motivation	From	Motivation	To
Current payments		(1 177)		1 177
Compensation of employees	Realignment of the CoE budget between Social Contribution and Salaries and Wages.	(1 167)	Realignment of the CoE budget between Social Contribution and Salaries and Wages.	1 167
Goods and services	Saving realised from stationery and consumable supplies due to the implementation of cost containment measures.	(10)	The shift is to cover for the anticipated over spending on minor assets.	10
Interest and rent on land				
Transfers and subsidies		(100)		100
Households	Funds shift to where personnel are placed in the organisational structure.	(100)	The shift is to cover for the anticipated over spending from social contributions Programme support operations (PSO).	100
Payments for capital assets				1 250
Buildings and other fixed structures			The shift to this item is to cover the Vereeniging Intermodal Facility project that was not funded at the beginning of the financial year.	1 250
Payments for financial assets				
Total economic classification		(1 277)		2 527

Virements and Shifts

An amount of R1.2 million is shifted from the Construction sub-programme in Programme 2 to cover the expenditure that will be realised on the Vereeniging Intermodal Facility project. The other shifts within this programme are to cover over-spending on some of the items and includes the shifts which approved by the Accounting Officer.

An amount of R1.2 million is shifted from Programme Support Operations to Public Transport Services to cover the budget shortfall within compensation of employees.

Programme 4: Transport Regulation

TABLE 9.8: PROGRAMME 4: TRANSPORT REGULATION

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Transport Administration And Licencing	200 650			(14 934)			(14 934)	185 716
2. Operator Licence And Permits	139 913			6 980			6 980	146 893
Total for Programmes	340 563			(7 954)			(7 954)	332 609

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	337 183			(10 660)			(10 660)	326 523
Compensation of employees	208 996							208 996

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Salaries & wages	175 996							175 996
Social contribution	33 000							33 000
Goods and services	128 037			(10 600)			(10 600)	117 437
Interest and rent on land	150			(60)			(60)	90
Transfers and subsidies	700			130			130	830
Provinces and municipalities								
Households	700			130			130	830
Payments for capital assets	2 680			2 576			2 576	5 256
Buildings and other fixed structures	300			2 916			2 916	3 216
Machinery and equipment	1 380			(340)			(340)	1 040
Software and other intangible assets	1 000							1 000
Payments for financial assets								
Thefts & Losses								
Total economic classification	340 563			(7 954)			(7 954)	332 609

TABLE 9.9: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: TRANSPORT REGULATION

Economic classification	Motivation	From	Motivation	To
Current payments		(30 551)		19 891
Compensation of employees	Realignment of the CoE budget between Social Contribution and Salaries and Wages.	(16 980)	Realignment of the CoE budget between Social Contribution and Salaries and Wages.	16 980
Goods and services	Saving realised from contractors and minor assets due to the implementation of cost containment measures.	(13 511)	The shift is to cover for the anticipated over spending on legal services, contractors, stationery and operating leases.	2 911
Interest and rent on land	Saving due to the management of accounts.	(60)		
Transfers and subsidies		(630)		760
Households	Reclassification of budget allocation from other transfers due to slow uptake of bursaries.	(630)	Funds shifted to cover household's expenditure that is already incurred.	760
Payments for capital assets		(400)		2 976
Buildings and other fixed structures			Reclassification of infrastructure budget allocation. The shift to this item is to cover for unfunded infrastructure projects. Retention	2 916
Machinery and equipment	Funds identified due to slow purchase of tools of trade because of slow recruitment processes.	(400)	Funds shifted to machinery and equipment to cover costs already incurred.	60
Payments for financial assets				
Total economic classification		(31 581)		23 627

Virements and Shifts

An amount of R10 million is shifted from Transport Admin and Licensing to Operating License and Permits to cover the budget shortfall within compensation of employees from savings that have been identified within the programme.

Furthermore, an amount of R1.9 million is received from Programme 2, Sub-Programme Construction to fund the retention payment made to the contractor for the DLTC in Kagiso. The other shifts within this programme are to cover the budget shortfalls within the items.

Programme 5: Gautrain

TABLE 9.10: PROGRAMME 5: GAUTRAIN

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Gautrain Rapid Link	2 153 314							2 153 314
Total for Programmes	2 153 314							2 153 314

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments								
Compensation of employees								
Salaries & wages								
Social contribution								
Goods and services								
Interest and rent on land								
Transfers and subsidies	2 153 314							2 153 314
Departmental agencies and accounts	2 153 314							2 153 314
Households								
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Payments for financial assets								
Thefts & Losses								
Total economic classification	2 153 314							2 153 314

Virements and Shifts

No virements and shifts

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE 9.12: EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Administration	332 154	140 214	285 736	86%	383 279	159 898	14%
Transport Infrastructure	2 825 907	1 309 742	2 740 989	97%	2 240 823	1 015 257	(22%)
Transport Operations	2 537 507	1 034 857	2 311 691	91%	2 689 995	944 961	(9%)
Transport Regulation	294 077	138 187	291 626	99%	332 609	139 569	1%
Gautrain Rapid Rail Link	1 945 268	973 609	1 945 268	100%	2 153 314	1 014 378	4%
Total	7 934 913	3 596 609	7 575 310	95%	7 800 020	3 274 063	(9%)
Current payments	2 352 019	1 154 365	2 276 520	97%	2 401 583	1 100 218	(5%)
Compensation of employees	702 514	321 760	653 722	93%	750 285	329 225	2%
Goods and Services	1 634 767	832 487	1 608 146	98%	1 651 098	770 982	(7%)
Interest and rent on land	14 738	118	14 652	99%	200	11	(91%)
Transfers and subsidies	4 461 844	1 960 420	4 236 476	95%	4 781 062	1 925 736	(2%)
Provinces and municipalities	1 899	902	1 900	100%	2 300	989	10%
Departmental agencies and accounts	1 945 268	973 609	1 945 268	100%	2 153 314	1 014 378	4%
Public corporations & private enterprises	2 463 790	982 652	2 239 153	91%	2 615 700	905 660	(8%)
Households	50 887	3 257	50 155	99%	9 748	4 709	45%
Payments for capital assets	1 120 928	481 760	1 062 229	95%	617 375	248 109	(48%)
Buildings and other fixed structures	1 084 943	474 959	1 034 803	95%	596 865	245 091	(48%)
Machinery and equipment	18 921	6 719	14 662	77%	18 950	3 018	(55%)
Software and other intangible assets	17 064	82	12 764	75%	1 560		(100%)

Department	2018/19 Expenditure Outcome				2019/20 Preliminary expenditure		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Payments for financial assets	122	64	85	70%			(100%)
Total	7 934 913	3 596 609	7 575 310	95%	7 800 020	3 274 063	(9%)

Expenditure trends for 2018/19

The department's final appropriation for the year amounted to R7.93 billion, and the total under-spending was R359.6 million (5 per cent under-spending). The breakdown of the under-spending per programmes is as follows:

Administration

The recorded underspending was mainly driven by the Department's delays in filling vacant positions on the current organisational structure. The delays resulted in capacity constraints within the Department. The Department is embarking on a process of reviewing the current organisational structure to ensure it aligns to its strategy requirements.

Transport Infrastructure

The underspending occurred mainly within the infrastructure portfolio due to a range of reasons, the prominent ones being:

Several unanticipated delays within the department's procurement processes resulting in service providers not being timeously appointed;

Significant unanticipated delays within the Department's procurement processes, contract cancellations, poor contractor performance and community unrests: This resulted in projects not commencing or completing as per the scheduled dates.

Transport Operations

The underspending within this programme occurred mainly due to the prolonged challenges around bus operators not operating within the required operating timetable, resulting in DNOs (Did Not Operate). A bus operator's failure to operate as required results in the Department levying financial penalties against the applicable bus operator. In addition, the Department has not been successful in appointing a bus operator within the Sedibeng area to deal with the services that were terminated by the previous bus operator.

Transport Regulations

A total of 99 per cent of the budget within this programme was spent. This is a trend that will be maintained in future financial year.

Gautrain

All transfers to Gautrain, in line with the payment schedule and the allocated budget, were fully spent during the 2018/19 financial year.

The details of the spending per programme were as follows:

Preliminary expenditure trends for the first half of 2019/20

The department spent a total amount of R3.274 billion (42 percent) up to the end of the second quarter of the 2019/20 financial year. This was below the targeted spending of 50 per cent for the first half of the year. It should however be noted that whilst the expenditure for the first quarter was poor, the Department improved spending in the second quarter.

In relation to infrastructure, the Department reached 48 per cent spending for the first half of the year. There was a delay in the open tender process for major rehabilitation projects that resulted in some tenders being cancelled and others commencing later than scheduled.

The details of the spending per programme were as follows:

Programme 1: Administration

The programme spending as at the end of second quarter was 14 percent more than what was spent in the 2018/19 financial year. The main drivers of the increase during the period under review is payments of an invoice for computer services for software licenses from 2018/19, property payments and rates for office buildings due to inflationary increases, and leave gratuity benefits for retirement benefits that became due at the end of May 2019.

Programme 2: Transport Infrastructure

The programme spending in the second quarter decreased to R1 billion relative to the R1.3 billion spent for the same period in the 2018/19 financial year. This was mainly because of the slow delivery of infrastructure projects due to delays in issuing the tenders.

Programme 3: Transport Operations

The programme spent 9 per cent less in the second quarter, compared to the same period in the 2018/19 financial year. The lower spending is due to the penalties levied on the operators as well as the fact that there currently are no services in Sedibeng and Mamelodi. The delays experienced in the procurement process of appointing new bus operators have negatively impacted expenditure for the first two quarters of the year.

Programme 4: Transport Regulations

The programme spending increased by 1 per cent relative to the 2018/19 second quarter spending. The increase is due to inflationary increases in the items.

Programme 5: Gautrain

All transfers to Gautrain are in line with the payment schedule and the allocated budget will be fully spent by the end of the financial year.

6. Departmental Receipts

TABLE 9.13: DEPARTMENTAL RECEIPTS

Department	2018/19 Audited Outcome				2019/20 Actual Receipts		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Tax receipts	3 811 724	1 931 226	3 961 563	4%	4 025 181	2 079 581	8%
Motor vehicle licences	3 811 724	1 931 226	3 961 563	4%	4 025 181	2 079 581	8%
Sales of goods and services other than capital assets	79 537	28 714	58 464	(26%)	83 991	30 312	6%
Interest, dividends and rent on land	63	10	14	(78%)	67	4	(60%)
Sales of capital assets							
Financial transactions in assets and liabilities	1 587	21 506	22 187	1298%	1 676	209	(99%)
Total	3 892 911	1 981 456	4 042 228	1198%	4 110 915	2 110 106	(146%)

Revenue trends for the first half of the 2019/20 financial year

The table above shows the contribution of each revenue source towards the total revenue generated at the end of second quarter of the 2019/20 financial year. The estimated actual revenue to be collected by the end of the 2019/20 financial year amount to R4.111 billion, this remain the same as the Main Appropriation. Thus, there are no adjustments for revenue. The revenue collected as at the 30 September 2019 increased from R1.98 billion in the previous financial year to R2.11 billion in the current financial year representing 50 per cent of the adjusted appropriation. The increase is as a results of growing motor vehicle population. Based on over collection, the department have adjusted the revenue estimates for the year.

The Motor Vehicle License tax receipts item which comprises of motor vehicle registration and licensing contributed the highest revenue collected and remained constant in comparison with the previous financial year.

The amount collected for the sales of goods and services other than capital assets is R30.3 million, which includes parking fees from employees, sales of security maps, tender document, meal and refreshment, fees for boarding services provided for staff, commission on insurance, domestic service (salaries garnishes, insurances and other debt incurred by staff).

Interest, dividends and rent on land contributed an amount of R4 000 is earned on the department debt collected from external stakeholder such as service providers.

Financial transactions in assets and liabilities contributed an amount of R209 000, to the revenue collected as at the 30 September 2019. The under collection is due to lower recoveries from previous year's expenditure and the department's debtors.

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

Changes to transfer and subsidies

No Changes

Changes to Conditional grant

TABLE 9.14: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Programme 2	773 892							773 892
Provincial Roads Maintenance Grant	767 506							767 506
Expanded Public Works Programme Integrated Grant for Provinces - Roads And Transport	6 386							6 386
Programme 3	2 436 074							2 436 074
Public Transport Operations Grant	2 436 074							2 436 074
Total changes in conditional grants	3 209 966							3 209 966

No Changes

Changes to Infrastructure

Please refer to the 2019/20 Adjusted Estimates of Capital Expenditure (AECE).

DEPARTMENT OF COMMUNITY SAFETY

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	759 224	778 040		18 816
of which:				
Current payments	731 290	728 192	(3 098)	
Transfers and subsidies	3 882	5 340		1 458
Payments for capital assets	24 052	44 415		20 363
Payment for financial assets		93		93
Executive authority	MEC for Community Safety			
Accounting officer	Head of Department			

1. Vision and Mission

Vision

To realise Gauteng as a province where people feel and are safe.

Mission

To be an innovative, effective and proactive department that ensures the safety of communities through:

2. Changes to Programme Purpose, Objective and Measures.

No changes.

3. Summary of Adjusted Estimates of Departmental Expenditure 2019/20

Table 10.1: DEPARTMENT OF COMMUNITY SAFETY

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Rollovers: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Administration	173 658			(13 400)			(13 400)	160 258
2. Provincial Secretariat For Police Services	168 875		9 300	(12 909)			(3 609)	165 266
3. Traffic Management	416 691		2 400	26 309		7 116	35 825	452 516
Total for Programmes	759 224		11 700			7 116	18 816	778 040

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	731 290		1 400	(4 498)			(3 098)	728 192
Compensation of employees	588 586			(11 153)			(11 153)	577 433
Salaries & wages	499 524			(16 832)			(16 832)	482 692
Social contribution	89 062			5 679			5 679	94 741
Goods and services	142 704		1 400	6 655			8 055	150 759
Transfers and subsidies	3 882			1 458			1 458	5 340
Provinces and municipalities	1 180			(116)			(116)	1 064
Non-profit institutions								
Households	2 702			1 574			1 574	4 276
Payments for capital assets	24 052		10 300	2 947		7 116	20 363	44 415
Buildings and other fixed structures								
Machinery and equipment	24 052		10 300	2 892		7 116	20 308	44 360
Software and other intangible assets				55			55	55
Payments for financial assets				93			93	93
Thefts & Losses				93			93	93
Total economic classification	759 224		11 700			7 116	18 816	778 040

The budget appropriated to the Department of Community Safety budget increases by R17.1 million from R759.2 million to R778 million. The increase is due to a rollover of R11.7 million and additional funding of R7.1 million

The total budget as appropriated to the department at the start of the 2019/20 financial year is reprioritised due to delays in implementation of organisational structure and funds are used mainly to defray excess expenditure within the vote and to cater for emerging priorities. Funds are also reprioritised to provide for the appointment of 269 additional traffic officers in the Public Transport Inspectorate which is aimed at reducing road fatalities in the province.

The budget allocated to goods and services increases by R8.1 million to provide for amongst others, the payment of patrollers, interventions aimed at addressing gender-based violence, awareness campaigns such as 16 Days of Activism for No Violence Against Women and Children and operational costs including municipal services and maintenance of the office building.

Transfers and subsidies increase by R1.5 million to an adjusted budget of R5.4 million and caters for the payment of legal claims against the department which were unforeseeable, leave gratuity to employees and injury on duty claims to employees and non-employees. Payments for capital assets is allocated R44.4 million and increases by R20.3 million due to rollovers and additional funding allocated to pay for vehicles leased by the department mainly used by traffic officers thus improving police visibility.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 10.2: PROGRAMME 1: ADMINISTRATION

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Rollovers: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Office of the Mec	9 683			1 903			1 903	11 586
2. Office Of The Hod	22 279			(603)			(603)	21 676
3. Financial Management	38 401			(13 400)			(13 400)	25 001
4. Corporate Services	86 863			1 700			1 700	88 563
5. Legal	5 718							5 718
6. Security	10 714			(3 000)			(3 000)	7 714
Total for Programmes	173 658			(13 400)			(13 400)	160 258

Economic classification	Main Appropriation	2019/20 Adjustments				Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Rollovers: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts		
R Thousand							
Current payments	169 784			(16 136)		(16 136)	153 648
Compensation of employees	132 995			(23 553)		(23 553)	109 442
Salaries & wages	113 428			(24 303)		(24 303)	89 125
Social contribution	19 567			750		750	20 317
Goods and services	36 789			7 417		7 417	44 206
Transfers and subsidies				1 444		1 444	1 444
Provinces and municipalities							
Households				1 444		1 444	1 444
Payments for capital assets	3 874			1 292		1 292	5 166
Machinery and equipment	3 874			1 292		1 292	5 166
Software and other intangible assets							
Payments for financial assets							
Thefts & Losses							
Total economic classification	173 658			(13 400)		(13 400)	160 258

TABLE 10.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(47 681)		24 543
Compensation of employees	Reprioritisation from compensation of employees due to delays in implementation of the new organisational structure.	(28 053)	Defrayment of excessive expenditure following appointments that are additional to the approved organisational structure.	4 500
Goods and services	Reprioritised of funds from low spending item within the sub-programme under Public Awareness and Information. Reclassification of items the fund are reprioritised to defray excess expenditure.	(11 235)	Budget is allocated to defray excess expenditure incurred on the review of the 2019-20 annual performance plan and the development of strategic plan through the utilisation of facilitators. Defrayment of excess expenditure incurred due to increased number of litigations against the department	18 652
Interest and rent on land				
Transfers and subsidies				1 444
Households			Budget is allocated to settle claims against state as well as leave gratuity and injury on duty claims.	1 444
Payments for capital assets		(294)		1 586
Machinery and equipment	Reprioritisation of funds within the sub-programme defray excessive expenditure.	(294)	Budget is allocated to fund the capital portion of finance lease with G-fleet.	1 586
Payments for financial assets				
Total economic classification		(47 975)		27 573

Virements and shifts

The budget is reprioritized due to delays in implementation of approved organisational structure. Funds are used to defray excess expenditure within the programme as well as other programmes. An amount of R13.4 million is a virement to Programme 3: Traffic Management to cover overspending on compensation of employees as a result of the absorption of additional traffic officers.

An amount of R7.4 million is allocated to goods and services within the programme which makes provision for the creation of awareness by the public of the department's programmes and activities, litigation, bursaries to employees, municipal services, venues utilized for the review of the strategic plan and quarterly review session and other spending pressures.

In addition, R1.4 million is allocated to transfer and subsidies to settle claims against state and pay leave gratuity and injury on duty claims. Lastly, R1.6 million is allocated to capital assets which makes provision for the capital portion of finance lease with G-fleet.

Programme 2: Provincial Secretariat For Police Service

TABLE 10.4: PROGRAMME 2: PROVINCIAL SECRETARIAT FOR POLICE SERVICE

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Rollovers: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Programme Support	5 360			(2 409)			(2 409)	2 951
2. Policy And Research	9 994			(1 500)			(1 500)	8 494
3. Monitoring And Evaluation	34 379		7 900	(5 000)			2 900	37 279
4. Safety Promotion	75 072		1 400	(4 000)			(2 600)	72 472
5. Community Police Relations	44 070							44 070
Total for Programmes	168 875		9 300	(12 909)			(3 609)	165 266

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Rollovers: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	160 261		1 400	(13 494)			(12 094)	148 167
Compensation of employees	92 383			(13 909)			(13 909)	78 474
Salaries & wages	80 893			(11 729)			(11 729)	69 164
Social contribution	11 490			(2 180)			(2 180)	9 310
Goods and services	67 878		1 400	415			1 815	69 693
Transfers and subsidies	1 721			14			14	1 735
Provinces and municipalities	1 019			(116)			(116)	903
Households	702			130			130	832
Payments for capital assets	6 893		7 900	555			8 455	15 348
Buildings and other fixed structures								
Machinery and equipment	6 893		7 900	500			8 400	15 293
Software and other intangible assets				55			55	55
Payments for financial assets				16			16	16
Thefts & Losses				16			16	16
Total economic classification	168 875		9 300	(12 909)			(3 609)	165 266

TABLE 10.5 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: PROVINCIAL SECRETARIAT FOR POLICE SERVICE

Economic classification	Motivation	From	Motivation	To
Current payments				
Compensation of employees	Budget is shifted due to a delay in the implementation of new organisational structure. In addition, funds allocated under Crime Prevention Management and Civilian Oversight are shifted to Office of the Civilian Secretariat to realign the personnel budget.	(17 342)	Funds allocated under Crime Prevention Management and Civilian Oversight are shifted to Office of the Civilian Secretariat to realign the personnel budget.	3 433
Goods and services	The funds are reprioritised due to delay in procurement of uniform and other materials used by patrollers.	(19 628)	Funds are made available for payment of patroller's stipends that will be deployed during festive season.	20 043

Economic classification	Motivation	From	Motivation	To
Transfers and subsidies		(116)		130
Provinces and municipalities	The programme is anticipating to underspend on rates and taxes due credit note obtained on other months.	(116)		
Households			Provision for unforeseen injury on duty and leave gratuity payments.	130
Payments for capital assets				555
Machinery and equipment			Budget is allocated to fund the capital portion of the finance lease with g-fleet.	500
Software and other intangible assets			Provision for the procurement of software.	55
Payments for financial assets			Provision for bad debts written-off as irrecoverable.	16
Total economic classification		(116)		701

Provincial rollover: R9.3 million

A total amount of R9.3 million is rolled over of which R7.9 million is for commitments on the procurement of safety kiosks and R1.4 million is for the procurement and installation of lifts at Ikhaya Lethemba which offers holistic victim support. Part of efforts in addressing GBV was to ring-fence cases by establishing the Serial Rape unit and Rapid Response Team to deal with Quantum rapes. In addition, the Family Justice Support continued to ensure proper preparation for court to maximise conviction rates. To empower women to become independent and self-sustainable, victims accommodated at Ikhaya Lethemba are exposed to a number of training courses.

Virements and shifts

A virement of R12.9 million is moved to Programme 3: Traffic Management to mitigate the overspending on compensation of employees as a result of the absorption of additional traffic officers. An amount of R13.9 million is reprioritised from compensation of employees due to delays in the implementation of approved organisational structure.

The budget allocated to goods and services increases slightly by R415 000 and reprioritisation was effected within the programme to make provision for amongst others, the payment of patrollers' stipends, public awareness campaigns such as 16 Days of Activism for No Violence Against Women and Children, Lesbian Gay, Bisexual Transgender and Intersex (LGBTI) marketing campaigns and other outreach programmes as well as the training of patrollers.

Transfer and subsidies caters for injury on duty claims paid to patrollers or beneficiaries who died or was injured in the course of duty in accordance with approved volunteer management policy. An amount of R130 000 is allocated to transfers to households which caters for these claims. In addition, payments for capital assets is allocated an additional R500 000 cover the capital portion of finance lease with g-fleet.

Programme 3: Traffic Management

TABLE 10.6: PROGRAMME 2: TRAFFIC MANAGEMENT

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Rollovers: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Traffic Law Enforcement	279 644		2 400	(40 400)		7 116	(30 884)	248 760
2. Special Services	30 937			(4 200)			(4 200)	26 737
3. Public Transport Inspectorate	45 649			79 209			79 209	124 858
4. Road Safety Promotion	60 461			(8 300)			(8 300)	52 161
Total for Programmes	416 691		2 400	26 309		7 116	35 825	452 516

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Rollovers: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	401 245			25 132			25 132	426 377
Compensation of employees	363 208			26 309			26 309	389 517
Salaries & wages	305 203			19 200			19 200	324 403
Social contribution	58 005			7 109			7 109	65 114

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Rollovers: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Goods and services	38 037			(1 177)			(1 177)	36 860
Transfers and subsidies	2 161							2 161
Provinces and municipalities	161							161
Households	2 000							2 000
Payments for capital assets	13 285		2 400	1 100		7 116	10 616	23 901
Machinery and equipment	13 285		2 400	1 100		7 116	10 616	23 901
Payments for financial assets				77			77	77
Thefts & Losses				77			77	77
Total economic classification	416 691		2 400	26 309		7 116	35 825	452 516

TABLE 10.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: TRAFFIC MANAGEMENT

Economic classification	Motivation	From	Motivation	To
Current payments		(57 693)		82 825
Compensation of employees	Funds are reprioritised to provide for the appointment of 269 additional traffic officers in the Public Transport Inspectorate hence the implementation of the structure is delayed.	(52 900)	Funds are reprioritised to provide for the appointment of 269 additional traffic officers in the Public Transport Inspectorate.	79 209
Goods and services	The department has implemented strict cost containment measures and only prioritises contractual obligations, G-fleet, critical projects and the procurement of uniform.	(4 793)	Provision for procurement of promotional items used during road safety campaigns and school safety outreach programme.	3 616
Transfers and subsidies				
Payments for capital assets				1 100
Machinery and equipment			Budget is allocated to fund the capital portion of the finance lease with g-fleet.	1 100
Payments for financial assets			Provision for bad debts written-off as irrecoverable.	77
Total economic classification		(57 693)		84 002

Provincial rollover: R2.4 million

A rollover amounting to R2.4 million is allocated to this programme for the procurement of firearms used by traffic law officers.

Virements and shifts

The programme receives a virement of R26.3 million from Programme 1: Administration and Programme 2: Provincial Secretariat for Police Service to cater for the absorption of 269 additional traffic officers which is aimed at reducing road fatalities. The baseline budget within the programme is also reprioritised to cater for emerging spending pressures such as the procurement of infringement notice books and the hiring of mobile toilets and tents used by traffic officers during roadblocks.

Additional provincial funding: R7.1 million

The department receives an additional R5.4 million proceeds from sale of motor vehicles that have reached the 100 000 km limit and R1.6 million which is a reimbursement to the department for expenditure incurred on behalf of the Road Traffic Management Corporation in the previous financial year. The remaining balance of R1.6 million. The total amount of R7.1 million funds will be used to settle accruals on the G-fleet account.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE 10.8: EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20: COMMUNITY SAFETY

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
1. Administration	135 615	69 097	136 530	101%	160 258	75 534	9%
2. Provincial Secretariat for Police Services	181 393	60 504	157 149	87%	165 266	69 241	14%
3. Traffic Management	435 007	218 231	444 390	102%	452 516	242 164	11%
Total	752 015	347 832	738 069	98%	778 040	386 939	11%

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Current payments	690 531	324 263	692 704	100%	728 192	357 374	10%
Compensation of employees	520 328	255 910	511 951	98%	577 433	279 124	9%
Goods and Services	170 203	68 353	180 753	106%	150 759	78 250	14%
Interest and rent on land							
Transfers and subsidies	4 961	1 687	5 150	104%	5 340	2 165	28%
Provinces and municipalities	1 070	244	1 461	137%	1 064	373	53%
Households	3 891	1 443	3 689	95%	4 276	1 792	24%
Payments for capital assets	56 394	21 857	40 144	71%	44 415	27 307	25%
Machinery and equipment	47 494	21 857	40 106	84%	44 360	27 252	25%
Software and other intangible assets			28		55	55	
Payments for financial assets	128	25	71	55%	93	93	272%
Total	752 014	347 832	738 069	98%	778 040	386 939	11%

Expenditure trends for 2018/19

The department spent 98 per cent of its adjusted budget in the 2018/19 financial year. As at year end, the department underspent by R13.9 million this due to the capital project not delivered on the 31 March 2019. The department made a request for funds to be rolled over to the next financial year.

Programme 1: Administration

In the 2018/19 financial year, Programme 1: Administration spent 101 per cent of the appropriated budget.

Programme 2: Provincial Secretariat for Police Service

The programme: Provincial Secretariat for Police Service has spent 87 per cent of the allocated budget, and the remaining funds committed for the procurement of safety kiosks. In addition, the Expanded Public Works Programme (EPWP) conditional grant, the department underspent its allocated grant for payment of patrollers.

Programme 3: Traffic Management

Programme: Traffic Management has spent 102 per cent of its allocated budget and the outstanding 1 per cent funds was committed towards the procurement of firearms for which a rollover was requested. The accelerated spending in this programme informed by the interventions geared towards reducing road fatalities.

Expenditure trends for the first half of 2019/20

Programme 1: Administration

Programme: has spent 9 per cent of its appropriated budget. The underspending is due to concurred departmental structure not fully implemented.

Programme 2: Provincial Secretariat for Police Service

Programme has spent 14 per cent of its allocated budget. The underspending is due to concurred departmental structure not fully implemented and patrollers' stipends accruals paid in the third quarter.

Programme 3: Traffic Management

Programme spent has 11 per cent of its appropriated budget. The overspending is due to additional traffic officers to concurred departmental structure and payment to Road Traffic Management Corporation for the certificates of traffic officers which originally not budgeted for. In addition, g-fleet charges (new rates) have increased and for road safety campaigns.

6. Departmental Receipts

TABLE 10.9: DEPARTMENTAL RECEIPTS

Department	2018/19 Audited Outcome				2019/20 Actual Receipts		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Tax receipts							
Liquor licences							0%
Sales of goods and services other than capital assets	1 337	593	1 252	94%	1 433	667	12%
Transfers received							0%
Fines, penalties and forfeits	24 101	13 331	28 333	118%	24 897	14 199	7%
Interest, dividends and rent on land		2	6				(100%)
Sales of capital assets		3 531	4 404			2 121	(40%)
Financial transactions in assets and liabilities	8 807	2 190	9 231	105%	9 450	3 771	72%
Total	34 245	19 647	43 226	126.2%	35 780	20 758	5.65%

Revenue trends for the first half of the 2019/20 financial year

The table above shows the contribution of each revenue source to the total revenue generated as at end of 30 September 2019.

In 2019/20 financial year, the department estimates to collect R35.8 million. The target remains the same, thus, there are no adjustments.

As at the end of the second quarter of the 2019/20 financial year, the actual revenue collected is R20.8 million. Fines, penalties and forfeits contributed the largest share and totals to R14.2 million or 68 per cent of the total amount collected. Sales of capital assets amounts to R2.1 million at the end of 30 September 2019 and accounts for proceeds from sale of motor vehicles and other assets. Financial transactions in assets and liabilities contributed R3.8 million to the total and accounts for receipts from other departments and entities.

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

Changes to transfers and subsidies

TABLE 10.10: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Programme 1				1 444			1 444	1 444
Programme 2	1 721			14			14	1 735
Provinces and municipalities	1 019			(116)			(116)	903
Households	702			130			130	832
Total changes in conditional Name of transfer payments	1 721			1 458			1 458	3 179

Virements and shifts

The budget allocated to transfer and subsidies increases from R1.7 million to R3.2 million to defray excess expenditure associated with legal claims against the department which were unforeseeable, and in addition, provision is made for leave gratuity and injury on duty claims paid to employees and non-employees and the renewal of motor vehicles' permits.

Changes to Conditional grant

No changes.

Changes to Infrastructure

Not applicable.

AGRICULTURE AND RURAL DEVELOPMENT

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	990 202	992 672		2 470
of which:				
Current payments	930 623	921 405	(9 218)	
Transfers and subsidies	11 247	9 826	(1 421)	
Payments for capital assets	48 332	61 441		13 109
Payment for financial assets				
Executive authority	MEC for Agriculture and Rural Development			
Accounting officer	Head of Department			

1. Vision and Mission

Vision

An economically transformed agricultural sector and sustainable environmental management for healthy, food security, developed rural and urban communities in Gauteng.

Mission

To radically modernize and transform agriculture, environment and rural development by:

2. Changes to Programme Purpose, Objective and Measures

The advent of the 6th Administration continues in a quest to entrench the provincial TMR aligned to the NDP as pronounced in the State of the Province Address (SOPA) on 1st July 2019 under new Provincial Development Plan referred to as “Growing Gauteng Together – our Roadmap to 2030”, hereinafter referred to as GGT. In other words, the TMR remains the strategic anchor of the provincial development plan of Gauteng over the next decade. These set the political framework and make specific of commitments in line with the 2019 ANC Manifesto with the aim is to map a new trajectory for the accomplishment of the following new provincial priorities aligned to those of National government:

- Economy, Jobs and Infrastructure;
- Education, Skills Revolution and Health;
- Safety, Social Cohesion and Food Security;
- Integrated Human Settlements and Land Release; and
- Building a Capable, Ethical and Developmental State.

It is very important to note that extensive engagements with every municipality about what development plans and infrastructure investment planned for each corridor by all spheres of government over the next five years took place to ensure involvement and buy-in of all municipalities in the development and adoption of GGT. This process has ensured that there is full alignment between national, provincial and municipal plans regarding any development and infrastructure investment that will take place in any municipality or community in Gauteng.

It is on the bases of this new Roadmap that all Departmental Strategic Plan (2020-2025) and Annual Performance Plans (APPs) and new Budgets will be developed. In response to the new Roadmap, GDARD committed to implement four (04) Apex programmes:

- - Commercialization and Food Security
- - Agro-processing

- - Climate Change and Environmental Sustainability
- - Solidarity Economy

AGRICULTURE AND RURAL DEVELOPMENT

Procurement of two Combine Harvesters amounting to R10.5 million from equitable share, which will create twenty job opportunities and is linked to the downstream value chain.

Procurement of production inputs and agro-logistics for the commercialisation of farmers to the value of R105.2 million from equitable share, which will create 200 job opportunities downstream.

Procurement of red meat and eight chicken mobile abattoirs amounting to R73 million from equitable share and conditional grants, which will create 250 job opportunities downstream.

Upscaling of production inputs to support farmers to the value of R12.8 million from Comprehensive Agricultural Support Programme (CASP) grants, which will create 50 jobs and downstream.

Upscale the Graduate Programme from 170 to 400 graduates who will be placed on farms to gain experience and will cost R30 million.

ENVIRONMENTAL AFFAIRS

Youth Jobs in Waste in Project to the value of R7 million which will create 135 additional Work Opportunities. This programme will provide job opportunities to young people in all provincial corridors.

Bontle ke Botho (BkB) Awareness (Graduates) programme with employment of 100 graduates amounting to R2.8 million. This amount is to upscale the stipends for the graduates from R4 500 per month to R5 000 per month. This programme will provide job opportunities to young people in all provincial corridors.

Air Quality Management: The project on the roll out of 10 ambient monitoring stations. The purpose of this project is to improve air quality management and monitoring in the Gauteng City Region.

Climate Change: Funds to the total of R1.5 million were shifted from Directorate Impact Management to establish programmes and initiatives to support climate change management to support the shift towards a climate resilient Gauteng City Region.

3. Summary of Adjusted Estimates of Departmental Expenditure 2019/20

TABLE 11.1: DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Administration	252 611	(1 870)					(1 870)	250 741
2. Agriculture and Rural Development	432 724	(1 651)	4 757			5 633	8 739	441 463
3. Environmental Affairs	304 867	(4 399)					(4 399)	300 468
Total for Programmes	990 202	(7 920)	4 757			5 633	2 470	992 672

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
Current payments	930 623	(6 282)	4 757	(13 326)		5 633	(9 218)	921 405
Compensation of employees	526 637	(1 520)					(1 520)	525 117
Salaries & wages	447 248	(1 320)					(1 320)	445 928
Social contribution	79 389	(200)					(200)	79 189
Goods and services	403 986	(4 762)	4 757	(13 326)		5 633	(7 698)	396 288
Transfers and subsidies	11 247			(1 421)			(1 421)	9 826
Provinces and municipalities				50			50	50
Departmental agencies and accounts	4 218			(2 555)			(2 555)	1 663
Higher education institutions	3 734							3 734
Public corporations and private enterprises	1 533							1 533
Households	1 762			1 084			1 084	2 846
Payments for capital assets	48 332	(1 638)		14 747			13 109	61 441
Buildings and other fixed structures	15 480	(1 478)		(976)			(2 454)	13 026
Machinery and equipment	32 852	(160)		15 723			15 563	48 415
Payments for financial assets								
Thefts & Losses								
Total economic classification	990 202	(7 920)	4 757			5 633	2 470	992 672

The adjustments made to this department are mainly to allocate approved rollovers, additional funding to effect shifting of funds within and between programmes and to surrender funds for projects not ready for implementation.

The department received an additional funding of R5.6 million for implementation and operationalisation of Isigayo Milling plant in Randfontein.

An amount of R4.7 million is approved as a rollover for Comprehensive Agricultural Support Programme (CASP) grant that will fund the following projects: poultry production inputs; research agenda project; plant pest identification, Sebokeng Zone 10 Agripark; Eikenhof irrigation project; and Hydroponic tunnel repairs. Included in this rollover amount is R126 000 for the production of service video and biotechnology programme.

Furthermore, the department surrendered R7.9 million, of which R6.2 million is due to progress and readiness for implementation of infrastructure projects at the departmental nature reserves and R1.6 million is from Illima/Letsema grant to pay for national food and nutrition survey.

Funds are reprioritized to areas, which support priority interventions along with stringent measures of cost-saving implemented. These funds are redirected and shifted within the programmes and economic classification primarily from compensation of employees to align budget to areas of budgetary pressures and priorities in goods and services.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 11.2: PROGRAMME 1: ADMINISTRATION

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Office of the Mec	6 625							6 625
2. Senior Management	29 009							29 009
3. Corporate Services	92 706							92 706
4. Financial Management	124 271	(1 870)					(1 870)	122 401
Total for Programmes	252 611	(1 870)					(1 870)	250 741

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	244 657	(1 710)		(1 693)			(3 403)	241 254
Compensation of employees	145 636	(1 520)					(1 520)	144 116
Salaries & wages	119 498	(1 320)					(1 320)	118 178
Social contribution	26 138	(200)					(200)	25 938
Goods and services	99 021	(190)		(1 693)			(1 883)	97 138
Transfers and subsidies	1 712			1 052			1 052	2 764
Provinces and municipalities				50			50	50
Departmental agencies and accounts	898			445			445	1 343
Households	814			557			557	1 371
Payments for capital assets	6 242	(160)		641			481	6 723
Buildings and other fixed structures								
Machinery and equipment	6 242	(160)		641			481	6 723
Payments for financial assets								
Thefts & Losses								
Total economic classification	252 611	(1 870)					(1 870)	250 741

TABLE 11.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(5 190)		3 497
Compensation of employees				
Goods and services	Funds are made available due to budget for facilitators and medical services at departmental events not being fully utilised. In addition the budget for employees' wellness is incorrectly allocated under Consultants. Furthermore, savings realized from maintenance and repairs of offices and redirected to Take Girl/Boy child projects.	(5 190)	Funds are shifted to cover cost for hosting of MINTECH, Women Forum and Occupational Health and Safety project. Provision is also made for the implementation of the Take a Girl/Boy Child projects.	3 497
Interest and rent on land				
Transfers and subsidies				1 052
Provinces and municipalities			Provision made for payment of property rates to local municipalities.	50
Departmental agencies and accounts			Funds are shifted to cover the shortfall on transfers to SETA's.	445
Households			Funds are shifted to cover the external bursary applicants in support of creating opportunities for youth and leave gratuity payments.	557
Payments for capital assets				641
Machinery and equipment			Budget is allocated to procure cameras for communications unit, and procure laptops and printing equipment.	641

Economic classification	Motivation	From	Motivation	To
Payments for financial assets				
Total economic classification		(5 190)		5 190

Virements and shifts

Through shifts within the programme an amount of R1.7 million is redirected from goods and services to cover the external bursary applicants in support of creating opportunities for youth and to make provision for Take a Girl/Boy Child project. In addition, provision is made to supplement the budget of machinery and equipment for acquisition of office equipment such as laptops, desktops, printer and projectors.

Surrender: R1.8 million

An amount of R1.8 million is surrendered from IDMS Infrastructure capacity building programme due to the delays in the appointment of agricultural engineers and procurement of tools of trade.

Programme 2: Agriculture and Rural Development

TABLE 11.4: PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Sustainable Resource Management	5 675							5 675
2. Farmer Support And Development	195 375	(1 651)	1 585	1 000			934	196 309
3. Veterinary Services	111 579							111 579
4. Research And Technology Development Services	76 284		3 172				3 172	79 456
5. Agricultural Economics Services	32 769					5 633	5 633	38 402
6. Rural Development Coordination	11 042			(1 000)			(1 000)	10 042
Total for Programmes	432 724	(1 651)	4 757			5 633	8 739	441 463

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	404 770	(1 651)	4 757	(8 857)		5 633	(118)	404 652
Compensation of employees	185 906							185 906
Salaries & wages	159 244							159 244
Social contribution	26 662							26 662
Goods and services	218 864	(1 651)	4 757	(8 857)		5 633	(118)	218 746
Transfers and subsidies	8 988			(2 500)			(2 500)	6 488
Departmental agencies and accounts	3 320			(3 000)			(3 000)	320
Higher education institutions	3 734							3 734
Public corporations and private enterprises	1 533							1 533
Households	401			500			500	901
Payments for capital assets	18 966			11 357			11 357	30 323
Buildings and other fixed structures	13 000			(3 000)			(3 000)	10 000
Machinery and equipment	5 966			14 357			14 357	20 323
Payments for financial assets								
Thefts & Losses								
Total economic classification	432 724	(1 651)	4 757			5 633	8 739	441 463

TABLE 11.5 DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: AGRICULTURE AND RURAL DEVELOPMENT

Economic classification	Motivation	From	Motivation	To
Current payments		(29 875)		21 018
Compensation of employees	Realignment of Compensation of Employees budget under Social Facilitation Unit.	(3 009)	Funds are shifted to supplement the budget for compensation of employees.	3 009
Goods and services	Funds made available from cancellation of Land underutilization project; Agricultural management system project withdrawn due to readiness for implementation; and Agri-Food Festival project being deferred to the next financial year.	(26 866)	Funds are shifted towards the development and support of young farmers, and also hiring of digging equipment for burial of pig carcasses from ASF outbreak. Provision is made towards the combine harvester and herders ; advertising and marketing costs for the Rand Easter Agricultural show.	18 009
Interest and rent on land				
Transfers and subsidies		(3 000)		500
Provinces and municipalities	Funds for training of smallholder farmers incorrectly allocated under transfers.	(3 000)	Funds are shifted for injury on duty and leave gratuity benefits.	500
Departmental agencies and accounts				
Households				
Payments for capital assets		(3 180)		14 537
Buildings and other fixed structures	Funds shifted from delayed operationalisation of veterinary clinic in Hammanskraal due to ongoing engagements of land transfer from City of Tshwane to GDARD.	(3 000)	Funds will make provision for the procurement of Combine Harvester trucks for maize farmers for Rietkuil Mega Agri-Park.	14 537
Machinery and equipment	Budget for cellphones leases incorrectly allocated under other machinery and equipment.	(180)		
Payments for financial assets				
Total economic classification		(36 055)		36 055

Surrenders: R1.6 million

An amount of R1.6 million for Illima/Letsema grant is surrendered from the national food and nutrition survey that Human Science Research council undertake to inform the food security forecasting exercise. The food security survey will be conducted to check the level of vulnerability and poverty level in farming communities.

Additional funding: R5.6 million

An amount of R5.6 million is availed for implementation and operationalisation of Isigayo Milling plant in Randfontein to develop alternative value chain to produce staple food particularly maize, localise production of maize thereby cut down on the production costs, transportation and contributing to job creation.

Provincial roll-overs: R4.7 million

An amount of R4.7 million is rolled over for the following incomplete projects that commenced in the 2018/19 financial year:

- R1.8 million is for the commitments on research projects implemented by the Agriculture Research Council (ARC);
- An amount of R1.6 million is rolled over for production inputs to support farmers; plant pest identification; Eikenhof irrigation project; and hydroponic tunnel repairs.
- Furthermore, an amount of R1.3 million is allocated for the Research Technology and Development support for Agri-parks, irrigation project and hydroponic tunnel repairs.

Virements and shifts

The programme budget reflects a net increase of R3.1 million with this virements and results in the adjusted appropriation of R441.5 million. Funds are made available under goods and services towards the development and support of young farmers, contractors for EPWP stipends which is allocated under farming supplies. Funds are shifted within programme for advertising and marketing of the Rand Easter Agricultural Show.

Furthermore, an amount of R3 million is shifted from transfers and subsidies to goods and services for training and development of smallholder farmers on food safety and quality assurance throughout agro-processing value chain.

Lastly, funds are shifted to machinery and equipment for the procurement of Combine Harvester trucks for maize farmers in Rietkuil Mega Agri-Park.

Programme 3: Environmental Affairs

TABLE 11.6: PROGRAMME 3: ENVIRONMENTAL AFFAIRS

Sub-programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Environmental Policy, Planning And Coordination	26 029			1 500			1 500	27 529
2. Compliance And Enforcement	46 929							46 929
3. Environmental Quality Management	60 888			(1 500)			(1 500)	59 388
4. Biodiversity Management	114 046	(4 399)					(4 399)	109 647
5. Environmental Empowerment Services	56 975							56 975
Total for Programmes	304 867	(4 399)					(4 399)	300 468

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	281 196	(2 921)		(2 776)			(5 697)	275 499
Compensation of employees	195 095							195 095
Salaries & wages	168 506							168 506
Social contribution	26 589							26 589
Goods and services	86 101	(2 921)		(2 776)			(5 697)	80 404
Transfers and subsidies	547			27			27	574
Households	547			27			27	574
Payments for capital assets	23 124	(1 478)		2 749			1 271	24 395
Buildings and other fixed structures	2 480	(1 478)		2 024			546	3 026
Machinery and equipment	20 644			725			725	21 369
Payments for financial assets								
Thefts & Losses								
Total economic classification	304 867	(4 399)					(4 399)	300 468

TABLE 11.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASIFICATION: PROGRAMME 3: ENVIRONMENTAL AFFAIRS

Economic classification	Motivation	From	Motivation	To
Current payments		(12 638)		9 862
Compensation of employees				
Goods and services	Funds for farming supplies will not be fully utilised due to delays in tender processes. Retiring personnel in departmental nature reserves resulted in budget for protective clothing not being fully utilised. In addition, funds made available as a result of one dumping site project that will not be rehabilitated due to not meeting the IMDS requirements.	(12 638)	Provision is made towards the following : Air Quality Lekgotla event ; maintenance and repairs in the departmental nature reserves ; procurement of motor vehicles; climate change indaba event; and payment of employees stipend for the EPWP job creation program.	9 862
Interest and rent on land				
Transfers and subsidies				27
Households			Funds are shifted for the leave gratuity and injury on duty benefits.	27
Payments for capital assets		(2 500)		5 249
Buildings and other fixed structures			Funds are made available for the completion of Kareekloof Oxidation Tank project.	2 024
Machinery and equipment	Funds for motor vehicles misclassified as other machinery instead of transport equipment.	(2 500)	Funds are shifted for the procurement of motor vehicles. Funds also availed for the procurement of tools of trade such as laptops and desk tops.	3 225
Payments for financial assets				
Total economic classification		(15 138)		15 138

Virements and shifts

Through virements and shifts, funds are availed for Climate Change Indaba event, Air Quality Lekgotla and Land Claims Advisory Project as well as payment of stipend for the EPWP job creation program. In addition, provision is made for the rental and hiring of marquee during the World Environmental Day, Arbor Day, National Clean-up Day and World Wetlands Day.

Moreover, an amount of R2 million is allocated towards the completion of Kareekloof Oxidation Tank project under buildings and other fixed structures. Lastly, R3.2 million caters for the procurement of motor vehicles under buildings and other fixed structures.

Surrenders: R4.3 million

An amount of R4.3 million is surrendered from infrastructure projects due to delay in the progress and readiness for implementation.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE 11.8: EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
1. Administration	232 387	106 127	238 841	103%	250 741	139 375	(44%)
2. Agriculture and Rural Development	535 591	154 654	395 248	74%	441 463	177 427	(60%)
3. Environmental affairs	229 786	106 592	255 770	111%	300 468	133 750	(55%)
Total	997 764	367 373	889 859	89%	992 672	450 552	23%
Current payments	915 389	361 889	867 442	95%	921 405	414 325	(112%)
Compensation of employees	481 000	236 876	494 038	103%	525 117	262 870	(50%)
Goods and Services	434 389	125 013	373 404	86%	396 288	151 455	(62%)
Interest and rent on land							
Transfers and subsidies	11 878	3 709	11 491	97%	9 826	3 001	(255%)
Provinces and municipalities	4 000		4 000	100%	50	3	(94%)
Departmental agencies and accounts	961		1 222	127%	1 663	1 343	(19%)
Higher education institutions	5 291	3 120	3 420	65%	3 734		(100%)
Public corporations & private enterprises					1 533		
Households	1 626	589	2 849	175%	2 846	1 655	(42%)
Payments for capital assets	70 497	1 750	10 900	15%	61 441	33 226	1799%
Buildings and other fixed structures	27 790	30	1 966	7%	13 026	101	(99%)
Machinery and equipment	42 707	1 720	8 934	21%	48 415	33 125	(32%)
Payments for financial assets		25	26				
Total	997 764	367 373	889 859	89%	992 672	450 552	23%

Expenditure trends for 2018/19

The department was allocated R998 million during the 2018/19 financial year, and R890 million or 89 per cent of this amount was spent by the end of financial year. The details of spending per programme are as follows:

Administration Programme spent R239 million or 103 per cent of the budget mainly driven by recruitment of infrastructure professionals to improve on the planning and delivery of infrastructure projects. Agriculture and Rural Development Programme spent R395 million or 74 per cent mainly driven by delays in implementation of infrastructure projects. The overspending in Environmental Affairs Programme by 111 per cent was due to expenditure for upgrading and rehabilitation of the departmental nature reserves.

Compensation of Employees

The Department spent R494 millions which is equivalent to 103 per cent of the allocated budget. Overspending was due to filling of critical posts, which are OSD related, hence budget shortfall.

Goods and Services

The Department spent R373 million or 86 per cent of the allocated budget. The underspending in goods and services was due to delays in supply chain processes.

Transfers and Subsidies

The Department spent R11 million or 97 per cent of the allocated budget. The underspending was due to delays in approving the MoU for some of the transfers.

Payments for Capital Assets

The Department spent R11.5 million or 15 per cent of the allocated budget. Bulk of the budget is for BKB, Agri-parks and infrastructure projects. The cause of underspending is due to cancellation of tenders and late appointment of the probity auditors to review tender process, contributed to the delay in awarding of tenders.

Preliminary expenditure trends for the first half of 2019/20

Compensation of Employees

The total spent by the department as at the end of September 2019 amounts to R263 million which translates to 50 per cent of the budget. The spending excludes the performance bonuses and notch progression for the 2018/19 financial year, which are yet to be paid.

Goods and Services

The goods and services item reflects that an amount of R151 million is spent for the period under review and this translates to 39 per cent of the budget. The slow spending is due to tender processes, which are still unfolding in the department. The Probity Audit process and appointments have had a negative effect and delays on spending. The infrastructure projects are required to follow the IDMS process, which requires the services of registered qualified engineers, architects, town planners, and quantity surveyors to sign-off all TOR's and monitor these projects for delivery. This resulted in some of the delays in the infrastructure projects.

Transfers and Subsidies

The transfers and subsidies budget is R9.8 million of which R3 million or 31 per cent is spent for the period under review. Expenditure incurred under households amounts to R1.6 million and relates to external bursaries and leave gratuity. An amount of R1.3 million is transferred to SETA's for skills levy development.

Payments for Capital Assets

Payments for capital assets recorded R33 million expenditure for the period under review. The expenditure is mainly driven by procurement of mobile abattoirs, combined harvesters, agricultural cold trucks and for tools of trade: laptops and printers for employees. A significant share of the budget is for infrastructure projects that are done through the tender process and is still unfolding. The probity audit process and low levels of staff appointments have had a negative effect and delays on spending.

6. Departmental Receipts

TABLE 11.9: DEPARTMENTAL RECEIPTS

Department	2018/19 Audited Outcome				2019/20 Actual Receipts		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Tax receipts							
Sales of goods and services other than capital assets	8 989	4 994	10 953		10 195	5 881	18%
Transfers received							0%
Fines, penalties and forfeits	7 131	560	2 580	(1)		1 587	183%
Interest, dividends and rent on land	6	13	1	(1)	7	3	(77%)
Sales of capital assets							0%
Financial transactions in assets and liabilities	260	199	554	1	260	226	14%

Department	2018/19 Audited Outcome				2019/20 Actual Receipts		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Total	16 386	5 766	14 088	(14%)	10 462	7 697	33%

Revenue collection 2018/19 financial period:

The department collected R14 million which is equivalent to 86 percent of the total budget projection. Revenue collected was on domestic services, rental dwellings, staff parking, Vet, permits, S24G fines, environmental application fees. The deviation was due to S24G fines payments which are not dependant by department where in commissioner can review and reduce the fines.

Revenue trends for the first half of the 2019/20 financial year.

The budget for revenue for the 2019/20 financial year has been reduced by R6.4 million from R17.3 million to R10.4 million. This is an adjustment is because the department was advised not to include S24G fines as part of its revenue stream.

The total revenue collected from 1 April 2019 to 30 September 2019 amounts to R 7,697 million or 73 percent of the expected collection for the 2019/20 financial year. There is a slight under collection of 5 percent which is mainly attributed few payments were received for S24G fines; there is no due date for payments once they are issued. The department over collected on sales of goods and services from which the collection was R3.3 million on Veterinary services to date.

In the month of August, the department collected R124 484 on staff debt of which R120 172 was for leave without pay debt recovery of an Ex-employee. The debt was recovered from the employees' pension. The collection on S24G will be treated as a once off, as collection is not guaranteed. These fines are issued monthly and may be reviewed and reduced by the Commissionee

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

Changes to transfers and subsidies

TABLE 11.10: CHANGES TO TRANSFERS AND SUBSIDIES

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R'000								
Programme 1	1 712						1 052	2 764
Provinces and municipalities							50	50
Departmental Agencies (non-business entity)	898						445	1 343
Households	814						557	1 371
Programme 2	8 988			(3 000)			(2 500)	6 488
Departmental Agencies and accounts	3 320			(3 000)			(3 000)	320
Higher Education Institution	3 734							3 734
Public Corporations and Private enterprises	1 533							1 533
Households	401						500	901
Programme 3	547			27			27	574
Households	547			27			27	574
Total changes in conditional Name of transfer payments	11 247			(2 973)			(1 421)	9 826

Funds shifted from Departmental agencies to cover the shortfall on transfers to SETA's for skills development, (PPECB and SABs) for training of smallholder farmers not approved due to transfer not meeting requirements. In addition, funds are shifted to cover the external bursaries applicants in support of creating opportunities for youth and leave gratuity payments.

Changes to Conditional grant

TABLE 11.11: CHANGES TO CONDITIONAL GRANTS

R'000	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Programme 2	131 471	(1 651)	1 585				(66)	131 405
Comprehensive Agricultural Support Programme grant	91 306		1 585				1 585	92 891
Ilima/Letsema Projects Grant	31 974	(1 651)					(1 651)	30 323
Land Care Programme Grant: Poverty Relief and Infrastructure Development	5 675							5 675
Expanded Public Works Programme Incentive Grant for Provinces	2 516							2 516
Total changes in conditional grants	131 471	(1 651)	1 585				(66)	131 405

An amount of R1.6 million is rolled over for the Comprehensive Agricultural Support Programme (CASP) for production inputs to support farmers that commenced in the 2018/19 financial year.

Surrender: R1.6 million

An amount of R1.6 million is surrendered from Ilima/Letsema for national food and nutrition survey that Human Science Research council undertakes to inform the food security forecasting exercise. The food security survey will be conducted to check the level of vulnerability and poverty level in farming communities.

Changes to Infrastructure

Please refer to 2019 Adjusted Estimates of Capital Expenditure (AECE).

SPORT, ARTS, CULTURE AND RECREATION

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 058 424	969 303	(89 121)	
of which:				
Current payments	631 663	608 221	(23 442)	
Transfers and subsidies	299 204	290 955	(8 249)	
Payments for capital assets	127 557	70 126	(57 431)	
Payment for financial assets		1		1
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 2019/20

TABLE 12.1 DEPARTMENT OF SPORT, ARTS, CULTURE AND RECREATION

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Administration	151 321	(3 363)	1 295	4 583			2 515	153 836
2. Cultural Affairs	225 575	(12 092)	4 326				(7 766)	217 809
3. Library and Archives Services	353 990	(38 565)	2 442	(4 583)			(40 706)	313 284
4. Sport and Recreation	327 538	(43 164)					(43 164)	284 374
Total for Programmes	1 058 424	(97 184)	8 063				(89 121)	969 303

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	631 663	(27 592)	1 044	3 106			(23 442)	608 221
Compensation of employees	340 594	(27 169)		(38 240)			(65 409)	275 185
Salaries & wages	294 236	(25 079)		(28 912)			(53 991)	240 245
Social contribution	46 358	(2 090)		(9 328)			(11 418)	34 940
Goods and services	291 069	(423)	1 044	41 345			41 966	333 035
Interest and rent on land				1			1	1
Transfers and subsidies	299 204	(28 000)		19 751			(8 249)	290 955
Provinces and municipalities	176 653			5 500			5 500	182 153
Departmental agencies and accounts	37 500							37 500
Non-profit institutions	83 308	(28 000)		12 995			(15 005)	68 303
Households	1 743			1 256			1 256	2 999
Payments for capital assets	127 557	(41 592)	7 019	(22 858)			(57 431)	70 126
Buildings and other fixed structures	69 667	(31 842)	4 547	1 196			(26 099)	43 568
Machinery and equipment	52 427	(9 750)	747	(24 354)			(33 357)	19 070
Heritage assets	5 463		1 725				1 725	7 188
Software and other intangible assets				300			300	300
Payments for financial assets				1			1	1
Thefts & Losses				1			1	1
Total economic classification	1 058 424	(97 184)	8 063				(89 121)	969 303

In the current year's budget, adjustments are made to allow for the appropriation of approved rollovers and the surrender of funds to the Provincial Revenue Fund. Reprioritisation of budget is also effected to address spending pressures.

The total budget is adjusted downward from a main budget of R1.1 billion to R969.3 million, declining by a net amount of R89.1 million. This net amount comprises of a surrender of R97.2 million to the Provincial Revenue Fund, and unspent funds of R8 million that are rollovers from the preceding financial year. The total surrender of R97.2 million includes R45 million which was allocated for infrastructure projects including the building of libraries throughout the province, capacity building of professional infrastructure personnel, multi-purpose courts and the rehabilitation of the HM Pitje Stadium as well as R52 million which was allocated for the bidding and hosting of events, the Women's Living Heritage Monument and the Provincial Archives Centre.

The 2019/20 budget is reprioritised in order to identify funding that will be reallocated to fund the priorities of the 6th administration and to address existing spending pressures utilising funding identified from either slow spending or slow performing programmes and projects. An amount of R38.2 million is shifted from compensation of employees due to the review of the organisational structure to ensure that it is aligned with the mandate of the sixth administration.

Shifts are also effected to realign the budget earmarked for specific projects with the revised spending plans and transfers to municipalities from the Community Library Services Grant is increased.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 12.2: PROGRAMME 1: ADMINISTRATION

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Office of the MEC	7 260			4 661			4 661	11 921
2. Corporate Services	144 061	(3 363)	1 295	(78)			(2 146)	141 915
Total for Programmes	151 321	(3 363)	1 295	4 583			2 515	153 836

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	145 981	(3 363)	548	3 008			193	146 174
Compensation of employees	106 232	(3 363)		(2 462)			(5 825)	100 407
Salaries & wages	90 770	(3 363)		513			(2 850)	87 920
Social contribution	15 462			(2 975)			(2 975)	12 487
Goods and services	39 749		548	5 470			6 018	45 767
Interest and rent on land								
Transfers and subsidies	929			1 245			1 245	2 174
Provinces and municipalities								
Households	929			1 245			1 245	2 174
Payments for capital assets	4 411		747	330			1 077	5 488
Machinery and equipment	4 411		747	30			777	5 188
Software and other intangible assets				300			300	300
Payments for financial assets								
Thefts & Losses								
Total economic classification	151 321	(3 363)	1 295	4 583			2 515	153 836

TABLE 12.3 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(7 686)		10 694
Compensation of employees	Budget is reprioritised due to a moratorium placed on the filling of vacancies as a result of the organisational structure being reviewed.	(5 123)	Provision for new appointees within the office of the MEC.	2 661
Goods and services	Funds are reprioritised since the lease of the office building is funded by the Gauteng Department of Infrastructure Development. Funds are reprioritised within the programme as the item is adequately funded in the core programmes for projects.	(2 563)	Provision for networks and the maintenance of the network portals which is higher than expected. Provision for emerging spending pressure due to an increase of stakeholder engagements in the five regions. Budget allocated to cater for services offered by contractor such as artist and performers and casual labourers at the engagements. And to cater for marketing initiatives during the Delicious Festival, as well as payment of uniform for security and cleaners.	8 033
Interest and rent on land				
Transfers and subsidies				1 245
Households			Provision is made due to claims against the state that department had to pay and leave gratuity. Provision for gifts and donations funding in the office of the MEC in support of performing artists and sportsmen.	1 245
Payments for capital assets		(128)		458
Machinery and equipment	Funds are reprioritised as the purchasing of equipment and furniture is centralised with IT and facilities which is adequately budgeted for.	(128)	Provision is made for additional photographic equipment needed in the MEC's office.	158
Software and other intangible assets			Provision for additional computer software needed within Asset Management for the barcoding and recording of department's assets in the asset register.	300
Payments for financial assets				
Total economic classification		(7 814)		12 397

Surrender: R3.4 million

An amount of R3.4 million is surrendered back to the Provincial Revenue Fund from compensation of employees due to the slow progress in the recruitment of relevant professional staff in the built (infrastructure) environment.

Provincial rollovers: R1.3 million

The programme receives an amount of R1.3 million as a rollover from the preceding financial year of which R548 000 is allocated to goods and services to cater for audit services and R747 000 is allocated to machinery and equipment to procure computers for newly appointed staff and to install security cameras at head office.

Virements and shifts

An amount of R3.4 million shifts to the programme and is allocated to goods and services to make provision for emerging spending pressures. The personnel budget is realigned and compensation of employees in the Office of the MEC increases to capacitate this office after the sixth administration came into government as per Chapter 3 subsection 2 of the Guide for Members of the Executive, with effect from the 8th June 2019.

The net increase of R5.5 million in goods and services is primarily for the training and development of employees to comply with the prescribed the legislation to capacitate officials reporting to the Office of the MEC, to comply with Occupational Health and Safety (OHS) requirements as required by the Department of Labour and to strengthen transformation programmes.

The R1.2 million increase in households is funding availed to the Office of the MEC to support projects that are related to the departmental mandate.

Programme 2: Cultural Affairs

TABLE 12.4: PROGRAMME 2: CULTURAL AFFAIRS

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Management	7 968			2 899			2 899	10 867
2. Arts & Culture	136 320	(890)		(1 190)			(2 080)	134 240
3. Heritage Resource Services	76 909	(11 202)	4 326	1 141			(5 735)	71 174

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
4. Language Services	4 378			(2 850)			(2 850)	1 528
Total for Programmes	225 575		4 326				(7 766)	217 809

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	164 932	(11 202)		(5 036)			(16 238)	148 694
Compensation of employees	77 504	(11 202)		(10 280)			(21 482)	56 022
Salaries & wages	69 539	(10 602)		(9 347)			(19 949)	49 590
Social contribution	7 965	(600)		(933)			(1 533)	6 432
Goods and services	87 428			5 244			5 244	92 672
Transfers and subsidies	48 015			4 102			4 102	52 117
Provinces and municipalities	2 515							2 515
Departmental agencies and accounts	37 500							37 500
Non-profit institutions	8 000			4 000			4 000	12 000
Households				102			102	102
Payments for capital assets	12 628	(890)	4 326	933			4 369	16 997
Buildings and other fixed structures	2 000	(890)	2 601				1 711	3 711
Machinery and equipment	5 165			933			933	6 098
Heritage assets	5 463		1 725				1 725	7 188
Payments for financial assets				1			1	1
Total economic classification	225 575	(12 092)	4 326				(7 766)	217 809

TABLE 12.5 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: CULTURAL AFFAIRS

Economic classification	Motivation	From	Motivation	To
Current payments		(21 640)		16 604
Compensation of employees	Funds were reclassified from compensation of employees due to this item being adequately funded within this sub-programme.	(13 179)	Provision for personnel that was moved into the Sub-programme: Management to support the operations of the corridors.	2 899
Goods and services	The budget is moved due to a decrease in cost incurred for the arts and cultural events which took place within the community and the department has partnered with the municipalities to provide the venues. Fund shifted due to implementation of cost cutting measures put in place for holiday programs in clusters, and due to department reducing contractors and using internal resources to implement business activities for the Women's Heritage Living Monument.	(8 461)	Realignment of the budget for additional costs on commemorative days and roll out of the Sixth administration additional projects e.g. Erstwile artists, street artists and the decentralisation of the Day of Reconciliation to communities. Provision for an increased number in community participation at commemorative days. And in addition, provision is made for consumable supplies to support the operations of the museums and corridors. And for payment of municipal services, security services and minor maintenance at the corridors.	13 705
Transfers and subsidies				4 102
Non-profit institutions			Additional budget allocated for supporting arts and cultural organisations for implementation of arts and culture projects.	4 000
Households			Provision for payment of leave gratuity	102
Payments for capital assets		(1 067)		2 000
Machinery and equipment	Funds are reclassified from capital due to SCOA classification for assets less than R5000.	(1 067)	Provision for IT equipment and audio visual equipment for the corridor offices.	2 000
Payments for financial assets			Provision for bad debts written-off as irrecoverable.	1
Total economic classification		(22 707)		22 707

Surrender: R12.1 million

The amount of R12.1 million is surrendered back to the Provincial Revenue Fund due to slow progress in fully operationalising the Women's Living Heritage Monument. In addition R890 000 of this amount is surrendered due to the deferment of the procurement process and delays in the project initiation phase of the Decentralised Hub Offices project.

Provincial rollovers: R4.3 million

The programme receives an amount of R4.3 million as a rollover of funds unspent in the preceding year which was previously allocated to the Women's Living Heritage Monument. Included in this amount is R1.7 million to finalise the outstanding heritage component of the Women's Living Heritage Monument that is still under construction in Pretoria, which will entail the installation of the solar panels and the sourcing of professional services and R2.6 million for the completion of the Women's Living Heritage Monument (Phase 1).

Virements and shifts

An amount of R10.3 million is shifted within the programme from compensation of employee due to the review of the organisational structure to ensure that is aligned with the priorities of the sixth administration.

An amount of R8.6 million shifts to goods and services which is for the implementation of programmes in the corridors which form part of the priorities of the sixth administration and for supplementing the operational budget of the corridors. Some of the priorities of the sixth administration receiving funding amongst other the Erstwhile Cultural Stars, street artists (Ziveze) and a school enrichment project in the vulnerable communities. An amount of R4.1 million is allocated to transfers is to defray excess expenditure incurred on the payment of leave gratuities and on the provision of support to arts and culture organisations.

Programme 3: Library and Archives Services

TABLE 12.6: PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Management	6 802			(2 651)			(2 651)	4 151
2. Library Services	311 053	(25 961)	496	(5 516)			(30 981)	280 072
3. Archives	36 135	(12 604)	1 946	3 584			(7 074)	29 061
Total for Programmes	353 990	(38 565)	2 442	(4 583)			(40 706)	313 284

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	95 727	(12 604)	496	1 945			(10 163)	85 564
Compensation of employees	37 424	(12 604)		(8 209)			(20 813)	16 611
Salaries & wages	30 574	(11 114)		(7 030)			(18 144)	12 430
Social contribution	6 850	(1 490)		(1 179)			(2 669)	4 181
Goods and services	58 303		496	10 153			10 649	68 952
Transfers and subsidies	177 952			7 102			7 102	185 054
Provinces and municipalities	174 138			5 500			5 500	179 638
Non-profit institutions	3 000			1 900			1 900	4 900
Households	814			(298)			(298)	516
Payments for capital assets	80 311	(25 961)	1 946	(13 630)			(37 645)	42 666
Buildings and other fixed structures	61 111	(25 961)	1 946	946			(23 069)	38 042
Machinery and equipment	19 200			(14 576)			(14 576)	4 624
Total economic classification	353 990	(38 565)	2 442	(4 583)			(40 706)	313 284

TABLE 12.7 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: LIBRARY AND ARCHIVES SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(27 062)		29 006
Compensation of employees	Funds are reclassified since personnel located within the Sub-programme: Management are adequately funded.	(14 444)	Budget allocated as staff paid through equitable share under the Sub-programme: Library Services was not adequately budgeted for.	6 235
Goods and services	Funds are shifted due to a delay in the operationalisation of the Archive Centre. Funds are reclassified to advertising as it relates to awards for competitions in library services. Furthermore, Funds are reclassified due to SCOA requirements as new items were created under inventory for the	(12 618)	Budget allocated to provide for event promoters, artists and performers during the opening ceremonies at libraries and the Erstwhile writers and literary figures. Funds are reclassified due to SCOA requirements that states that machinery and equipment for distribution must be classified as	22 771

Economic classification	Motivation	From	Motivation	To
	distribution of equipment. And in addition, budget is reprioritised within the programme because items are adequately funded.		inventory. In addition, budget is allocated for rolling out libraries in hospitals. Budget is also allocated towards procurement promotional items relating to reading, spelling and debating competitions. And towards payment of rates and taxes for libraries, training for non-employees at community libraries. Provision is made available for library conferences and stakeholder workshops.	
Transfers and subsidies		(368)		7 470
Provinces and municipalities			Additional funds to be transferred to municipalities for the maintenance, upgrading and security of municipal libraries.	5 500
Non-profit institutions			Provision made to fund Library for the blind, and organisations supporting functions of public libraries.	1 900
Households	Funds are reclassified due to the reduction in bursaries awarded to non- employees.	(368)	Provision for leave gratuity.	70
Payments for capital assets		(15 226)		1 596
Buildings and other fixed structures			Provision is made for completion of the Provincial Archive Centre.	946
Machinery and equipment	Funds are reclassified due to SCOA requirements that states that machinery and equipment procured for distribution must be allocated to the item inventory.	(15 226)	Provision for Local Area Network(LAN) equipment in community libraries.	650
Payments for financial assets				
Total economic classification		(42 656)		38 072

Surrender: R38.6 million

The amount of R38.6 million is surrendered as the finalisation of the construction of community libraries is deferred and there is slow performance in infrastructure projects. Included in this amount is R12.6 million which was allocated to the Provincial Archives Centre but due the slow progress in fully operationalising this centre the operational budget is surrendered.

Provincial roll-overs: R2.4 million

A total amount of R2.4 million is rolled over from the preceding financial year of which R496 000 is for the repairs and maintenance of the Tarlton Community Library and R1.9 million is for the payment of a contractor at the Provincial Archive Centre.

Virements and shifts

The programme shifts a net amount of R4.6 million to Programme 1: Administration to make provision for new appointees within the Office of the MEC. An amount of 12.4 million shifts from compensation of employees in the Community Library Services Conditional Grant to cater for amongst others, transfers of R5.5 million to municipalities and R1.9 million to non-profit organisations in the libraries field.

Furthermore, R14 million is reprioritised from payments for capital assets and reclassified as inventory in goods and services and this amount also caters for the implementation of the projects and programmes as required by the sixth administration. Some of the projects requiring funded in the sixth administration includes the Born to Read programme, Ersthwhile Stars (Literary figures) and hospital libraries.

Programme 4: Sport and Recreation

TABLE 12.8: PROGRAMME 4: SPORT AND RECREATION

Programmes	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
1. Management	8 062			5 882			5 882	13 944
2. Sport	138 723	(38 173)		3 919			(34 254)	104 469
3. Recreation	137 099	(4 991)		(10 201)			(15 192)	121 907
4. School Sport	43 654			400			400	44 054
Total for Programmes	327 538	(43 164)					(43 164)	284 374

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R thousand								
Current payments	225 023	(423)		3 189			2 766	227 789
Compensation of employees	119 434			(17 289)			(17 289)	102 145
Salaries & wages	103 353			(13 048)			(13 048)	90 305
Social contribution	16 081			(4 241)			(4 241)	11 840
Goods and services	105 589	(423)		20 478			20 055	125 644
Transfers and subsidies	72 308	(28 000)		7 302			(20 698)	51 610
Provinces and municipalities								
Non-profit institutions	72 308	(28 000)		7 095			(20 905)	51 403
Households				207			207	207
Payments for capital assets	30 207	(14 741)		(10 491)			(25 232)	4 975
Buildings and other fixed structures	6 556	(4 991)		250			(4 741)	1 815
Machinery and equipment	23 651	(9 750)		(10 741)			(20 491)	3 160
Payments for financial assets								
Total economic classification	327 538	(43 164)					(43 164)	284 374

TABLE 12.9 DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: SPORT AND RECREATION

Economic classification	Motivation	From	Motivation	To
Current payments		(32 431)		35 620
Compensation of employees	Budget is reprioritised due to a moratorium placed on the filling of vacancies as a result of the review of the organisational structure.	(23 176)	Provision for personnel that was moved into the Sub-programme: Management to support the operations of the corridors.	5 887
Goods and services	Funds are reprioritised due to reduction in catering costs as a result joint implementation of projects with municipalities. Funds are reprioritised due to item such as communication, fleet services, Consumable supplies and agency and support/ outsourced services are adequately funded.	(9 255)	Realignment of the budget for the need of the six administration on support such as leagues, rural areas, school enrichment, athletics, community games. The budget is also allocated towards payment of security services at the Operation Mabaleng infrastructure.	29 733
Transfers and subsidies		(2 665)		9 967
Non-profit institutions	Funds are reprioritised due to item being adequately funded.	(2 665)	Provision is made to supplement sporting organisation for coordination of Major sporting events, gymnastics, woman football and the Mandela Foundation.	9 760
Households			Provision for leave gratuity.	207
Payments for capital assets		(10 741)		250
Buildings and other fixed structures			Provision for the completion and additions such as, changing rooms and ablution facilities for the combi courts.	250
Machinery and equipment	Funds reclassified as result due to incorrect allocation to this item.	(10 741)		
Payments for financial assets				
Total economic classification		(45 837)		45 837

Surrender: R43.2 million

A total amount of R43.2 million is surrendered to the Provincial Revenue Fund of which R28.4 million is surrendered due to the fact that the Bidding and Hosting committee has not finalised projects that will be funded, R4.9 million allocated to the HM Pitje stadium is surrendered due to slow performance and R9.8 allocated to the multi-purpose sports courts is surrendered due to the deferment of the procurement process.

Virements and shifts

The net decrease of R17.3 million in compensation of employees is due to the review of the organisational structure to ensure that it is aligned with the priorities of the sixth administration. The total amount of R10.5 million from payments for capital assets is reallocated to transfers to support sport and recreation organisations and to pay leave gratuity which was unforeseen.

The R23.6 million shifts to goods and services to provide for the implementation of the priorities of the sixth administration priorities which includes ensuring that sport and recreation is strengthened in the communities. The priorities of the sixth administration receiving funded include but not limited to the support provided to sport and recreational organisations, recreation yoga, community games, the procurement of sport equipment and attire, the Sports Indaba, the Wednesday league, farm and rural sport festivals and primary and secondary schools athletics.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE 12.10: EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20: SPORT, ARTS, CULTURE AND RECREATION

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Administration	155 646	68 254	139 339	90%	153 836	70 380	3%
Cultural Affairs	205 458	71 434	174 842	85%	217 809	87 591	23%
Library and Information Services	324 991	124 564	269 779	83%	313 284	176 202	41%
Sport and Recreation	322 101	86 763	297 684	92%	284 374	96 095	11%
Total	1 008 196	351 015	881 644	87%	969 303	430 268	23%
Current payments	556 779	202 593	489 452	88%	608 221	242 797	43%
Compensation of employees	284 491	119 852	250 629	88%	275 185	134 031	12%
Goods and Services	272 285	82 739	238 820	88%	333 035	108 765	31%
Interest and rent on land	3	2	3		1	1	
Transfers and subsidies	252 285	120 015	251 402	100%	290 955	170 576	140%
Provinces and municipalities	139 656	94 378	139 656	100%	182 153	136 600	45%
Departmental agencies and accounts	34 434	15 218	34 434	100%	37 500	18 750	23%
Non-profit institutions	76 547	9 697	75 460	99%	68 303	14 326	48%
Households	1 648	722	1 852	112%	2 999	900	25%
Payments for capital assets	199 132	28 407	140 790	71%	70 126	16 894	(41%)
Buildings and other fixed structures	152 708	25 900	130 504	85%	43 568	14 615	(44%)
Machinery and equipment	35 629	2 507	10 286	29%	19 070	2 279	(9%)
Heritage assets	10 625				7 188		
Software and other intangible assets	170				300		
Payments for financial assets					1	1	
Total	1 008 196	351 015	881 644	87%	969 303	430 268	23%

Expenditure trends for 2018/19

The department's total expenditure for 2018/19 financial year amounted to R881.6 million that translates to 87 per cent of the adjusted budget of R1 billion.

Programme 1: The underspending of R16.3 million is mainly attributable to the vacancy rate for senior and middle managers positions. The savings was utilised towards defrayment of the unauthorised expenditure emanating from 2015/16 and 2016/17 financial years which was condoned without funding.

Programme 2: Cultural Affairs recorded an underspending of R30.6 million that is due to the slow spending relating to the exhibitions in the two monuments and the challenges of the completion of the Heritage component at the Women's Living Heritage Monument (WLHM).

Programme 3: The underspending of R55.2 million by Library and Archive Services is due to the underspending of the Recapitalisation of Community Libraries conditional grant due slow recruitment processes. The underspending is also attributable to the delays in finalising the Provincial Archive Centre and making it operational.

Programme 4: The underspending in this programme mainly relates to the combi courts and delays in the procurement of goods and services closer to the year-end.

Expenditure trends for the first half of 2019

The total departmental expenditure at the end of the second quarter of 2019/20 is R430.3 million representing 23 per cent of the adjusted budget which is lower when compared to the 87 per cent in the 2018/19 financial year. The slow spending

is due to the slow spending in compensation of employees as a result of the review of the organisational structure to align to meeting the priorities of the sixth administration.

The department also underspent in payments for capital assets and goods and services as a result of slow progress in fully operationalising the Provincial Archive Centre and the Women's Living Heritage Monument including the slow performance on infrastructure projects.

Programme 1: Administration

The total expenditure as at the end of the second quarter of 2019/20 amounts to R70.4 million and translates to 3 per cent of the adjusted budget which is less when compared to the 90 per cent of the 2018/19 financial year.

Programme 2: Cultural Affairs

The total expenditure up to the second quarter of 2019/20 amounts to R87.6 million and translates to 23 per cent of the adjusted budget which is slightly higher when compared to the 85 per cent of 2018/19 financial year. The slow spending is due to delays in making the Women's Living Heritage Monument fully operational and the project initiation phase of the Decentralised Hub Offices project.

Programme 3: Library and Information Services

The total expenditure as at the end of the second quarter of 2019/20 is R176.2 million and this translates to 41 per cent of the adjusted budget, which is lower when compared with the 83 per cent of 2018/19 financial year. Despite this, the finalisation of the construction of community libraries is deferred and there is slow performance in completing infrastructure projects and in operationalising the Provincial Archive Centre.

Programme 4: Sport and Recreation

The total expenditure for the first half of 2019/20 is R98 million and translates to 11 per cent of the adjusted allocation which is parallel when compared to the 92 per cent in the 2018/19 financial year. The slow spending is due to the delays by the Bidding and Hosting committee in finalising the projects and the delays in the procurement process for HM Pitje stadium the multi-purpose sports courts.

6. Departmental Receipts

TABLE 12.11: DEPARTMENTAL RECEIPTS

Department	2018/19 Audited Outcome				2019/20 Actual Receipts		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Tax receipts							
Sales of goods and services other than capital assets	316	158	328	3.8%	312	158	0.00%
Interest, dividends and rent on land	14	5	11	(21.4%)	15	1	(80.00%)
Sales of capital assets	12	12	52	0.0%		8	0.00%
Financial transactions in assets and liabilities	280	264	133	(52.5%)	76	16	(93.94%)
Total	622	439	524	(15.8%)	403	183	(58.31%)

Revenue trends for the first half of the 2019/20 financial year

The department's revenue appropriation for the 2019/20 financial year decreases by R259 000 to R403 000. As at the end of September 2019, the department recorded R183 000 as actual revenue collected. This is significantly lower than the collection of R439 000 for the same period in the 2018/19 financial year and attributed to a decline in revenue from financial transactions in assets and liabilities. This source of revenue cannot be estimated realistically as it is dependent on amongst other factors, the recovery of the previous years' expenditure. In addition, R8 000 is collected under sales of capital assets for obsolete assets sold in line with the departmental disposal committee decision which was not accommodate the revenue collection estimate.

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

Changes to transfers and subsidies

TABLE 12.12: SUMMARY OF CHANGES TO TRANSFERS AND SUBSIDIES

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions; Reductions; Conversions & Shifts	Additional Funding: Provincial		
Programme 1	929			1 245			1 245	2 174
Households	929			1 245			1 245	2 174
Programme 2	48 015			4 102			4 102	52 117
Households				102			102	102
Non Profit Institutions (NPIs)	8 000			4 000			4 000	12 000
Departmental agencies (non-business entities)	37 500							37 500
Provincial and Local Governments(transfers to municipalities)	2 515							2 515
Programme 3	177 952			7 102			7 102	185 054
Households	814			(298)			(298)	516
Non Profit Institution/Library for the Blind and other NPIs)	3 000			1 900			1 900	4 900
Provincial and Local Governments(transfers to municipalities)	174 138			5 500			5 500	179 638
Programme 4	72 308	(28 000)		7 302			(20 905)	51 403
Households				207				
Non Profit Institutions (NPIs)	72 308	(28 000)		7 095			(20 905)	51 403
Total changes in conditional Name of transfer payments	299 204	(28 000)		19 751			(8 456)	290 748

Surrender: R28 million

The total amount of R28 million is surrendered to the Provincial Revenue Fund as the Bidding and Hosting committee has not finalised projects that will be funded through this allocation.

Virements and shifts

The R1.2 million increase under households in Programme 1: Administration is funding availed to the Office of the MEC to support projects that are related to the departmental mandate, as well as gifts and donations to bereaved families of ex-employees and icons in the sport, arts and culture sectors who passed away.

The increase of R4 million in transfers to non-profit organisations in Programme 2: Cultural Affairs is to increase to support to the arts and culture organisations and events. The increase in transfers and subsidies to households of R102 000 is to provide for leave gratuity payments.

In Programme 3: Library and Archive Services an amount of R1.9 million from the Community Library Conditional Grant shifts to non-profit institutions to support organisations and events in the libraries field and the R5.5 million is transferred to municipalities for the maintenance and upgrade of libraries and the appointment of security guards.

An amount of R7 million in Programme 4: Sport and Recreation shifts to non-profit organisations in to support the sports and recreation organisations and major events. The increase in transfers and subsidies to households of R207 000 is to provide for leave gratuity payments.

Changes to conditional grants

TABLE 12.13: SUMMARY OF CHANGES TO CONDITIONAL GRANTS

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
Programme 2	2 000							2 000
Expanded Public Works Programme Integrated Grant for Provinces - Sport, Arts, Culture And Recreation	2 000							2 000
Programme 3	167 784							167 784
Community Library conditional grant	167 784							167 784
Programme 4	92 223							92 223
Mass Participation and Sport Development Grant	92 223							92 223
Grant 4								
Total changes in conditional grants	262 007							262 007

There are no changes to conditional grants.

Changes to infrastructure

Refer to the 2019 Adjusted Estimates of Capital Expenditure (AECE)

DEPARTMENT OF e-GOVERNMENT

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	1 413 914	1 413 914		
of which:				
Current payments	1 390 464	1 324 199	(66 265)	
Transfers and subsidies	23 450	23 450		
Payments for capital assets		66 255		66 255
Payment for financial assets		10		10
Executive authority:	MEC for Finance			
Accounting officer:	Head of Department			

1. Vision and Mission

Vision

A connected Gauteng City-Region that leverages technology to provide quality services to citizens.

Mission

To realize the intent of a connected government through:

2. Changes to Programme Purpose, Objective and Measures

No changes.

3. Summary of Adjusted Estimates of Departmental Expenditure 2019/20

TABLE 13.1: DEPARTMENT OF e-GOVERNMENT

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Administration	266 874			(150)			(150)	266 724
2. Information Communication Technology Shared Services	1 020 846			50			50	1 020 896
3. Human Resource Services	126 194			100			100	126 294
Total for Programmes	1 413 914							1 413 914

Economic classification	Main Appropriation						Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	1 390 464			(66 265)			(66 265)	1 324 199
Compensation of employees	466 133							466 133
Salaries & wages	410 983			(50)			(50)	410 933
Social contribution	55 150			50			50	55 200
Goods and services	924 331			(66 265)			(66 265)	858 066
Interest and rent on land								
Transfers and subsidies	23 450							23 450
Provinces and municipalities								
Higher education institutions	22 800							22 800
Households	650							650
Payments for capital assets				66 255			66 255	66 255
Buildings and other fixed structures								
Machinery and equipment				500			500	500
Software and other intangible assets				65 755			65 755	65 755
Payments for financial assets				10			10	10
Thefts & Losses				10			10	10
Total economic classification	1 413 914							1 413 914

The department's total appropriation remains the same at R1.4 billion during the adjustments budget process in 2019/20.

An amount of R66.3 million is reallocated from goods and services. Of this amount, R66.2 million is for payments for capital assets to provide for machinery and equipment as well as software and other intangible assets. The balance of R10 177 is for payments for financial assets to write off irrecoverable debts.

The department reallocates R150 000 from the budget for transfers to households that is centralised in Programme 1: Administration to other programmes in which expenditure for leave gratuity and injury-on-duty claims is incurred. Of this amount, R50 000 is reallocated to Programme 2: ICT Shared Services and R100 000 to Programme 3: Human Resource Services.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 13.2: PROGRAMME ADMINISTRATION

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Office of the HOD	10 725			497			497	11 222
2. Risk Management	4 452							4 452
3. Office of the CFO	57 110			12 890			12 890	70 000
4. Corporate Services	194 587			(13 537)			(13 537)	181 050
Total for Programmes	266 874			(150)			(150)	266 724

Economic classification	Main Appropriation						Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	266 224			(510)			(510)	265 714
Compensation of employees	163 897							163 897
Salaries & wages	144 043			(50)			(50)	143 993
Social contribution	19 854			50			50	19 904
Goods and services	102 327			(510)			(510)	101 817
Interest and rent on land								
Transfers and subsidies	650			(150)			(150)	500
Provinces and municipalities								
Departmental agencies and accounts								
Households	650			(150)			(150)	500
Payments for capital assets				500			500	500
Buildings and other fixed structures								
Machinery and equipment				500			500	500
Software and other intangible assets								
Payments for financial assets				10			10	10
Thefts & Losses				10			10	10
Total economic classification	266 874			(150)			(150)	266 724

TABLE 13.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(20 859)		20 349
Compensation of employees	Reprioritisation of the salary budget within the programme.	(50)	Provision for employee benefits within the programme	50
Goods and services	Funds shifted to cater for departments tools of trade, consumable office supplies, G-Fleet expenditure, airtime and data.	(20 809)	Provision for tools of trade for the department and G-Fleet expenditure	20 299
Interest and rent on land				
Transfers and subsidies		(151)		1
Households	Decentralisation of budget for injury on duty claims and leave gratuity.	(151)	Reallocation of centralised budget to offset expenditure incurred for injury on duty claims and leave gratuity	1
Payments for capital assets				500
Machinery and equipment			Provision for expenditure relating to office chairs and shredder machines.	500
Payments for financial assets			Provision for bad debts written off	10
Total economic classification		(21 010)		20 860

Virements and shifts

The programme shifts an amount of R500 000 from goods and services to payments for capital assets to provide for the purchase office equipment.

An amount of R10 177 is reallocated from goods and services to payments for financial assets to write off irrecoverable debts.

The programme reallocates R150 000 from the budget for transfers and subsidies that is centralized in Programme 1: Administration to other programmes in which expenditure is incurred for injury-on-duty claims and leave gratuity.

Programme 2: ICT Shared Services

TABLE 13.4 : PROGRAMME: ICT SHARED SERVICES

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
1. Applications	258 559			6 066			6 066	264 625
2. Operations	720 465			(5 746)			(5 746)	714 719
3. Business Alignment	38 702			(270)			(270)	38 432
4. Information Communication Technology Programme Support	3 120							3 120
Total for Programmes	1 020 846			50			50	1 020 896

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	998 046			(65 755)			(65 755)	932 291
Compensation of employees	183 226							183 226
Salaries & wages	164 663							164 663
Social contribution	18 563							18 563
Goods and services	814 820			(65 755)			(65 755)	749 065
Interest and rent on land								
Transfers and subsidies	22 800			50			50	22 850
Higher education institutions	22 800							22 800
Households				50			50	50
Payments for capital assets				65 755			65 755	65 755
Buildings and other fixed structures								
Machinery and equipment								
Software and other intangible assets				65 755			65 755	65 755
Payments for financial assets								
Thefts & Losses								
Total economic classification	1 020 846			50			50	1 020 896

TABLE 13.5: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: ICT SHARED SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(123 331)		57 576
Compensation of employees	Re-alignment of budget with operational requirements	(3 700)	Funding for the GBN personnel	3 700
Goods and services	Re-classification of funds from operating lease (FMDC) as per operational requirements.	(119 631)	Fund reclassification from leases to cater for computer services.	53 876
Interest and rent on land				
Transfers and subsidies				50
Households			Reallocation of centralised budget to offset expenditure incurred for injury on duty claims and leave gratuity	50
Payments for capital assets				65 755
Software and other intangible assets			Shift from computer services to provide for software used in GPG	65 755

Economic classification	Motivation	From	Motivation	To
Payments for financial assets				
Total economic classification		(123 331)		123 381

Shifts and virements

The programme shifts R65.7 million from computer services in goods and services to software in payments for capital assets to provide for expenditure incurred for the software used in the province.

An amount of R50 000 is received from transfers and subsidies in Programme 1: Administration to pay for the injury-on-duty claims.

Programme 3: Human Resource Services

TABLE 13. 6: PROGRAMME 3: HUMAN RESOURCE SERVICES

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. HR Chief Dir Support	1 243			918			918	2 161
2. HR Administration Cluster 1	27 082			(914)			(914)	26 168
3. HR Administration Cluster 2	29 805			37			37	29 842
4. HR Information Management	6 128							6 128
5. Payroll Services	28 413			1			1	28 414
6. Debt Administration	25 309			46			46	25 355
7. Injury On Duty	8 214			12			12	8 226
Total for Programmes	126 194			100			100	126 294

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	126 194							126 194
Compensation of employees	119 010							119 010
Salaries & wages	102 277							102 277
Social contribution	16 733							16 733
Goods and services	7 184							7 184
Inventory: Materials and supplies								
Interest and rent on land								
Transfers and subsidies				100			100	100
Provinces and municipalities								
Departmental agencies and accounts								
Households				100			100	100
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Software and other intangible assets								
Payments for financial assets								
Thefts & Losses								
Total economic classification	126 194			100			100	126 294

TABLE 13.7: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: HUMAN RESOURCE SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(918)		918

Economic classification	Motivation	From	Motivation	To
Compensation of employees	Reprioritisation of funds for vacant posts within the programme.	(918)	Personnel funding for the support services within the programme.	918
Goods and services				
Interest and rent on land				
Transfers and subsidies				100
Households			Reallocation of centralised budget to offset expenditure incurred for injury on duty claims and leave gratuity	100
Payments for capital assets				
Payments for financial assets				
Total economic classification		(918)		1 018

Shifts and virements: R100 000

The programme receives R100 000 from Programme 1: Administration to pay for leave gratuity to former employees and to pay the claims for injury-on-duty.

The programme shifts R918 000 within compensation of employees from the funds for vacant posts from HR Administration sub-programme to provide for personnel requirements in the programme support services.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

Table 13.8: EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20: e-GOVERNMENT

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary expenditure		
R Thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
1. Administration	230 139	107 135	208 245	90%	266 724	104 729	(2%)
2. ICT Shared Services	1 047 328	498 162	1 062 621	101%	1 020 896	448 348	(10%)
3. Human Resource Services	113 326	54 872	112 835	100%	126 294	59 560	9%
Total	1 390 793	660 169	1 383 701	99%	1 413 914	612 637	(7%)
Current payments	1 366 450	658 870	1 358 314	99%	1 324 199	546 269	(17%)
Compensation of employees	422 945	202 985	402 663	95%	466 133	217 519	7%
Goods and Services	943 505	455 885	955 651	101%	858 066	328 750	(28%)
Interest and rent on land							
Transfers and subsidies	23 426	381	23 723	101%	23 450	161	#DIV/0!
Provinces and municipalities							
Departmental agencies and accounts							
Households	626	381	923	147%	650	161	(58%)
Payments for capital assets	900	901	1 397	155%	66 255	66 197	7247%
Buildings and other fixed structures							
Machinery and equipment	900	901	1 397	155%	500	442	(51%)
Software and other intangible assets					65 755	65 755	
Payments for financial assets	17	17	267	1571%	10	10	(41%)
Total	1 390 793	660 169	1 383 701	99%	1 413 914	612 637	(7%)

Expenditure trends for 2018/19

The department spent R1.3 billion against the allocation of R1.4 billion in 2018/19, which translates to 99.5 per cent spending as at the end of 2018/19. The overall underspending attributed to the staff attrition rate during the financial year as well as the high vacancy rate stemming from loading the approved interim structure onto PERSAL.

Preliminary expenditure trends for the first half of 2019/20

The department's total expenditure for the first half of 2019/20 is R612.6 million compared to R660.1 million in 2018/19. The cost drivers contributing to the decrease are the vacant posts and progress to date on projects. Lower expenditure on goods and services relates to the procurement of tools of trade; progress to date of the refurbishment and redesign of the 7th floor of Imbumba House; invoices from SITA in respect of Gauteng Broadband Network project; invoices from DPSA for Thusong project for services rendered and transfers to the Tshimologong project. Expenditure for these projects is anticipated in the third and fourth quarter of the financial year.

Programme 1: Administration

Administration expenditure totals R107.1 million in the first half of 2018/19, compared to R104.8 million spent in the current financial year. The reduction in expenditure is because of vacant posts, progress to date of the redesign and refurbishment of the 7th floor at Imbumba House.

Programme 2: Information Communication Technology Shared Services

Expenditure incurred during the first half of 2019/20 amounts to R448.3 million, which is 10 percent less than R498.1 million expenditure incurred during the corresponding period in 2018/19. Main drivers contributing to the decrease are invoices from SITA in respect of goods delivered for Gauteng Broadband Network project and transfers to the Tshimologong project, which are due and payable annually in the fourth quarter of the financial year.

Programme 3: Human Resource Services

The aggregate expenditure for the first half of the 2019/20 financial year amounts to R59.4 million, compared to R54.8 million expenditure incurred during the corresponding period in the 2018/19 financial year. The higher expenditure relates to the performance monitoring tool aimed at tracking and monitoring business processes and reporting any deviation from the norm.

6. Departmental Receipts

TABLE 13.9: DEPARTMENTAL RECEIPTS

Department	2018/19				2019/20		
	Audited Outcome				Actual Receipts		
R Thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 -March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Tax receipts							
Sales of goods and services other than capital assets	580	267	518	89%	604	274	3%
Transfers received							
Fines, penalties and forfeits							
Interest, dividends and rent on land	12	2	5	42%	12	2	
Sales of capital assets			11				
Financial transactions in assets and liabilities	46	28	4 704	10226%	49	148	429%
Total	638	297	5 238	821%	665	424	43%

Revenue trends for the first half of the 2019/20 financial year

The main sources of departmental receipts are sales of goods and services other than capital assets; interest on outstanding debts; and financial transactions in assets and liabilities. The major source being the sales of goods and services other than capital assets comprises of parking fees, commission on garnishee orders, gym fees, sale of tender documents; replacement of security cards and sale of waste paper.

The estimated actual revenue to be collected by the end of the 2019/20 financial year amount to R665 000, this remain the same as the Main Appropriation. Thus, there are no adjustments. The departmental receipts amounting to R424 000 as at 30 September 2019, compared to R297 000 collected as at 30 September 2018. This increase reflects in sales of goods and services other than capital assets and financial transactions in assets and liabilities. Sales of goods and services other than capital assets increased slightly from R267 000 in 2018/19 to R274 000 in 2019/20. A total of R148 000 has been collected to date compared to R28 000 collected in 2018/19 for financial transaction in assets and liabilities.

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

Changes to transfers and subsidies

No changes

Changes to conditional grants

Not applicable

Changes to infrastructure

Not applicable

GAUTENG PROVINCIAL TREASURY

R Thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	834 950	779 950	(55 000)	
of which:				
Current payments	767 572	707 406	(60 166)	
Transfers and subsidies	63 014	64 164		1 150
Payments for capital assets	4 364	8 380		4 016
Payment for financial assets				
Executive authority:	MEC for Finance			
Accounting officer:	Head of Department			

1. Vision and Mission

Vision

To provide strategic leadership in financial and fiscal matters to ensure sustainable and inclusive social and economic development of the people of Gauteng so that all may enjoy value for money services of the highest quality.

Mission

We are an activist Treasury that enables and promotes quality service delivery for the citizens of Gauteng through:

2. Changes to Programme Purpose, Objective and Measures

No changes

3. Summary of Adjusted Estimates of Departmental Expenditure 2019/20

TABLE 14.1: GAUTENG PROVINCIAL TREASURY

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Administration	164 992	(4 000)		(7 500)			(11 500)	153 492
2. Sustainable Fiscal Resource Management	168 496	(9 000)					(9 000)	159 496
3. Financial Governance	174 295							174 295
4. Supply Chain Management	124 266			12 500			12 500	136 766
5. Municipal Financial Governance	72 317	(16 000)		(2 000)			(18 000)	54 317
6. Gauteng Audit Service	130 584	(26 000)		(3 000)			(29 000)	101 584
Total for Programmes	834 950	(55 000)					(55 000)	779 950

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	767 572	(55 000)		(5 166)			(60 166)	707 406
Compensation of employees	629 631	(55 000)		(42 331)			(97 331)	532 300
Salaries & wages	539 618	(50 500)		(33 371)			(83 871)	455 747
Social contribution	90 013	(4 500)		(8 960)			(13 460)	76 553
Goods and services	137 941			37 165			37 165	175 106
Transfers and subsidies	63 014			1 150			1 150	64 164
Departmental agencies and accounts	61 940							61 940
Non-profit institutions								
Households	1 074			1 150			1 150	2 224
Payments for capital assets	4 364			4 016			4 016	8 380
Machinery and equipment	4 364			4 016			4 016	8 380
Software and other intangible assets								
Payments for financial assets								
Total economic classification	834 950	(55 000)					(55 000)	779 950

The main appropriation decreases by R55 million from R834.9 million to R779.9 million during the adjustments budget process. The unutilized R55 million is for vacant posts in the approved structure that will be filled after concluding the consultation process with stakeholders.

The GPT obtained the treasury-approval to reallocate R42.3 million from the funds for vacant posts towards the other requirements. Of this amount, R37.1 million is reallocated to goods and services, R1.1 million to transfers and subsidies and R4 million to payments for capital assets to purchase desktop computers for staff.

The funds are reallocated to goods and services to cater for specific departmental priorities in Provincial Supply Chain Management programme; and to transfers and subsidies to fund leave gratuity, injury on duty and spending pressures in outsourced forensic audit assignments.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 14.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Office of the MEC	7 581			1 800			1 800	9 381
2. Office Of The HOD	14 880			6 000			6 000	20 880
3. Corporate Management	105 255	(2 000)		(15 300)			(17 300)	87 955
4. Financial Management (CFO)	37 276	(2 000)					(2 000)	35 276
Total for Programmes	164 992	(4 000)		(7 500)			(11 500)	153 492

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	159 554	(4 000)		(11 516)			(15 516)	144 038
Compensation of employees	118 388	(4 000)		(11 516)			(15 516)	102 872
Salaries & wages	100 430	(2 000)		(9 516)			(11 516)	88 914
Social contribution	17 958	(2 000)		(2 000)			(4 000)	13 958
Goods and services	41 166							41 166
Transfers and subsidies	1 074							1 074
Provinces and municipalities								
Households	1 074							1 074
Payments for capital assets	4 364			4 016			4 016	8 380
Buildings and other fixed structures								
Machinery and equipment	4 364			4 016			4 016	8 380
Payments for financial assets								
Total economic classification	164 992	(4 000)		(7 500)			(11 500)	153 492

TABLE 14.3: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(19 316)		7 800
Compensation of employees	Vacant posts funding that became available due to awaiting approval of the structure.	(19 316)	Realignment of the personnel budget with the operational requirements	7 800
Goods and services	Cost saving measures implemented on minor assets, property payments and travel and subsistence	(564)	Provision for employee wellness and health programme (EWHP), consumable supplies, software license and realignment of goods and services within the programme.	564
Transfers and subsidies				
Payments for capital assets				4 016
Payments for financial assets				
Total economic classification		(19 316)		11 816

Virements and shifts

An amount of R4 million is shifted from compensation of employees towards machinery and equipment as a provision for the procurement of desktop computers for staff.

The programme reviewed the budget and identified funds for vacant posts that will not be used by the end of the financial year. This exercise resulted in the reallocation of R7.5 million towards goods and services in Programme 4: Provincial Supply Chain Management.

Surrender: R4 million

The programme surrenders to the Provincial Revenue Funds R4 million for vacant posts that will be filled after the conclusion of a consultation process with stakeholders.

Programme 2: Sustainable Fiscal Resource Management

TABLE 14.4: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Programme Support/Office Of The DDG	67 092			414			414	67 506
2. Budget Management	28 968	(1 100)					(1 100)	27 868
3. Economic And Fiscal Policy Oversight	13 016			544			544	13 560
4. Infrastructure Management	28 009	(7 000)		(4 438)			(11 438)	16 571
5. Financial Asset And Liabilities Management	14 137	(900)					(900)	13 237
6. Public Finance	17 274			3 480			3 480	20 754
Total for Programmes	168 496	(9 000)					(9 000)	159 496

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	106 556	(9 000)		(200)			(9 200)	97 356
Compensation of employees	83 911	(9 000)		(200)			(9 200)	74 711
Salaries & wages	70 764	(8 500)		200			(8 300)	62 464
Social contribution	13 147	(500)		(400)			(900)	12 247
Goods and services	22 645							22 645
Transfers and subsidies	61 940			200			200	62 140
Departmental agencies and accounts	61 940							61 940
Households				200			200	200
Payments for capital assets								
Buildings and other fixed structures								
Machinery and equipment								
Payments for financial assets								
Total economic classification	168 496	(9 000)					(9 000)	159 496

TABLE 14.5: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 2: SUSTAINABLE FISCAL RESOURCE MANAGEMENT

Economic classification	Motivation	From	Motivation	To
Current payments				
Compensation of employees	Reprioritisation of personnel budget towards transfers and subsidies and realignment of the budget within the programme .	(4 638)	Realignment of the personnel budget with the operational requirements	4 438
Goods and services				
Transfers and subsidies				200
Households			Provision for leave gratuity payment to former employees and injury on duty claims	200
Payments for capital assets				
Payments for financial assets				
Total economic classification				200

Virements and shifts

An amount of R200 000 is shifted from compensation of employees towards transfers to households as a provision for leave gratuity payments to former employees and injury on duty claims.

Surrender: R9 million

The programme surrenders to the Provincial Revenue Fund R9 million for vacant posts and the funded posts in the approved structure, which can only be implemented after the consultation process are concluded.

Programme 3: Financial Governance

TABLE 14.6: PROGRAMME 3: FINANCIAL GOVERNANCE

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Programme Support/Office Of The DDG	5 049			713			713	5 762
2. Provincial Accounting Services	58 579			(1 713)			(1 713)	56 866
3. Provincial Forensic Audits	46 851			5 900			5 900	52 751
4. Transversal Internal Audit And Risk Management	20 470			(2 600)			(2 600)	17 870
5. Norms And Standards	4 987			(1 300)			(1 300)	3 687
6. Financial Information Mngement Systems	38 359			(1 000)			(1 000)	37 359
Total for Programmes	174 295							174 295

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	174 295			(550)			(550)	173 745
Compensation of employees	145 231			(11 450)			(11 450)	133 781
Salaries & wages	124 432			(11 450)			(11 450)	112 982
Social contribution	20 799							20 799
Goods and services	29 064			10 900			10 900	39 964
Transfers and subsidies				550			550	550
Provinces and municipalities								
Households				550			550	550
Payments for capital assets								
Payments for financial assets								
Total economic classification	174 295							174 295

TABLE 14.7: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 3: FINANCIAL GOVERNANCE

Economic classification	Motivation	From	Motivation	To
Current payments		(12 284)		11 734
Compensation of employees	Vacant posts funding that became available due to awaiting approval of the structure.	(12 163)	Realignment of the personnel budget with the operational requirements	713
Goods and services	Saving is due to internal trainings and forums that are conducted in house and facilitated by National or Provincial Treasury.	(121)	Provision for increased number of forensic investigation assignments, catering services for GPG audit committee meetings, CFO forums, farewell for SAIPA trainees and workplace skills development trainings and the defrayment of over spending on consumable supplies.	11 021
Interest and rent on land				
Transfers and subsidies				550
Payments for capital assets				
Payments for financial assets				
Total economic classification		(12 284)		12 284

Virements and shifts

An amount of R10.9 million is shifted from compensation of employees to goods and services to cater for increased number of provincial forensic assignments undertaken to improve transparency and accountability in the use of public resources.

An amount of R550 000 is reallocated from compensation of employees towards transfers to households to provide for leave gratuity payments to former employees.

Programme 4: Provincial Supply Chain Management

TABLE 14.8: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Programme Support/Office Of The DDG	32 874			26 891			26 891	59 765
2. Scm Policy, Norms And Standards	18 943			(2 591)			(2 591)	16 352
3. Scm Client Support	39 239			(7 000)			(7 000)	32 239
4. Strategic Procurement	20 866			(2 000)			(2 000)	18 866
5. Transversal Contract Management	12 344			(2 800)			(2 800)	9 544
Total for Programmes	124 266			12 500			12 500	136 766

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	124 266			12 400			12 400	136 666
Compensation of employees	96 550			(13 665)			(13 665)	82 885
Salaries & wages	82 969			(13 565)			(13 565)	69 404
Social contribution	13 581			(100)			(100)	13 481
Goods and services	27 716			26 065			26 065	53 781
Transfers and subsidies				100			100	100
Non-profit institutions								
Households				100			100	100
Payments for capital assets								
Payments for financial assets								
Total economic classification	124 266			12 500			12 500	136 766

TABLE 14.9: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 4: PROVINCIAL SUPPLY CHAIN MANAGEMENT

Economic classification	Motivation	From	Motivation	To
Current payments		(14 565)		26 965
Compensation of employees	Vacant posts funding that became available due to awaiting approval of the structure.	(14 541)	Realignment of the personnel budget with the operational requirements	876
Goods and services	Cost saving measures implemented on advertisement of tenders	(24)	Provision for the probity audit services required for the open tender process	26 089
Transfers and subsidies				100
Households			Provision for leave gratuity payment to former employees and injury on duty claims	100
Payments for capital assets				
Payments for financial assets				
Total economic classification		(14 565)		27 065

Virements and shifts

An amount of R13.5 is shifted from compensation of employees towards probity audits for open tender process.

The programme receives a total amount of R12.5 million which includes R7.5 million from compensation of employees in Programme 1: Administration, R2 million from goods and services in Programme 5: Municipal Financial Governance and R3 million from compensation of employees in Programme 6: Gauteng Audit Services to provide for probity audits for the open tender process.

An amount of R100 000 is reallocated from compensation of employees towards transfers to households to provide for leave gratuity payments to former employees.

Programme 5: Municipal Financial Governance

TABLE 14.10: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Programme Support/Office Of The DDG	13 504			40 813			40 813	54 317
2. Local Government Financial Services	22 460			(22 460)			(22 460)	
3. Municipal Accounting And Asset Management	19 933	(16 000)		(3 933)			(19 933)	
4. Municipal Compliance And Financial Management Support	16 420			(16 420)			(16 420)	
Total for Programmes	72 317	(16 000)		(2 000)			(18 000)	54 317

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	72 317	(16 000)		(2 100)			(18 100)	54 217
Compensation of employees	64 760	(16 000)		(100)			(16 100)	48 660
Salaries & wages	55 709	(16 000)		4 925			(11 075)	44 634
Social contribution	9 051			(5 025)			(5 025)	4 026
Goods and services	7 557			(2 000)			(2 000)	5 557
Transfers and subsidies				100			100	100
Provinces and municipalities								
Households				100			100	100
Payments for capital assets								
Payments for financial assets								
Total economic classification	72 317	(16 000)		(2 000)			(18 000)	54 317

TABLE 14.11: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 5: MUNICIPAL FINANCIAL GOVERNANCE

Economic classification	Motivation	From	Motivation	To
Current payments		(46 100)		44 000
Compensation of employees	Realignment of Personnel budget within the programme	(42 713)	Realignment of Personnel budget with the operational requirements	42 613
Goods and services	Reprioritisation towards travel agency fees, catering, training workshops and venue hire costs and reprioritisation of funds towards the open tender process	(3 387)	Reprioritisation towards travel agency fees, municipal hands-on-support regarding the standard chart of accounts, Reporting and Planning (Budget or SDBIP/or IDP) training workshops, venues and facilities for MSCOA Hands-on-Support, Reporting and Planning (Budget or SDBIP/or IDP) training workshops	1 387
Transfers and subsidies				100
Households			Provision for leave gratuity payment to former employees and injury on duty claims	100
Payments for capital assets				
Payments for financial assets				
Total economic classification		(46 100)		44 100

Virements and shifts

The programme reviewed the budget to identify low-spending items from which to fund the department's priorities. This exercise resulted in the reallocation of R2 million towards goods and services in Programme 4: Provincial Supply Chain Management to fund the departmental priorities.

An amount of R100 000 is reallocated from compensation of employees to households under transfers and subsidies to provide for leave gratuity payments to former employees.

Surrender: R16 million

Funds totalling R16 million for the vacant posts and the funded posts in the approved structure, which can only be implemented after consultation processes, are concluded, is surrendered back to the Provincial Revenue Fund.

Programme 6: Gauteng Audit Services

TABLE 14.12: PROGRAMME 6: GAUTENG AUDIT SERVICES

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Programme Support/Office Of The DDG	20 928	(7 000)					(7 000)	13 928
2. Risk And Compliance Audit Services(Cluster 1,2,3)	41 755	(8 000)		(5 025)			(13 025)	28 730
3. Risk And Compliance Audit Services(Cluster 4,5,6)	29 475			2 025			2 025	31 500
4. Performance And Computer Audit Services	38 426	(11 000)					(11 000)	27 426
Total for Programmes	130 584	(26 000)		(3 000)			(29 000)	101 584

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	130 584	(26 000)		(3 200)			(29 200)	101 384
Compensation of employees	120 791	(26 000)		(5 400)			(31 400)	89 391
Salaries & wages	105 314	(24 000)		(3 965)			(27 965)	77 349
Social contribution	15 477	(2 000)		(1 435)			(3 435)	12 042
Goods and services	9 793			2 200			2 200	11 993
Transfers and subsidies				200			200	200
Households				200			200	200
Payments for capital assets								
Payments for financial assets								
Total economic classification	130 584	(26 000)		(3 000)			(29 000)	101 584

TABLE 14.13: DETAILS OF VIREMENTS AND SHIFTS PER ECONOMIC CLASSIFICATION: PROGRAMME 6: GAUTENG AUDIT SERVICES

Economic classification	Motivation	From	Motivation	To
Current payments		(7 375)		4 175
Compensation of employees	Vacant posts funding that became available due to awaiting approval of the structure.	(7 375)	Reprioritisation from unutilised funds for the new structure to fund outsourced specialised audits, travelling requirements and other operational requirements	1 975
Goods and services			Provision for outsourced specialised audits (network vulnerability tests and to cover emerging risks on SCM, BCM, PI and OHS), travel claims, software licenses (ACL and Teammate license) and annual membership renewal fees	2 200
Transfers and subsidies				200
Households			Provision for leave gratuity payment to former employees and injury on duty claims	200
Payments for capital assets				
Payments for financial assets				
Total economic classification		(7 375)		4 375

Virements and shifts: R3 million

The programme shifts an amount of R2.2 million from compensation of employees towards outsourced specialised audits to accommodate new audit requests in network vulnerability tests and to cover emerging risks on Supply Chain Management,

Business Continuity Management, Performance Information and Occupational Health and Safety. The programme reallocates an amount of R3 million to Provincial Supply Chain Management as a provision for probity audit services.

An amount of R200 000 is reallocated from compensation of employees to households under transfers and subsidies to provide for leave gratuity payments to former employees.

Surrender: R26 million

R26 million for the vacant posts and the funded posts in the approved structure that can only be implemented after consultation processes are concluded is surrendered to the Provincial Revenue Fund.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE 14.15: EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20

Department	2018/19 Expenditure Outcome				2019/20 Preliminary expenditure		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
1. Administration	145 635	61 071	132 194	91%	153 492	67 597	11%
2. Sustainable Fiscal Resource Management	148 464	96 169	145 130	98%	159 044	100 824	5%
3. Financial Governance	163 964	69 841	157 529	96%	174 295	66 953	(4%)
4. Supply Chain Management	110 834	47 215	107 996	97%	136 766	49 947	6%
5. Municipal Financial Governance	45 712	21 429	44 955	98%	54 317	25 493	19%
6. Gauteng Audit Services	91 054	43 321	88 529	97%	101 584	42 632	(2%)
Total	705 663	339 046	676 333	96%	779 498	353 446	4%
Current payments	623 039	279 476	601 115	96%	706 954	284 746	15%
Compensation of employees	494 383	239 608	474 330	96%	531 848	238 793	(0%)
Goods and Services	128 656	39 868	126 785	99%	175 106	45 953	15%
Transfers and subsidies	70 588	59 048	70 675	100%	64 164	62 757	68%
Departmental agencies and accounts	58 544	58 544	58 544	100%	61 940	61 940	6%
Non-profit institutions	10 000		10 000	100%			
Households	2 044	504	2 131	104%	2 224	817	62%
Payments for capital assets	12 036	522	4 460	37%	8 380	5 943	1039%
Machinery and equipment	12 036	522	4 460	37%	8 380	5 943	1039%
Software and other intangible assets							
Payments for financial assets			83	#DIV/0!			#DIV/0!
Total	705 663	339 046	676 333	96%	779 498	353 446	4%

Expenditure trends for 2018/19

The department spent 96% of the R676.3 million budget in 2018/19. The allocation of R705.6 million in 2018/19 included personnel budget of R494.4 million; and goods and services totalling R128.7 million 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 allocation for transfers and subsidies comprised of R58.5 million allocated to GIFA, R10 million allocated to SASDC and R2 million for injury-on-duty claims, leave gratuity payments to former officials and external bursaries payments. Payments for capital assets amounted to R12 million to provide for the purchase of office equipment and for finalising the payment for the laptops that were procured during the last quarter of the previous financial year.

The department's expenditure was recorded at R676.3 million, which translates to 96 per cent of the total budget. This spending level comprised of 96 per cent on compensation of employees; 99 per cent on goods and services; 100 per cent on transfers and subsidies (i.e. 100 per cent made to GIFA and SASDC and further 104 per cent on households) and 37 percent spending on purchases of office and computer equipment. The underspending of 4 per cent of the final appropriation was attributed to vacant posts and the previous year accruals.

Expenditure trends for the first half of 2019/20

Programme 1: Administration

Spending amounts to R67.6 million, which is 10 per cent higher than R61 million spent in same period in the previous financial year. The increase is due to the payment of accruals for desktops in May 2019.

Programme 2: Sustainable Fiscal Resource Management

The programme spent R100.8 million as at the end of September 2019 compared to R96.2 million spent at the end of September 2018. The 5 per cent increase between the two periods is due to salary increases and payment of accruals.

Programme 3: Financial Governance

The aggregate expenditure for this programme decreases by 4 per cent during the first six months of the current financial year compared to the same period in the previous financial year. Spending as at the end of September 2019 amounts to R66.9 million compared to R69.8 million that was spent as at 30 September 2018. The reason for the decrease is the delay in finalisation of forensic investigations reports.

Programme 4: Provincial Supply Chain Management

The review of targets for the open tender process led to an increase of 5 per cent in the programme in the current financial year as compared to the previous year in the second quarter. Spending was R47.2 million in 2018/19 and it is R49.9 million in the current financial year. The main cost driver for this programme is the increased number of projects that are implemented through the open tender process.

Programme 5: Municipal Financial Governance

Overall expenditure for six months of the current financial year is 16 per cent higher compared to the same period in the previous financial year, translating into an increase from R21.4 million 2018/19 to R25.4 million in 2019/20. The treasury's interventions to support municipalities through the provision of training contributed to the level of spending in the current financial year.

Programme 6: Gauteng Audit Services

The aggregate expenditure for this programme decreases by 2 per cent during the first six months in the current financial year compared to the same period in the previous financial year. The decrease is due to delays in finalisation of audits assignments reports. These audits include outsourced specialized audit services aimed at addressing project backlogs in annual audit plans as well as improvements based on Auditor-General's recommendations.

6. Departmental Receipts

TABLE 14.15: DEPARTMENTAL RECEIPTS

Department	2018/19 Audited Outcome				2019/20 Actual Receipts		
	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
R thousand							
Tax receipts							
Sales of goods and services other than capital assets	900	336	647	72%	1 153	317	(6%)
Interest, dividends and rent on land	580 000	382 568	853 671	147%	845 000	422 323	10%
Sales of capital assets			8		20	5	
Financial transactions in assets and liabilities	500	93	226	45%	528	314	238%
Total	581 400	382 997	854 552	147%	846 681	422 959	10%

Revenue trends for the first half of the 2019/20 financial year

In 2019/20, the budget for departmental receipts is adjusted upwards to R846.7 million from the main budget of R502 million. The adjustment is as a result of interest earned on favourable bank balances. The department collected a total amount of R423 million in the first six months of the current financial year, which is 10 per cent more when compared to the same period in the previous financial year.

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

Changes to transfers and subsidies

Not applicable

Changes to conditional grants

Not applicable

Change to infrastructure

Not applicable

DEPARTMENT OF INFRASTRUCTURE DEVELOPMENT

R thousand	2019/20			
	Main appropriation	Adjusted appropriation	Decrease	Increase
Amount to be appropriated	3 465 840	3 424 986	(40 854)	
of which:				
Current payments	2 187 215	2 119 010	(68 205)	
Transfers and subsidies	1 059 204	1 060 109		905
Payments for capital assets	219 421	245 866		26 445
Payment for financial assets				
Executive authority	MEC for Infrastructure Development			
Accounting officer	Head of Department			

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 2019/20

TABLE 15.1: INFRASTRUCTURE DEVELOPMENT

	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Administration	338 631							338 631
Public Works Infrastructure	2 796 296	(40 854)					(40 854)	2 755 442
Expanded Public Works Programme	330 913							330 913
Total for Programmes	3 465 840	(40 854)					(40 854)	3 424 986

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	2 187 215	(40 854)		(27 351)			(68 205)	2 119 010
Compensation of employees	1 130 365							1 130 365
Salaries & wages	1 036 988							1 036 988
Social contribution	93 377							93 377
Goods and services	1 055 850	(40 854)		(27 351)			(68 205)	987 645
Interest and rent on land	1 000							1 000
Transfers and subsidies	1 059 204			905			905	1 060 109
Provinces and municipalities	1 054 375							1 054 375
Departmental agencies and accounts	4							4
Households	4 825			905			905	5 730
Payments for capital assets	219 421			26 445			26 445	245 866
Buildings and other fixed structures	187 421			32 394			32 394	219 815
Machinery and equipment	32 000			(5 949)			(5 949)	26 051
Payments for financial assets								
Total economic classification	3 465 840	(40 854)					(40 854)	3 424 986

The department's budget consists of ring-fenced items that makes it difficult to shift funds to other operating cost which are experiencing budget pressure. During the 2019/20 financial year, approximately 94 per cent of the budget is allocated to 7 items which are the departments main cost drivers and form part of the departments mandate. Only 6 per cent of the budget is available for other operating costs which include the provision of vehicles and tools of trade to the personnel servicing the client departments. Due to the lean budget, the department implemented stringent cost containment measures to ensure improved services and efficient resource allocation to improve service delivery.

The R27.3 million budget shifts are in line with the budget allocations per programme and no virements were processed during the current financial year.

The department's infrastructure budget will decrease by R40.8 million from R3.46 billion to R3.42 billion. This reduction is due to delays in the tendering process of some of the capital projects that was planned for finalisation in the 2019/20 financial but will now be implemented and finalised in 2020/21.

4. Details of Adjustments to Estimates of Departmental Expenditure 2019/20

Programme 1: Administration

TABLE 15.2: PROGRAMME 1: ADMINISTRATION

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Office Of The MEC	7 168			3 000			3 000	10 168
2. Corporate Support	318 975			(3 000)			(3 000)	315 975
3. Management Of The Department	12 488							12 488
Total for Programmes	338 631							338 631

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	304 160			6 000			6 000	310 160
Compensation of employees	206 668							206 668
Salaries & wages	183 655							183 655
Social contribution	23 013							23 013
Goods and services	96 992			6 000			6 000	102 992
Interest and rent on land	500							500
Transfers and subsidies	2 471							2 471
Provinces and municipalities								
Households	2 471							2 471
Payments for capital assets	32 000			(6 000)			(6 000)	26 000
Machinery and equipment	32 000			(6 000)			(6 000)	26 000
Payments for financial assets								
Total economic classification	338 631							338 631

TABLE 15.3: DETAILS OF SHIFTS AND VIREMENTS PER ECONOMIC CLASSIFICATION: PROGRAMME 1: ADMINISTRATION

Economic classification	Motivation	From	Motivation	To
Current payments		(68)		6 068
Compensation of employees				
Goods and services	Funds made available due to reduced expenditure as a result of cost containment.	(68)	Funds redirected from ICT unit machinery & equipment to cover anticipated over expenditure on computer and fleet.	6 068
Interest and rent on land				
Transfers and subsidies				
Payments for capital assets		(6 000)		
Buildings and other fixed structures				
Machinery and equipment	Funds made available from finance leases which was not fully utilised.	(6 000)		
Payments for financial assets				
Total economic classification		(6 068)		6 068

Virements and Shifts

The department has significant increase in savings due to strict and continuous cost containment. This is attributed to the introduction of new policies by the department that resulted in improved spending and the payment of accruals. An example of this is the analysis of the telecommunications bill that resulted in a saving of R6 million in the current financial year. This saving will be used to pay for other tools of trade and for software accrued invoices.

Programme 2: Public Works Infrastructure

TABLE 15.4: PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Construction	331 304			36 794			36 794	368 098
2. Maintenance	668 722			22 351			22 351	691 073
3. Immovable Asset Management	1 796 270	(40 854)		(59 146)			(100 000)	1 696 270
Total for Programmes	2 796 296	(40 854)					(40 854)	2 755 442

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	1 552 258	(40 854)		(32 846)			(73 700)	1 478 558
Compensation of employees	779 889							779 889
Salaries & wages	727 346							727 346
Social contribution	52 543							52 543
Goods and services	771 869	(40 854)		(32 846)			(73 700)	698 169
Interest and rent on land	500							500
Transfers and subsidies	1 056 617			400			400	1 057 017
Provinces and municipalities	1 054 375							1 054 375
Departmental agencies and accounts	4							4
Households	2 238			400			400	2 638
Payments for capital assets	187 421			32 445			32 445	219 866
Buildings and other fixed structures	187 421			32 394			32 394	219 815
Machinery and equipment				51			51	51
Software and other intangible assets								
Payments for financial assets								
Total economic classification	2 796 296	(40 854)					(40 854)	2 755 442

TABLE 15.5: DETAILS OF SHIFTS AND VIREMENTS PER CLASSIFICATION: PROGRAMME 2: PUBLIC WORKS INFRASTRUCTURE

Economic classification	Motivation	From	Motivation	To
Current payments		(61 786)		28 940
Compensation of employees				
Goods and services	Funds directed from property payments which was adequately budgeted.	(61 786)	Funds shift to where expenditure is incurred.	28 940
Interest and rent on land				
Transfers and subsidies				400
Payments for capital assets		(25 873)		58 318
Buildings and other fixed structures	Funds made available due to delays on the probity audit.	(25 873)	Funds made available for OHS compliance of all government buildings and the demolition of the Bank of Lisbon building.	58 267
Machinery and equipment			Funds shift to cover over expenditure on this item for workshop tools which was not budget for.	51
Payments for financial assets				
Total economic classification		(87 659)		87 659

Virements and Shifts

An amount of R87.6 million is shifted within the programme from Infrastructure Maintenance Programme to other maintenance infrastructure projects. The programme shifts R61.8 million from Facility Management to Health and Construction branch to fund Occupational health and safety (OHS) compliance of buildings: of which R49 million is the finalisation of the Demolition project; R4.3 million is for final accounts on completed projects; and the remainder of R8.5 million for rehabilitation of buildings.

The shift of R25.9 million from Capex will fund the over expenditure on maintenance of the regional office buildings which are supposed to comply with the OHS Act. The department has planned projects for the rehabilitation of these buildings to ensure the OHS compliance.

Surrenders

The allocated budget for Infrastructure is adjusted downwards from R358.1 million to R317.2 million to align with the planning progress made on the Kopanong Precinct and Occupational Health & Safety (OHS) refurbishment projects. An amount of R40.8 million is surrendered in this regard.

Programme 3: Expanded Public Works Programme

TABLE 15.6: EXPANDED PUBLIC WORKS PROGRAMME

R Thousand	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
1. Programme Support Cbp	80 691			3 021			3 021	83 712
2. Community Development	250 222			(3 021)			(3 021)	247 201
Total for Programmes	330 913							330 913

Economic classification	Main Appropriation	2019/20 Adjustments					Total Adjustments	Adjusted Appropriation
		Function Shifts, Surrenders and Suspensions	Roll-overs: Provincial	Virements and Shifts	National Conditional Grants Additions Reductions; Conversions & Shifts	Additional Funding: Provincial		
R Thousand								
Current payments	330 797			(505)			(505)	330 292
Compensation of employees	143 808							143 808
Salaries & wages	125 987							125 987
Social contribution	17 821							17 821
Goods and services	186 989			(505)			(505)	186 484
Transfers and subsidies	116			505			505	621
Households	116			505			505	621
Payments for capital assets								
Payments for financial assets								
Total economic classification	330 913							330 913

Economic classification	Motivation	From	Motivation	To
Current payments		(3 076)		2 571
Compensation of employees	Funds made available from Zivuseni Programme due to fewer learners participation.	(3 076)	Funds redirected from Zivuseni Programme to cover expenditure incurred since there was no budget allocated for transport.	2 571
Goods and services				
Interest and rent on land				
Transfers and subsidies				505
Households			Funds shifted to cover anticipated over expenditure on leave gratuity payments.	505
Total economic classification		(3 076)		3 076

Virements and Shifts

An amount of R3 million is shifted from goods and services due to slow recruitment of personnel resulting in the department not having to procure personal protective equipment. These funds are redirected to defray over expenditure on other goods and services items and to fund leave gratuity due to resignations.

5. Expenditure 2018/19 and Preliminary Expenditure 2019/20

TABLE 15.8: EXPENDITURE 2018/19 AND PRELIMINARY EXPENDITURE 2019/20

Department	2018/19				2019/20		
	Expenditure Outcome				Preliminary expenditure		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Administration	326 559	204 562	334 162	102%	338 631	200 439	(2%)
Public Works	2 392 642	1 121 290	2 401 751	100%	2 755 442	1 104 426	(2%)
Expanded Public Works	317 763	137 920	284 980	90%	330 913	145 290	5%
Total	3 036 964	1 463 772	3 020 893	99%	3 424 986	1 450 155	(1%)
Current payments	1 961 016	1 017 740	1 997 233	102%	2 119 010	1 041 797	2%
Compensation of employees	1 033 479	502 464	1 027 434	99%	1 130 365	533 996	6%
Goods and Services	926 736	514 284	968 856	105%	987 645	507 757	(1%)
Interest and rent on land	801	992	943	118%	1 000	44	(96%)
Transfers and subsidies	907 073	403 066	905 313	100%	1 060 109	324 907	(19%)
Provinces and municipalities	901 394	400 017	901 401	100%	1 054 375	321 675	(20%)
Departmental agencies and accounts					4		
Households	5 675	3 049	3 912	69%	5 730	3 232	6%
Payments for capital assets	168 875	42 795	114 033	68%	245 866	83 373	95%
Buildings and other fixed structures	134 874	28 083	76 229	57%	219 815	73 052	160%
Machinery and equipment	34 001	14 712	29 144	86%	26 051	10 286	(30%)
Software and other intangible assets			8 660			35	
Payments for financial assets		171	4 314			78	(54%)
Total	3 036 964	1 463 772	3 020 893	99%	3 424 986	1 450 155	(1%)

Expenditure trends 2018/19

The expenditure trends from the prior financial year are similar and indicates that the departments spending pattern has not changed. This is due to several issues which include reduced accruals, cost containment measures and continuous efficient spending to avoid unauthorised expenditure.

Preliminary expenditure trends for the first half of 2019/20

The department's budget for the current financial year is reduced by R40.8 million that is due to unfavourable performance on infrastructure projects. This reduction has translated to a 42 per cent spending by the end of the second quarter. In addition, there is low spending on the payment of Rates and Taxes which is due to misaligned financial periods between the department and the Municipalities.

The department is allocated a budget of R1 billion for rates and taxes which constitutes 31 per cent of the adjusted budget. During the first half of the financial year the department can only pay accruals on rates and taxes because 2019/20 related claims from the municipalities' will only be received from October due to the difference in alignment of financial year's.

Infrastructure in the current financial year has seen a decline in performance due to poor planning and initiation of projects. In future projects will be planned well in advance with approved Project Initiation Reports which are signed by both the HOD of the department and the Provincial Treasury.

Programme 1: Administration

The department has seen a significant reduction in the use of consultants accompanied by an increase in filling of posts with qualified personnel to ensure improved service delivery. This was due to the implementation of cost containment measures and has increased the allocation of resources to personnel to improve service delivery. To date the department has spent R200 million of the adjusted budget of R338 million.

Programme 2: Public Works Infrastructure

This programme is carrying the core function of the department, which is Infrastructure Development and Property Management and is allocated approximately 80 per cent of the departments' budget. The department has seen an improvement in the 30 days payment and management of the budget due to sufficient allocation towards Property Leases. The departments spending is affected by delays in submission of claims by the municipalities and poor planning of infrastructure projects. To date the department spent R1.1 billion of the adjusted budget of R2.7 billion.

Programme 3: Expanded Public Works

EPWP spent less than 5 per cent when compared to the previous financial year due to implementation of the Biometric system in all sites of the department to ensure accurate reporting and payment to beneficiaries. The implementation of this system has shown fewer beneficiaries being present due to a lack of physical verification. This will result in a reduced spending for NYS and Zivuseni in the future but will enable the department to improve planning in the future. To date the department has spent R145 million of the adjusted budget of R330 million.

6. Departmental Receipts

TABLE 15.9: DEPARTMENTAL RECEIPTS

Department	2018/19				2019/20		
	Audited Outcome				Actual Receipts		
R thousand	Adjusted appropriation	April 2018 - Sep 2018	April 2018 - Mar 2019	April 2018 - March 2019 as a % of adjusted appropriation	Adjusted appropriation	Apr 2019-Sep 2019	% change 18/19-19/20 Apr-Sep
Tax receipts							
Sales of goods and services other than capital assets	24 895	6 367	15 923	(36%)	26 289	8 118	28%
Transfers received				0.0%			
Fines, penalties and forfeits							
Interest, dividends and rent on land		4	62			12	200%
Sales of capital assets		1 108	1 391				
Financial transactions in assets and liabilities	655	234	1 054	61%	692	524	124%
Total	25 550	7 713	18 430	(28%)	26 981	8 654	12%

Revenue trends for the first half of the 2019/20 financial year

The department has been struggling to collect the expected revenue from its property portfolio due to the state of the buildings. Tenants do not agreeing to pay market related rentals because of the physical condition of the rented buildings. This resulted in an Exco decision to sell all non-core government properties.

The department is current in the process of evaluating the portfolio that is supposed to be sold as part of the second phase of this project that might result in increased collection which will be realised in the next financial year due to the process of selling of properties. This has resulted in the department not changing the projected revenue as reported in the beginning of the financial year.

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

Changes to transfer and subsidies

No changes.

Changes to Conditional grant

No changes.

Changes to Infrastructure

Please refer to the 2019/20 Adjusted Estimates of Capital Expenditure (AECE).

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